



# **The Auxilium Society CIC. Investing in Transformative Change Community & Social Impact Equity Investment Program**

## **Finding, Funding and Fostering a Better Future.**

### **Investment Document**

This offering consists of two individual documents,

- The Brochure and
- The Subscription agreement (Terms of the Offer).

*Note The Brochure is a marketing document only.*



# The Auxilium Society CIC Community & Social Impact Equity Program

## **IMPORTANT REMINDER TO READ THE SMALL PRINT**

Help us support underserved communities with honesty, integrity, and transparency by investing in Auxilium's Social Impact Equity program (CSIE), but please make sure you've read the small print! And ask yourself the following questions: Do I like it? Do I understand it? Can I afford it? You should only proceed if you can answer "yes" to all three of these questions.

Investment in Auxilium's CSIE has to be classed as a higher risk investment, returns are not guaranteed, and it is possible to lose some, or all of the capital invested. Therefore, please read and understand this Document and Terms of Offer before making a decision and seek independent financial advice if in any doubt. The principal risks are outlined in this Document, with your attention being drawn in particular to the risks of investment set out on pages 26 to 29.

## Important Notice

This Document (The Brochure and Subscription Agreement) is produced by the Auxilium Society CIC incorporated in England and Wales with registered number. **4862605**. This Document is solely for information purposes and relates to a private offer for the issue of up to 50,000 A Ordinary Shares in The Auxilium Society CIC (the "Company"), and has been issued by the Company. Reliance on this Document for the purpose of engaging in any investment activity is not advised and may expose an individual to risk of losing some or all the property or other assets invested.

The Company does not give any financial advice of any kind. Although the Company has taken all reasonable care, no responsibility is accepted by them for any reliance placed upon the information by investors. If you are in any doubt about the contents of this Document, you should contact your stockbroker, solicitor, accountant, bank manager or other professional adviser authorised under FSMA, who specialises in advising on investment in shares and other securities, including unlisted securities.

### Prospectus Requirement

The maximum raise under this offer is less than € 5,000,000 and consequently this document does not constitute an offer to the public requiring an approved prospectus under section 85 of FSMA. Accordingly, this Document does not constitute a prospectus for these purposes and has not been pre-approved by the Financial Conduct Authority pursuant to section 85 of FSMA.

### Financial Promotion

The information contained in this Document is confidential. It has been prepared by the Directors of the Company and forms part of a one off, real time, interactive dialogue to which one or more Directors are a party and during which the Directors are expecting to respond immediately to questions put by the recipient of the Document. It may not be retained or used for any other purpose.

It is made available to the recipient only on the basis that none of the information contained herein or subsequently supplied prior to or in connection with a proposed subscription for or other acquisition of shares or securities (including debt instruments) in the Company may be published, reproduced, copied or disclosed to any person other than the recipient and its professional advisers, nor used for any purpose other than for the purpose specified above, and on the basis that the recipient shall promptly return or destroy all material received from the Company (including without limitation this Document) and associated documentation, without retaining any copies.

The communication of this Document and the contents thereof is made to and directed at persons reasonably believed to be such persons as are referred to below and must not be passed on, directly or indirectly, to any other person in the United Kingdom:

- (a) professional clients or eligible counterparties as defined in the Conduct of Business Sourcebook ("COBS") forming part of the FCA's Handbook of Rules and Guidance.
- (b) retail clients who confirm that they will receive advice on the investments referred to in this Document from a financial adviser authorised and regulated by the FCA.
- (c) to the extent that the recipient is a retail client who does not fall within category (b) above, only clients falling within the following categories subject
  - i. certified high net worth investor in terms of COBS 4.7.9R;
  - ii. certified sophisticated investors in terms of COBS 4.7.9R;
  - iii. self-certified sophisticated investors in terms of COBS 4.7.9R;
  - iv. certified restricted investors in terms of COBS 4.7.10R; and
- (d) any person to whom the communication may otherwise lawfully be made.

All prospective investors are advised to consult an authorised person in terms of FSMA specialising in advising on investments of the kind

set out in this Document to assist in understanding and evaluating the risks involved.

The financial promotion restriction as set out in The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 does not apply to the communication of this Document to any recipient referred to above as part of a one off, real time interactive dialogue by the Directors of the Company.

This Document does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this Document and the offering of Securities in certain jurisdictions may be restricted and accordingly persons into whose possession this Document comes are required to inform themselves about and to observe such restrictions. Note: There are restrictions on its distribution in the United States of America, Australia, the Republic of Ireland, the Republic of South Africa, Canada, and Japan. Prospective investors should inform themselves of and observe all applicable laws and regulations including any taxation or exchange control legislation in the countries of their citizenship, residence, domicile, or such other status as may be relevant in connection with any subscription for A Ordinary Shares.

Please note that applications to subscribe for A Ordinary Shares should only be made, and will only be accepted, subject to the terms and conditions of the Offer and any applicable Final Terms.

