

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS DOCUMENT OR THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR BROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 IF YOU ARE RESIDENT IN THE UNITED KINGDOM OR, IF NOT, FROM ANOTHER APPROPRIATELY AUTHORISED INDEPENDENT FINANCIAL ADVISER, IMMEDIATELY.**

**Application is being made to the London Stock Exchange for New Ordinary Shares to be admitted to trading on the AIM market of the London Stock Exchange (“AIM”).**

If you have sold or otherwise transferred all your Existing Ordinary Shares in Pittards, please forward this Document and the enclosed form of proxy to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold only part of your holding, please immediately contact your stockbroker, bank or other agent through whom the sale or transfer was effected. Such documents should not, however, be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction.

---

# **PITTARDS PLC**

*(Incorporated and registered in England and Wales with registered No. 00102384)*

## **Proposed Share Capital Reorganisation Notice of General Meeting**

---

A letter from the Chairman of Pittards is set out on pages 7 to 10 of this Document which includes a recommendation of the Directors on page 10.

Notice of a General Meeting of Pittards to be held at 11.30 a.m. on 15 January 2014 at the Company's registered office is set out on pages 11 to 12 of this Document. Whether or not you plan to attend the General Meeting, please complete the enclosed Form of Proxy. To be valid, the accompanying Form of Proxy for use at the General Meeting should be completed, signed and returned in accordance with the instructions thereon to Capita Asset Services at PXS, The Registry, 34 Beckenham Road, Beckenham BR3 4TU as soon as possible and, in any event, so as to arrive by not later than 11.30 a.m. on 13 January 2014. The completion and return of a Form of Proxy will not prevent you from attending, speaking and voting at the General Meeting in person should you wish to do so.

Copies of this Document, which is dated 19 December 2013, will be available free of charge to the public during normal working hours on any weekday (except Saturdays and public holidays) from the registered office of the Company and from the offices of Capita Registrars for not less than one month from 19 December 2013.

## CONTENTS

Definitions	3
Expected Timetable of Principal Events	5
Statistics relating to the Consolidation Proposal	6
Letter from the Chairman of Pittards plc	7
Notice of General Meeting of Pittards plc	11

## DEFINITIONS

“Act”	the Companies Act 2006 (as amended);
“AIM Rules”	the rules for companies whose shares are traded on AIM, and their nominated advisers, as issued by the London Stock Exchange from time to time;
“AIM”	the market of that name operated by the London Stock Exchange;
“Articles”	the articles of association of the Company at the date of this Document;
“certificated” or in “certificated form”	a share or security which is not in uncertificated form (that is, not in CREST);
“Company” or “Pittards”	Pittards plc (registered under company number 00102384);
“Consolidation” or “Consolidation Proposal”	the consolidation of every 50 Existing Ordinary Shares into a New Ordinary Share to be effected on the terms set out in this Document;
“CREST”	the computerised settlement system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in the CREST Regulations) which facilitates the transfer of title to shares in uncertificated form;
“CREST Regulations”	the Uncertified Securities Regulations 2001 (SI 2001/3755), as amended;
“Directors”	the directors of the Company whose names are set out on page 7 of this Document;
“Document”	this document;
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST;
“Existing Ordinary Shares”	the ordinary shares of 1 pence each in the capital of the Company in issue immediately prior to the Consolidation taking effect;
“Form of Proxy”	the form of proxy accompanying this Document for use at the General Meeting;
“General Meeting”	the general meeting of the Company to be held at the registered office of the Company on 15 January 2014 at 11.30 a.m., notice of which is set out at the end of this Document;
“London Stock Exchange”	London Stock Exchange plc;
“New Ordinary Shares”	the ordinary shares of 50 pence each in the Company to be created following the Consolidation;
“Record Date”	6.00 p.m. on 15 January 2014;

“Resolution”	the resolution to be proposed at the General Meeting, details of which are set out in this Document;
“Shareholders”	the holders of the Existing Ordinary Shares on the register of members of the Company on the Record Date;
“Shares”	the ordinary shares of 1 pence each in the capital of the Company in issue from time to time prior to the date of the Consolidation;
“United Kingdom”	the United Kingdom of Great Britain and Northern Ireland.

