

## How does Traidcraft's share system work?

Traidcraft plc has almost five million shares in issue, most of which are held by some 5,400 individuals. Whilst Traidcraft is a public limited company, it is not listed on any stock exchange. It is possible to buy or sell Traidcraft shares through a matched bargain service run by stockbrokers, Brewin Dolphin.

Traidcraft shareholders are not seeking to maximise their profits – indeed they were warned when buying their shares that profit was not our priority, and are choosing to deploy their capital for the social benefits that can be achieved through fair trade.

However, in some years we have been able to pay a modest dividend in line with the rate of inflation, meaning that our shareholders are not losing the value of their investment, and demonstrating to commercial companies that Traidcraft is operating in a commercially viable manner. 46% of our shareholders choose to donate their dividend to our charity, Traidcraft Exchange.

Brewin Dolphin maintain contact details of interested sellers and buyers and, charging a commission to both parties, put together bargains for the sale/purchase of shares. A guide price for the transaction will be provided but it is in fact possible to trade at a higher/lower price if buyer and seller are willing to do this.

The shares in Traidcraft plc are not listed on any stock exchange and are therefore deemed to be unquoted shares. As a consequence and because Traidcraft plc is principally a trading company, shares held by individuals should be eligible for Inheritance Tax Business Property Relief ("BPR") so long as they have been held for a minimum of two years preceding the death of the shareholder. Under current legislation BPR on shares, whatever the size of holding, is 100%. This means that the whole value of any Traidcraft shares at the time of death would be excluded in calculating the value of the deceased's estate for Inheritance Tax purposes.

The above note on taxation is based on our interpretation of existing legislation and HMRC practice up to and including the 2007 Finance Act. It is for guidance only and professional advice should be obtained before acting on any information therein. No responsibility can be accepted for loss occasioned to any person as a result of action taken or refrained from in consequence of this note's content.

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- [Back to index](#)