### FCA Authorisation

This Document is an advertisement and not a prospectus. Investors should not subscribe for A Ordinary Shares in the Company as referred to herein except on the basis of the information contained in the Offer Document and the Terms of the Offer.

This Offer is not regulated by the Financial Conduct Authority. Investors will not have the benefit of the Financial Services Compensation Scheme and other protections afforded by FSMA or any of the rules and regulations made thereunder. In addition, Investors in the A Ordinary Shares offered by the Company may not have access to the UK Financial Ombudsman Service.

### General Risks of the Investment

You should carefully consider whether this is a suitable financial commitment for you to make in the light of your personal circumstances. Your attention is drawn to the Risks section in this Document, which details the risks relating to investment in the Company. All statements regarding the Company's business, financial position and prospects should be viewed in the light of the risk factors set out in The Risk section of this Document pages 26 to 29.

The Auxilium Society CIC is a Community Interest Company set up under schedule 3, (see page 11). The Company is an asset locked body, and certain restrictions apply to the distribution of the Company's profits and assets. The Ordinary shares are not listed and there is no intention that they will be listed or dealt in on any stock exchange. As such it may not be possible to sell or realise Securities issued by the Company. Being unquoted will make it difficult to sell or realise your investment or to obtain reliable information about its value or other risks to which it is exposed, and you may not get back the full amount invested. Investment in the Shares in the Company are intended to be for the long term (an absolute minimum of 3 years from issue). You are reminded Past performance is not necessarily a guide to the future and there is no guarantee that the investment objectives of the Company will be achieved. Your investment can fluctuate in price or value and may go down as well as up.

An investment into the A Ordinary Shares of the Company may not be suitable for all recipients of this Document. A prospective investor should consider carefully whether an investment into the Ordinary A Shares is suitable for them in the light of their personal circumstances and the financial resources available to them.

### Enterprise Investment Scheme (SEIS/EIS)

SEIS1 and EIS1 compliance certificates will, be submitted to HM Revenue & Customs for approval to issue Shares, in the first instance under the Seed Enterprise allowance Scheme (SEIS) and subsequently the Enterprise Investment Scheme (EIS), as set out in the Income Tax Act 2007, rules for issue of Shares, based on information disclosed. There is no guarantee that formal clearance will be achieved or that if granted will not be subsequently withdrawn. The availability of SEIS/EIS tax reliefs to an individual depends on that individuals' circumstances and may be subject to change. In addition, the availability of any tax reliefs depends on the Company maintaining its qualifying status. Investors are advised to take their own taxation advice.

Further information about SEIS/EIS is set out on page 20 (Enterprise Investment Scheme).

#### **Subscription Period**

The subscription list will open at 9.00 am on the date of this Document with Strike dates for allocation of shares set for the 28<sup>th</sup> day of each month. The offer will close when funds raised into the offer reach the annual EIS limit of €5,000,000 or the 5<sup>th</sup> April 2024 whichever ever is the earlier. The Directors may determine to close the offer at any time.

#### **Disclaimers**

The Auxilium Society CIC Limited has taken all reasonable care to ensure the facts stated in this Document are true and accurate in all material respects and that there are no other material facts whose omission would make any statement of fact or opinion in this Document misleading. All statements of opinion or belief contained in this Document and all views expressed and statements made regarding future events represent the Company's own assessment and interpretation of information available to it as at the date of this Document. None of the information contained in this Document or on which this Document is based has been independently verified by the Company or the respective Directors or any of their connected persons.

Prospective investors into the Company's Ordinary A Shares are warned that they are expected to undertake their own due diligence in relation to an investment in the Company. Although the Directors consider that factual statements herein are correct and that statements of opinion are reasonably held, neither they nor the Company will accept responsibility to prospective investors in relation to the reliance that such persons may place upon the content of this Document. Without qualifying such limitation, it is also clarified that where this Document contains information or representations acknowledged as originating from third party or publicly available sources, the Directors consider that the inclusion of such information is reasonable but claim no responsibility for its correctness in any circumstances.

Neither the Company, nor the Directors or connected persons accepts any liability or responsibility for, nor makes any representation or warranty, expressed or implied, with respect to the information contained in this Document or on which this Document is based or any other information or representations supplied or made in connection with any discussions and expressly disclaims any and all liability for, or based on or relating to any such information

contained in, or errors in or omissions from, this Document or based on or relating to the recipient's use of this Document.

Nothing in this Document is, or should be relied on as, a promise or representation as to the future. This Document includes certain statements, estimates and projections with respect to the future. Such statements, estimates and projections reflect various assumptions made by the Company that may or may not prove to be correct and no representation or warranty is given as to the validity of those assumptions. No representation or warranty is made by the Company, the Directors or connected persons or should be inferred, as to the accuracy or reasonableness of such statements, estimates or projections with respect to the future or as to the validity of the underlying assumptions or as to the future success or performance of the Company.