All references in this Document to “£” or “pence” are to the lawful currency of the UK. All references to legislation in this Document are to English legislation.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

**2014**

Latest time and date for receipt of the Forms of Proxy	11.30 a.m. on 13 January
General Meeting	11.30 a.m. on 15 January
Record Date	6.00 p.m. on 15 January
Latest time and date for dealings in Shares	*4.30 p.m. on 15 January
Commencement of dealings in New Ordinary Shares	8.00 a.m. on 16 January
CREST accounts credited with New Ordinary Shares	16 January
Despatch of definitive certificates for New Ordinary Shares (in certificated form)	On or around 27 January
Payment (where applicable) in respect of sales of New Ordinary Shares arising out of aggregated fractional entitlements to New Ordinary Shares pursuant to the Consolidation	On or around 27 January

**Notes:**

- (1) \*All transfers must be settled by this date to qualify for the Consolidation.
- (2) If you have any questions on the procedure for lodging a Form of Proxy, you should contact Capita Asset Services, telephone 0871 664 0300. Please note that Capita Asset Services cannot provide financial advice on the merits of the Consolidation Proposal.
- (3) The dates set out in the timetable above may be subject to change.
- (4) All references to times in this Document are to London time.

## STATISTICS RELATING TO THE CONSOLIDATION PROPOSAL

Number of Shares in issue at the date of this Document	463,101,933
Conversion ratio of Existing Ordinary Shares to New Ordinary Shares	1 New Ordinary Share for every 50 Existing Ordinary Shares
Total number of New Ordinary Shares in issue following the Consolidation Proposal*	9,262,039

\* Based on the register of members of the Company as at close of business on 17 December 2013.

The current ISIN Code for the Shares is GB0006905201. Following the Consolidation, the ISIN Code for the New Ordinary Shares will be GB00BHB1XR83.

## LETTER FROM THE CHAIRMAN OF PITTARDS PLC

*Directors:*

Mr Stephen Boyd, *Non-Executive Chairman*  
Miss Louise Cretton, *Non-Executive Director*  
Mr Reginald Hankey, *Chief Executive*  
Mr Jan Holmstrom, *Non-Executive Director*  
Mrs Jill Williams, *Finance Director*

*Registered Office:*

Sherborne Road  
Yeovil, Somerset  
BA21 5BA

19 December 2013

Dear Shareholder

### **Proposed Share Consolidation Notice of General Meeting**

#### **1. Introduction**

The purpose of this circular is to provide you with details of, and the reasons for, the proposed Consolidation and to give you notice of the General Meeting at which the Resolution necessary to effect the Consolidation is to be proposed.

#### **2. Background to and reasons for the Consolidation Proposal**

The Directors of Pittards have today announced a proposal for the reorganisation of the share capital of the Company.

The Company currently has in issue 463,101,933 Shares which, based on the register of members of the Company as at close of business on 17 December 2013, are held by 1,526 Shareholders. The Directors are conscious that Shareholders with small numbers of Shares may find it uneconomic to trade them and that it can be impracticable to pay dividends to holders of small numbers of Shares. In addition, such a large number of Shares in issue places an administrative and cost burden on the Company which is disproportionate for a company of the size of Pittards. The Consolidation may also help to make the shares more attractive to investors, enhancing the ability of the Company to raise new equity, and may result in a narrowing of the bid/offer spread at which prices are quoted for trading the Shares on AIM, thereby improving liquidity.

The Directors therefore consider that it is in the best interests of the Company's long term development as a public quoted company and for Shareholders as a whole for there to be a more practicable number of Shares in issue.

The Consolidation Proposal is subject to Shareholders' approval at the General Meeting, notice of which is set out at the end of this Document.

The purpose of this Document is to provide Shareholders with details of the Consolidation Proposal and to explain why the Directors are unanimously recommending Shareholders to vote in favour of the Consolidation Proposal at the General Meeting.

#### **3. The Consolidation Proposal**

It is proposed that the Existing Ordinary Shares will be consolidated into New Ordinary Shares on the basis that every 50 Existing Ordinary Shares will become 1 New Ordinary Share.

Shareholders holding a number of Existing Ordinary Shares not divisible by 50 will be entitled to fractions of New Ordinary Shares. Please refer to paragraph 4 below for details of how the Directors propose to deal with all such fractional entitlements.