#### **Miscellaneous**

No broker, dealer or other person has been authorised by the Company or by any of its agents to issue any advertisement or to give any information or to make any representations in connection with the offering or sale of the Ordinary A shares contained in this Document and, if issued, given, or made, such advertisement, information or representations must not be relied upon as having been authorised by the Company or any of its agents. Statements made in this Document are based on the law and practice in force at the date hereof and are subject to changes therein. Neither the delivery of this Document nor the issue of Ordinary A Shares shall, under any circumstances, imply that there has been no change in the circumstances affecting any of the matters contained in this Document since the date of the Document.

In furnishing this Document, neither the Company nor any of the Directors or connected persons undertakes to provide the recipient with access to any additional information or to update this Document or to correct any inaccuracies therein which may become apparent after issue and the Company reserves the right, without prior notice and without giving cause, to terminate the proposals and the delivery of information at any time.

Recipients or their officers, employees, agents, and professional advisers should not contact employees, customers, agents, or suppliers of the Company in relation to the proposals described herein until and unless express permission to do so is given by the Company.

Prospective Investors should not treat the contents of this Document as advice relating to legal, taxation, investment or any other matters and are recommended to consult their own professional advisers concerning the consequences of their acquiring, holding, or disposing of the Ordinary A shares.

This Document is not a recommendation by the Company or any of the Directors or connected persons, and each recipient should make their own independent assessment of the Company and its business after making such investigation and analysis as they deem necessary. The delivery of this Document does not imply that the information contained herein is correct as of any time after the date hereof.

#### **Governing Law**

English law governs the issue, communication and terms of this Document and any disputes arising in relation to it will be subject to the exclusive jurisdiction of the English courts.

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## Welcome to our offer.

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Dear Reader,

We are delighted to welcome you to The Auxilium Society CIC (Auxilium)!

Auxilium, are on a mission to invest in the power of communities through helping, assisting, and supporting the Finding, Funding and Fostering of a better future for us all.

At a time when pressure is impacting the 3rd and 4th sectors like never before, and when appetite for impact investment is on the increase, we have launched Auxilium. We have created an innovative social impact business model and strategy that is SEIS/EIS compliant, and will deliver a competitive financial return, through geared and sustainable, positive social impact investments, in the communities we are set up to serve.

Through our own SEIS/EIS offering, we are seeking to raise up to £5m to launch and support a programme of Community & Social Impact Equity Investment projects (CSIE). Our goal is to change perceptions that doing charitable and good, does not preclude you from receiving a competitive financial return on your investment. We aim to provide “ordinary people” with access to interesting “alternative” investment opportunities, with the benefits of substantial, HMRC validated tax breaks typically denied to them. We provide direct impact investment into CIC’s, Charities, SMEs, 3<sup>rd</sup> and 4<sup>th</sup> sector organisations, through the provision of “new” sustainable sources of funding and support for good works being undertaken.

Please explore this offer and our website. Please, feel free to ask any questions you may have about our Community and our Social Impact Equity Investment Program (CSIE). We want you to understand the why, what, and how of our proposal, and to show you that at what ever level you can afford to be involved, you can help make a difference.

If you like what you see, you understand it and you can afford the commitment, we invite you to become a member and part of The Auxilium Society CIC and create your own legacy, by helping us to deliver on our mission to Invest in the power of communities by helping to Find, Fund and Foster a better future for us all.

Thank you for your time and interest.

The Auxilium Society CIC

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# The Auxilium Society CIC

## Our Mission.

**To empower individuals and organisations within underserved communities to Find Fund and Foster a better future.**

## Introduction & Overview

The Auxilium Society CIC, (Auxilium), is an innovative community interest company (CIC), that believes everyone can and should have the opportunity to make a positive social impact. We believe that everyone with in our communities have a right to realise their ambitions. We are committed to making a lasting impact on communities for the betterment of their members and society as a whole.

Auxilium has been created to provide a route for investment in Transformative Change – through a Community & Social Impact Equity program (CSIE) designed to provide a comprehensive range of support services, and resources to 3<sup>rd</sup> and 4<sup>th</sup> sector organisations; social enterprises, CIC's charities, small medium sized enterprises (SMEs), and individuals. We have a particular focus on those that operate with in the areas of education, health (mental health), environmental sustainability, equality, and accessibility.

By leveraging the Auxilium Society's strengths and connections, in business, consulting, grant seeking, new technologies, innovative funding and non-traditional financing abilities, we help identify and close gaps in available services for people and organisations often deemed ineligible or denied access to mainstream resources for various reasons. We look to collaborate with other CIC's, Charities businesses and other organisations to help with moving projects forwards that may be struggling to find seed funding or support form traditional sources.

We seek to maximise social impact and to generate a multiplier effect that can be felt by individuals, across businesses, local communities, and even entire economies.

At a personal level, Auxilium provides individuals with opportunities to invest into a business that is striving to create positive social change. This can lead to increased personal satisfaction, the creation of a personal legacy, as well as the potential for significant financial returns.

At the level of the individual the work Auxilium does will improve the quality of people's lives. At the Community level, our social impact investment strategy helps support local businesses and organisations that are working to create jobs and economic opportunities within local communities, while also providing social



benefits. At a national level we will help to support and grow businesses that are working to address pressing social issues, while also providing economic benefits. Finally, at an international level, Auxilium will help to support opportunities and businesses that create positive social change and promote economic development, while also connecting with global social movements and initiatives to help deal with global issues such as climate change, peace, and cooperation.

Auxilium's primary focus is to ensure that all persons, regardless of age, creed, credit rating or any other exclusionary factors, have access to opportunities to benefit from investment and opportunity that can have true lasting positive impact in their life and their communities.

Auxilium is dedicated to collaboration, to uplift and empower individuals and underprivileged communities, and to promote social and economic inclusion. We are looking for Auxilium to provide all stakeholders the opportunity to create positive legacies.

Auxilium has a team with significant experience and connections which have developed a simple robust business model, that through active involvement in projects, initiatives and programs help, assist and support, by providing access to financing, investment opportunities, technological solutions, and innovative practices. Auxilium helps "join the dots" to facilitate an environment with in which social, economic, and technological advancements, can create a sustainable positive impact on society, the productivity and conditions of our workforce, and the environment of our planet.

The Auxilium Society is open to anyone or any organisation that wants to be involved in, and /or wishes to work with and/ or invest into projects that have real positive social impact, and who share a vision to empower people to build better lives, healthier communities and to "Find, Fund and Foster a better tomorrow".



## Terms of the Offer

Auxilium is seeking to raise up to £5m to launch a programme of Community & Social Impact Equity Investment projects (CSIE) through the issue of up to 50,000 new Ordinary A shares in the Auxilium Society CIC (The Company and or Auxilium).

### Key Features

- Up to 50,000 new Ordinary A shares available for subscription at £100 per share.
- Initial 2,500 new Ordinary A Shares available under SEIS.
- Minimum Individual Investment is £1,000\* for 10 Ordinary A shares / TAPINTOME Subscribers minimum individual investment is £100 for 1 Ordinary A share.
- Increments of £100 (1 A Ordinary share).
- Maximum Individual Investment £300,000 (for 3,000 Ordinary A shares).
- Funds will be utilised in accordance with the memorandum and articles of association of The Auxilium Society CIC.
- No shares in Auxilium carry any preference.
- All investment in the company is at full risk.
- There is and cannot be a pre-agreed or guaranteed exit.
- No fees are charged to investors with 100% of funds being allocated to shares.

### Intended post raise share structure.

Ordinary A shares In Issue	52,500	(35%)
Ordinary B shares In Issue	97,500	(65%)
Total Ordinary Shares A&B	150,000	(100%)

The terms and conditions of making an application for Ordinary A Shares are more specifically described in the Application Form. **The Offer opened at 9:00 am on the Offer Commencement Date 6<sup>th</sup> April 2023.** Applications will be dealt with in order of receipt of a duly completed application and of cleared funds, initially to shares expected to qualify under the Seed Enterprise Investment Scheme.

An application has been submitted to HM Revenue & Customs for approval that the Company and its activities qualify under the SEED Enterprise Investment Scheme, based on information disclosed. It is anticipated that it will also qualify under the Enterprise Scheme, although tax clearance has been applied for, there is no guarantee that formal clearance will be achieved or where achieved, it will not be subsequently withdrawn. The Company will be required to submit an SEIS1/EIS1 compliance certificate to gain formal permission to issue shares under the SEIS/EIS schemes and will do this on a block basis. Additionally, no EIS shares will be issued until after the first 25,000 SEIS qualifying shares have been issued. Investors should note that the receipt and the value of SEIS/EIS tax benefits depend on the circumstances of the individual and the Company maintaining its qualifying status.

### Minimum Aggregate Subscription

The Minimum Aggregate Subscription under the Offer is £10,000 for 100 A Shares.

As at the date of this document this amount of funding has already been secured via an advanced subscription agreement. Ordinary A Shares will thus be allotted and issued on a first come first served basis

from the **6<sup>th</sup> April 2023**, at any time according to the receipt of properly completed and accepted Application Forms.

The Directors reserve the right to reject any application in whole or part or to scale back any application if subscriptions received by the Company are more than the Maximum Subscription Amount.

### **Closing Date**

The initial Offer **Closing Date will be 15th December 2023 at 5:00 pm**, unless extended by the Directors in their absolute discretion, or sooner when the Offer is fully subscribed.

The applicant's attention is drawn to the risk section pages 24 to 27 of this Document, which sets out how to find more details on UK tax and tax reliefs.