The Consolidation Proposal requires the passing of the Resolution at the General Meeting, which is to be held at 11.30 a.m. on 15 January 2014 at the registered office of the Company. If the Resolution is passed, the Consolidation Proposal will become effective immediately following close of business on that date and the New Ordinary Shares will commence trading in their consolidated form with effect from the next business day.

The minimum threshold for entitlement to receive New Ordinary Shares will be 50 Existing Ordinary Shares. As a result, if a Shareholder holds fewer than 50 Existing Ordinary Shares at the Record Date, he or she will not receive any New Ordinary Shares, but will be entitled to a fractional entitlement to a New Ordinary Share.

Any Shareholder who holds fewer than 50 Existing Ordinary Shares and wishes to retain an interest in the Company will need to acquire additional Shares so that the Shareholder's enlarged holding at the Record Date is divisible at least once by 50.

If a Shareholder holds more than 50 Existing Ordinary Shares at the Record Date, then, unless his or her shareholding is exactly divisible by 50, he or she will, following the Consolidation, own a whole number of New Ordinary Shares and will be entitled to a fractional entitlement to a New Ordinary Share representing that part of their current shareholding that is not divisible by 50. Any Shareholder who owns a number of Shares not exactly divisible by 50 may wish to consider buying additional Shares so as not to lose the value of any Shares which would give rise to a fractional entitlement.

Following the Consolidation, Shareholders will still hold the same proportion of the Company's ordinary share capital as before the Consolidation (save in respect of fractional entitlements). Other than a change in nominal value, the New Ordinary Shares will carry equivalent rights under the Articles to the Existing Ordinary Shares.

Following the Consolidation and assuming no further shares are issued between the date of this Document and the Consolidation becoming effective, other than pursuant to paragraph 5, the Company's issued ordinary share capital will comprise 9,262,039 New Ordinary Shares. No change in the total nominal value of the Company's issued ordinary share capital will occur; it will still be approximately £4.63 million.

Application will be made for the New Ordinary Shares to be admitted to trading on AIM and dealings in the New Ordinary Shares are expected to commence on 16 January 2014.

#### **4. Fractional entitlements to New Ordinary Shares**

As a result of the Consolidation, Shareholders holding a number of shares not divisible by 50 will be entitled to fractions of New Ordinary Shares.

The Directors propose that all such fractional entitlements to New Ordinary Shares are dealt with in the following way:

- (a) Shareholders who will have a fractional entitlement to a New Ordinary Share will not be issued with any fraction of a New Ordinary Share.
- (b) Instead, all such fractional entitlements to New Ordinary Shares will be aggregated with all other such fractional entitlements and sold in accordance with sub-paragraphs (c) to (e) below.
- (c) Upon the admission of the New Ordinary Shares to trading on AIM, the New Ordinary Shares arising out of the aggregated fractional entitlements described in sub-paragraph (b) above will be sold on behalf of the Shareholders entitled to the fractions.
- (d) The proceeds from the sale of the New Ordinary Shares arising from the aggregated fractional entitlements to New Ordinary Shares will be distributed pro rata to the relevant Shareholders save that any individual entitlement of less than £3.00 will be retained for the benefit of the Company.
- (e) Payments will be made in Pounds Sterling on a cheque drawn on a branch of a UK bank which will be posted, by first class post, to the person(s) entitled thereto at their own risk.

#### **5. Allotment of new Shares**

To effect the Consolidation, it will be necessary to issue an additional number of Shares so that the Company's issued ordinary share capital is exactly divisible by 50. In accordance with the authority granted to the Directors pursuant to resolutions passed at the Company's Annual General Meeting in May 2013, the Directors propose to issue such minimum number of additional Shares immediately prior to the Consolidation taking effect so as to ensure that at such time the number of Existing Ordinary Shares will be exactly divisible by 50. For example, if no other Shares were to be issued between the date of this Document and the date of the Consolidation, the Directors would issue 17 new Shares so that the total number of Existing Ordinary



Shares would be 463,101,950. These additional Shares would be issued to the secretary of the Company as the Company's nominee and since these additional Shares would only represent an entitlement to a fraction of a New Ordinary Share, this fraction would then be sold pursuant to the arrangements for fractional entitlements described above.