*\*By agreement with the Directors Applications received from members of Take A Punt Group Ltd with the appropriate offer code can apply for a minimum of 100 shares per investor which equates to £100 gross subscription.*

### **Use of Funds**

- Funds will be used for the operation of Auxilium and for deployment into appropriate projects that are within scope of the Companies Community & Social Impact purpose, where the Company believes they will have measurable positive Social Impact. Projects will be selected which allow Auxilium to fulfil its mission of Finding Funding and Fostering opportunities.
- Auxilium will create, own, and hold security interests and assets in its own name, and it will create and own Intellectual property rights and entitlements to revenues from those assets and business interests.
- These assets will provide security and income to the Auxilium Society CIC. The assets of the Company are subject to an Asset lock and dividend distributions are capped, as laid out by the CIC regulator under schedule 3.

Funds raised under the offer will be used to:

- Properly market and advertise the Companies pipeline of opportunities and this offer,
- Prepare legal documentation, contract paperwork, enhancement of the website, promotion, and marketing, including any costs of raising funds.
- Recruitment, staff training, contracting of appropriate service providers and personnel.
- Basic administrative and regulatory overheads as well as legal and accounting advice, licences, and grant applications
- Offer support to provide direct pitching opportunities for social enterprises, charities, and start-ups.
- Provide development funding and seed funding for social impact projects.
- Augment "matched funding" and sponsorship
- Create learning programmes to promote social entrepreneurship.
- Seek grant funding and sponsorship for both Auxilium, businesses and/or other entities.
- Provide startup business advice to those within our community.
- Create fundraising campaigns, offer preparation, staging events and providing training and resources.
- Foster creative content development
- Activities such as environmental protection, and R&D

- Develop a digital platform where the providers of social impact investment opportunities can meet those that are interested in Community & Social Impact Investment.

## **Additional Information about charges.**

The Auxilium Society CIC want to be open and transparent about any charges and to make sure all the information is provided to you upfront, so you can be confident there will be no hidden surprises later and that funds are being maximised and put to get maximum social impact.

### **Fees payable by subscribers**

**There are No Subscriber fees, or fees paid by Investors** in the Company. The Ordinary A Shares are being issued directly by The Auxilium Society CIC and it is the Company who will be responsible for paying any fees associated with the offer. All the fees related to this offer are set out below.

### **Fees payable by The Auxilium Society CIC**

The Company has made an allowance to pay for advice and professional fees, for due diligence and offer preparatory work, as well as the processing of applications.

Application admin is charged at a rate of 2% of gross subscriptions of funds raised as they are raised, capped at a total £25,000. This means on a full raise; the administrative costs of the offer and the application processing will represent 0.5% of total funds raised.

The Company has also made allowance for up to 10% of the total funds raised under this offer to be allocated as a marketing allowance. This will be used to cover the costs of promoting and administering both the offer, and Auxilium more generally, as well as covering running costs and fees paid for processing investor monies through payment platforms.

### **Transfers**

Auxilium reserves the right to charge a fee of the greater of £13 or 0.25% of the transfer value, as an administration fee to facilitate a Share transfer. This is to cover the administrative charges to register changes at companies' house. This fee is waived where a transfer is as a result of the death of a shareholder.

All fees are quoted exclusive of VAT, where applicable

## What is a Community Interest Company?

**To understand what a CIC is, we believe it is important to first know that a CIC is not a Charity, even though they do carry on charitable works.**

As a legal entity a community interest company (CIC) is a limited liability company, incorporated under the Companies Act 2006 by the Registrar of Companies with the specific aim of providing benefit to a community or communities. A CIC conforms to the same company and insolvency laws as other UK companies, but in addition it is regulated under the Companies (Audit, Investigations and Community Enterprise) Act 2004 (“CAICE Act 2004”) and the CIC Regulations 2005.

Unlike an “ordinary company”, stakeholder involvement is integrated into the CIC’s governance through an annual CIC report, and its memorandum and articles of association are subject to the regulation of its community purpose as is the use of its assets.

CIC’s tackle a wide range of social and environmental issues and operate in all parts of the economy, using business methods to achieve public good, which importantly includes making a profit. CICs have a distinct and valuable role to play in helping create a strong, sustainable, and socially inclusive economy.

The level of governance, the members rights, duties, and the statutory filing requirements, for a CIC all adhere to UK and European company law and guidelines, including rules on insolvency, accountancy, and governance, in exactly the same way as any other UK company.

CIC’s can be set up in three principal ways:

- as a private company limited by guarantee.
- as a private company limited by shares under schedule 2. This means profits may only be paid to asset-locked bodies, such as, a charity.
- as a private company limited by shares under schedule 3. This means a limited amount of profits may be paid to non-asset-locked bodies and stakeholders, if there is agreement of the members of the CIC to do so. Distributions are subject to a cap on distributions and an overall limit under an asset lock, the level of which is set by legislation.