## **6. General Meeting**

The Consolidation Proposal must be approved by Shareholders by ordinary resolution at the General Meeting, which is convened by the notice set out at the end of this Document. Shareholders will be entitled to attend and vote at the General Meeting in accordance with the Articles. On a poll they will have one vote per Share held as at the Record Date.

## **7. United Kingdom taxation in relation to the Consolidation**

The summary in this paragraph is intended as a general guide only and is based on current United Kingdom tax law and HM Revenue and Customs' published practice. It applies only to Shareholders who are individuals resident, ordinarily resident and domiciled in the United Kingdom for tax purposes, who hold their Existing Ordinary Shares as investments and not on a trading account and are the absolute beneficial owners of such shares, and relates only to certain limited aspects of the UK taxation treatment of the Consolidation.

**The taxation position of certain Shareholders subject to special rules, such as dealers in securities, broker dealers, companies, insurance companies and collective investment schemes, is not considered and such Shareholders who are in any doubt about their tax position or who are subject to tax in another jurisdiction outside the UK should consult their own professional advisers.**

For the purposes of United Kingdom taxation, the position of each Shareholder will differ depending on whether or not they hold an exact multiple of 50 Existing Ordinary Shares.

For example, a holder of 60 Existing Ordinary Shares will be treated in accordance with paragraph (A) below in respect of 50 Existing Ordinary Shares and in accordance with paragraph (B) below in respect of 10 Existing Ordinary Shares.

### **(A) Treatment in respect of Existing Ordinary Shares which, following the Consolidation, give rise to whole New Ordinary Shares which are held by the Shareholder in question**

The Restructuring will be treated as a reorganisation of the share capital of the Company for UK tax purposes. Accordingly, the New Ordinary Shares will, for tax purposes, be treated as the same asset as the Shareholder's Existing Ordinary Shares and as having been acquired at the same time and for the same price as the Shareholder's Existing Ordinary Shares were acquired. There will be no disposal for capital gains tax purposes as a result of the Restructuring.

### **(B) Treatment in respect of Existing Ordinary Shares which, following the Consolidation, give rise to fractional entitlements to New Ordinary Shares and are then sold on behalf of the Shareholder in question**

Shareholders not holding an exact multiple of 50 Existing Ordinary Shares will have, immediately following the Consolidation, a fractional entitlement to a New Ordinary Share in respect of the portion of their Existing Ordinary Shares not divisible by 50 (in addition to any whole New Ordinary Shares). The New Ordinary Shares arising out of such fractional entitlements will then be sold on their behalf. This will constitute a disposal for tax purposes. The disposal will be subject to capital gains tax ("CGT"). This may, depending on the Shareholder's individual circumstances and the amount they paid for their shares, give rise to a chargeable gain or an allowable loss for CGT purposes.

In calculating any CGT they may have to pay on the disposal, the individual Shareholder may deduct their CGT annual allowance, if available (currently £10,900 for the 2013 – 2014 tax year), and any allowable losses. Any CGT payable on the disposal is payable through a self-assessment tax return for the tax year in which the purchase of the fractional entitlements is made and is payable by 31 January following the end of the relevant tax year (31 January 2015 for disposals in the tax year ended 5 April 2014).

## **8. Action to be taken**

Shareholders will find enclosed with this Document a Form of Proxy for use by them at the General Meeting.

Whether or not you are able to attend the General Meeting, you are requested to complete the enclosed Form of Proxy and return it to Capita Asset Services at PXS, The Registry, 34 Beckenham Road, Beckenham BR3 4TU as soon as possible and, in any event, so as to arrive by 11.30 a.m. on 13 January 2014. The completion and return of a Form of Proxy will not prevent you from attending the General Meeting and voting in person if you subsequently wish to do so.

You may call Capita Asset Services on 0871 664 0300 if you have any questions about the Consolidation Proposal. Calls to the 0871 664 0300 number cost 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide any financial, legal or tax advice.