## Our Founding Members & Initial Advisory Board

Chris Smith  
Jon Bowles  
Bernard Sparkes  
Michael Hayton  
Dean Goldberg

Our team have proven many times they have the skills, experience, and passion, to augment and empower projects, through significant strategic alliances with established third parties, that can bring vital, creative and technical expertise, resources and financial backing to the projects in which Auxilium becomes involved.

## What we do

Auxilium means Help, Support or Assist in Latin, and in short this is what we do.

We lead all our initial conversations with the simple questions as to:

- How can we help?
- What does somebody want or need?
- In what ways can we provide support and assistance?

Auxilium connects and collaborates with charities, CIC's, SEMs, 3<sup>rd</sup> and 4<sup>th</sup> sector organisations as well as individuals, seeking to help Find, Fund and Foster, those people, projects and businesses, by adding value to them and acting as a catalyst for getting projects done.

Auxilium was established as a CIC under Schedule 3, rather than as a Charity, in order to leverage the community and social impact of its input, through the creation of a sustainable business model. Auxilium not only invests in its own projects, but also works with others to generate profits, which are reinvested in our communities and economy - creating an ever-increasing ripple effect of sustainable positive change.

Auxilium's model is scalable and offers both measurable social impact and competitive investment returns to all stakeholders. We leverage innovative technologies, AI, R&D, tax reliefs, grants, and sponsorships to maximise returns and reinvest these returns. We are hands-on collaborators who only commit to projects where we can demonstrate that we add value.

## How we Do It

Auxilium's mission statement is To empower individuals and organisations within underserved communities to Find Fund and Foster a better tomorrow.

Our mission statement thus provides us with a simple three step process.

### Step one – Find

Auxilium identify key stakeholders and projects through our network of connections and our communities and involve them in the process of creating a social impact investment strategy and policy. We then bring resources and experience to bear, that can help projects to be developed, completed, and delivered. We strive to connect and collaborate, to join the dots, so as to work for the betterment of our communities and society as a whole. We firmly believe in the idea that the whole is far greater than the sum of the parts.

We find and discover projects through research and by raising awareness of The Auxilium Society CIC and our CSIE program. We are achieving this through social media, high profile events, collaboration with other networks and through word of mouth. We ask all our stakeholders to help us by following us and spreading the word.

## Step two – Fund

### **The Community and Social Impact Equity program.**

Despite the effectiveness of the SEIS and EIS government schemes in attracting funding to SMEs, CICs have largely ignored them (or have been ignored). This is likely due to a lack of access to the right knowledge, the perception that making a profit is incompatible with charitable works, and the fact that CICs are typically formed as companies limited by guarantee or schedule 2 limited by shares, making it difficult to provide an investment return to investors.

The Auxilium management team have the expertise and many years of experience of taking advantage of the various venture capital schemes offered by HMRC, and they understand the potential benefits they can bring to investors, communities, and society as a whole. Through the Auxilium CSIE program, we aim to help others to understand the potential of these schemes, and to provide investors with an alternative investment opportunity that offers a commercial rate of return as well as a positive and measurable community and social impact.

We believe there to be a significant opportunity for Auxilium to raise funding into itself and others. Auxilium's CSIE provides three principal ways in which the SEIS/EIS schemes can be utilised.

Firstly, Auxilium's raise of up to £5m under the scheme offers investors access to the generous tax benefits of SEIS/EIS, combined with knowledge that their investment is being used for creating a sustainable model for community and Social Impact investment. Auxilium will deploy the funds it raises, on a commercial basis, directly into a broad range of communities and projects, which will have measurable social impact. These deployments will be undertaken by being actively involved in a trade with the intention of making a profit. Auxilium will work with in the SEIS/EIS and CIC rules to distribute a proportion of profits back to investors, if they wish, whilst reinvesting "its share of profits" into future projects.

Auxilium will work with, and collaborate with existing CIC's and charities, the vast majority of which are not for profit, and currently are facing a squeeze on their traditional funding sources. Auxilium will provide these agencies with services, know how, and products in a way that will allow them to further their missions, whilst at the same time allowing Auxilium to be paid commissions and fees for provision of goods and services, thus providing an opportunity for a commercial return.

Secondly Auxilium will help others, through the spreading of awareness and provision of advice on the SEIS/EIS schemes, helping other qualifying businesses (CIC's SME's) to prepare for and enter into this marketplace themselves. Auxilium are creating a digital platform, on which people can list their offerings, and through which those interested in impact investment can discover opportunities and have access to being able to invest into them.

Thirdly Auxilium will provide education, training and access to individual investors and organisations seeking investment opportunities in the Community and Social Impact Equity Investment space. We can help on delivery of Corporate and Social Responsibility (CSR) programmes and we can offer "ordinary" individual investors accesses to a range of investments that they would normally be denied.

### Step three – Foster

We manage and build relationships. We join people together and we nurture our communities and society. We bring new assets and funding to projects at a time when resources are being cut. We help projects that are assessed as marketable and having positive social impact, but because of lack of funding may have stalled or exhausted their budgets short of final execution. We can also get projects that don't tick the traditional funding boxes out into the market.

Auxilium will help educate, and facilitate, provide skills and resources to social enterprises to help them raise funding through their own CSIE opportunities. Additionally, Auxilium will utilise funds to establish a low-cost Social Impact Equity Investment platform. This will be made available to our communities, charities, and social enterprises.

We will provide on going education programs and access to opportunities and investors, who may be involved in SEIS/EIS and the Peer2Peer lending markets, to provide additional choices as to where they invest their funds. By doing so we will create access to a whole new source of funding for Communities and a whole new range of Impact investment opportunities for investors.

Unlike other CIC's, Charities, donors, grant bodies and sponsors who simply provide funds as a commodity to projects, Auxilium will only participate where its involvement can add measurable value and enhance a projects outcome, and additionally where there is sustainable ongoing potential.

Auxilium will always seek to act for the benefit of ALL the stakeholders in a project, rather than simply providing money as a commodity in the form of a loan or grant without any influence or control over the financial, commercial, or social impact outcomes. The Auxilium Society CIC is setting out to grow, to allow it to leverage the resources and the capacity of the Auxilium Society and its community net work, to ensure associated projects are completed to a high standard and delivered to communities, to release capital for projects and generate new income streams. Most importantly of all is that we will deliver measurable impact and know that our involvement will magnify positive and sustainable social impact.



## The Opportunity

We are living in a time of unprecedented change and challenges. The pandemic, a war in mainland Europe, the global cost of living crisis, and climate change have all had a major impact on our world. This has created an incredible demand on the 3rd and 4th sectors, at the same time as traditional sources of funding are being squeezed.

Social Impact Investing has become a viable option for those looking to make a difference. The global social impact investment market was estimated to be worth \$500 billion in 2020, and it is predicted to reach over \$1 trillion by 2025. This surge in demand for investments that have a positive social impact has been particularly strong in the UK, and attitudes towards these types of investments have been overwhelmingly positive.

Auxilium's Community & Social Impact Equity (CSIE) program is a unique investment opportunity that provides "ordinary investors" with the ability to have a positive social impact and create personal legacies.

Through a bespoke digital platform, Auxilium will bring together disparate sources of funding to provide a streamlined and secure financing package for social enterprises, reducing the risk for all stakeholders. This represents a unique opportunity for investors to support community and social enterprises, while also generating a competitive return on their investment.

The UK Government have a series of venture capital schemes, one of which was Social Investment Tax Relief (SITR). This scheme was created to allow charitable organizations and CICs to access venture capital but was not widely used, and was not renewed beyond April 2023, as only around £3.5 million a year was being accessed through it.

SEIS/EIS however were extended in the budget. These schemes are also open for use by some CICs, but they are underutilized. Estimates from the Department for Business, Energy & Industrial Strategy (BEIS) suggest that less than 0.001% of CICs limited by shares under schedule 3 have used the SEIS scheme, with as few as 100 CICs using SEIS in in 2020. HMRC's figures place the total SEIS/EIS market in 2020-21 at nearly £2bn, with less than 1% of companies using the scheme being CICs. This presents a great opportunity for CICs such as Auxilium, that understand how to use and market the SEIS/EIS schemes to raise funds.

Auxilium's business model is designed to generate a gearing effect that can turn an initial £5m of investment into £25m to £50m (or more) over a 3-to-5-year period, by generating a profit and reinvestment of returning funds.

By way of example to give an idea of the size of some impact investments, Sustainable Capital has seen a successful return on their £20m investment in the Big Issue Group, an organisation that supports homeless people to become self-sufficient entrepreneurs. Big Society Capital's £40m investment into Reach, a charity that helps disadvantaged young people gain employment, has enabled Reach to reach more than 37,000 young people. The Goldman Sachs 10,000 Small Businesses project has created more than 15,000 jobs and The Nature Conservancy's NatureVest impact investing platform, has raised more than \$100 million in capital to conserve and restore natural habitats.

## How The Auxilium SEIS/EIS Offer Differs from the Norm

The scale of the opportunity for Auxilium's CSIE program can be further seen by comparing data from HMRC on the relative sizes of the SEIS/EIS market, the SISR market, and the Innovative Finance ISA (Peer2Peer) lending markets for the 20-21 tax year. In this year over £1.8bn was invested into the Enterprise Investment Scheme. Investment onto platforms offering Peer2Peer lending reached £365M, while just £3.5M, across 35 entities took advantage of SISR. The major difference in uptake between these schemes we believe is down to the way they are presented, and how, and to who they are presented.