## **9. Share certificates**

If the Consolidation Proposal is approved, new share certificates in respect of the New Ordinary Shares will be sent to relevant Shareholders whose Existing Ordinary Shares are not held in CREST, as soon as is practicable by pre-paid first class post. The new share certificates will be sent to the registered address of the holder or, in the case of joint holders, to the one whose name appears first in the register of members.

Share certificates for Existing Ordinary Shares will no longer be valid and should be destroyed once the new documentation is received. Until a holder of certificated shares receives a new share certificate, transfers of certificated shares will be certified against the register of members.

## **10. CREST**

For Shareholders whose Existing Ordinary Shares are held in CREST, CREST accounts will be credited with the New Ordinary Shares on the first day of dealings in the New Ordinary Shares.

## **11. Recommendation**

The Directors consider that the Consolidation Proposal is fair and reasonable and is in the best interests of the Company and its Shareholders as a whole. The Directors, therefore, unanimously recommend you to vote in favour of the Resolution.

The Directors intend to vote in favour of the Resolution in respect of their own beneficial holdings of Shares representing in aggregate approximately 6.1 per cent. of the total Shares in issue as at the close of business on the last business day preceding the date of this Document.

Yours faithfully

Stephen Boyd  
Non-Executive Chairman

## NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting (“**General Meeting**”) of Pittards plc (the “**Company**”) will be held at 11.30 a.m. on 15 January 2014 at the registered office of the Company for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as an ordinary resolution:

### ORDINARY RESOLUTION

THAT all of the shares of 1 pence each in the capital of the Company in issue as at 6:00 p.m. on the date upon which this Resolution is passed (“Existing Ordinary Shares”) shall be consolidated, converted into and redesignated as new ordinary shares of 50 pence each in the capital of the Company (“New Ordinary Shares”) having the same rights as the Existing Ordinary Shares, at a ratio of 50 Existing Ordinary Shares to 1 New Ordinary Share provided that:

- (a) where such consolidation results in any shareholder being entitled to a fraction of a New Ordinary Share, such fraction shall, so far as possible, be aggregated with the fractions of a New Ordinary Share to which other shareholders of the Company may be entitled; and
- (b) the directors of the Company be and are hereby authorised to sell (or appoint any other person to sell to any person), on behalf of the relevant shareholders, all the New Ordinary Shares representing such fractions to any person, and to distribute the proceeds of sale (net of expenses) in due proportion among the relevant shareholders entitled thereto (save that any fraction of a penny which would otherwise be payable shall be rounded up or down in accordance with the usual practice of the registrar of the Company, and save that the net proceeds of sale of such New Ordinary Shares representing such fractions where the amount of net proceeds to which any individual shareholder is entitled is less than three pounds (£3.00) shall be retained for the benefit of the Company); and
- (c) any director of the Company (or any person appointed by the directors of the Company) shall be and is hereby authorised to execute an instrument of transfer in respect of such New Ordinary Shares on behalf of the relevant shareholders and to do all acts and things as the directors consider necessary or expedient to effect the transfer of such shares to, or in accordance with the directions of, any buyer of any such shares.

**19 December 2013**

Sherborne Road  
Yeovil  
Somerset  
BA21 5BA

**By Order of the Board**

Jill Williams  
Company Secretary

Registered in England and Wales No 00102384

#### Notes

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and, on a poll, vote on their behalf at the meeting. A Shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. A proxy need not be a Shareholder of the Company. A proxy form, which may be used to make such appointment and give proxy instructions, accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Capita Asset Services on 0871 664 0300.
2. To be valid, any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the offices of the Company’s registrars Capita Asset Services at PXS, The Registry, 34 Beckenham Road, Beckenham BR3 4TU by no later than 11.30 a.m. on 13 January 2014.
3. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 5 below) will not prevent a Shareholder attending the General Meeting and voting in person if he/she wishes to do so.

4. To be entitled to attend and vote at the General Meeting (and for the purpose of the determination by the Company of the votes they may cast), Shareholders must be registered in the Register of Members of the Company at 6.00 p.m. on 13 January 2014.
5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for this General Meeting by using the procedures described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instructions, as described in the CREST manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent, Capita Registrars (CREST Participant ID: RA10), no later than 11.30 a.m. on 13 January 2014. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.
6. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
7. Any corporation which is a member can appoint a corporate representative who may exercise on its behalf all of its powers as a member.