The Auxilium CSIE whilst taking advantage of the SEIS/EIS venture capital schemes is not being pitched like most SEIS/EIS opportunities as providing the prospect for high capital returns. It is not looking to appeal to traditional venture capitalists and angel investors, rather it is looking to appeal to those looking for Social Impact Investment whilst taking advantage of SEIS/EIS tax benefits. Auxilium's CSIE is being pitched as an alternative way for people to fund good causes with out the need to give away their money in the form of a donation, (which potentially they can no longer afford to do) and to appeal to income investors who are already looking at riskier investments like Innovative Finance ISA;s and the Peer2Peer lending market. The fact that the Peer2Peer lending market is growing at 12% per annum and attracted 10 times more investment than SISR, despite it being a higher risk investment with out the benefit of tax reliefs sector, suggests that uptake is more about access and market awareness than anything to do with risk v's reward.

Auxilium through its CSIE program is seeking to provide a competitive rate of return through dividend payments, (which are taxed) into projects with potential Social Impact, that benefit from tax relief. Essentially as a CIC under schedule 3 it is possible to create an offering that on the surface, and in respect to potential returns, behaves more like an "unsecured bond" like a peer2 peer lending arrangement but because of the attractive tax reliefs underwriting the offer is essentially lower risk and has the potential of enhanced returns.

Auxilium's model ensures that all profits generated after administration costs, distribution of any allowed dividends and taxation, is redeployed into further projects. This creates a positive gearing effect on the amount of good works that can be carried out from an initial sum invested. We have conservatively calculated that the gearing effect of Auxilium will be between 3 and 10 times the initial gross funds invested over a 3 year period. Essentially this translates to every £1.00 of Gross capital invested is targeted with delivering £10 of investment into Community and Social impact projects.

## A few reasons to invest in Auxilium's CSIE program

- 1 **Financial Returns:** Investing in CSIE can bring significant financial returns,
- 2 **Tax Efficiency:** CSIE takes advantage of the HMRC SEIS/EIS Schemes and offers significant tax advantages to qualifying investors.
- 3 **Sustainable Solutions:** Investing in CSIE provides solutions to long-term and sustainable challenges, rather than relying on short-term fixes.
- 4 **Legacy and leverage:** The Auxilium CSIE program are designed to reinvest profits back into the communities it serves, producing a gearing effect, and creating a legacy.
- 5 **Positive Impact:** CSIE can have a positive effect on individuals, organizations, communities, and the global environment.
- 6 **Diversification:** CSIE can help diversify a portfolio, reducing risk and increasing potential for returns.
- 7 **Moral Ethical Considerations:** CSIE will allow investors to make a moral, ethical decision with their money, as opposed to simply chasing returns.
- 8 **Access:** CSIE will create a SEIS/EIS investment platform specifically for use by CIC's and other ventures that offer access to investment in Communities and Social Impact Equity Investment opportunities.

## Seed Enterprise Investment and Enterprise Investment Schemes (SEIS/EIS)

As a CIC limited by shares is nothing more than a limited company with special rules in regard to distribution of assets and profits, it benefits from being able to use the SEIS/EIS schemes, providing that it adheres to the rules of the respective schemes. The most important of these rules is that the tax reliefs are intended to support a trade, and funds raised therefore need to be utilised for the purposes of a qualifying trade(s) or relief will be denied.

### **SEIS/EIS Tax relief brief summary**

An investor can claim income tax relief at a rate of 50% on SEIS investment or 30% on EIS. The annual personal limits for investment are £200K SEIS per annum and £1M EIS per annum. Claims for relief can be carried back 2 years for SEIS and 1 year for EIS as well as be used in the current year. The reliefs granted cannot reduce the overall tax liability for the year to fall below £nil.

### **Capital Gains Tax Write (CGT) off or Deferral**

Under SEIS it is possible for an investor to claim a CGT write off at rate of 50% of the tax payable on gains made on any assets realized in the 36 months prior to the date of investment or with in 12 months of investment.

Under EIS there is the possibility to match the invested amount to capital gains made on any other assets in the preceding 36 month prior to, or 12 months following, the date of the investment. The tax on the matched gains is then deferred until the EIS investment is disposed of.

### **Capital Gains Tax freedom.**

Under SEIS and EIS if the investment has been held for at least three years any gains that are realized on sale, where income tax relief was granted and not removed are free of capital taxes.

### **Loss Relief**

If on disposal of shares at any time there is a loss net of tax relief, the investor can elect to offset any losses against their income tax liability or any capital gains liability in the current year or the previous tax year.

### **Inheritance tax (IHT) freedom (Business Property Relief (BPR))**

Most SEIS and EIS investments qualify as business assets after two years of ownership. Consequently, they benefit from BPR and fall outside of a person's estate with respect to Inheritance tax. This particular feature makes SEIS/EIS investments an excellent tool for inheritance tax planning.

Typically, most IHT plans rely on gifting and the use of trusts, with a 7-year timeline before assets are deemed to being outside a persons estate. BPR on a SEIS/EIS investment means that there is no need to gift (give away) an asset and the 7-year qualification period is reduced to just 2.

Any CGT liabilities are extinguished on Death as they convert to IHT. However, any CGT deferred through an EIS would after 2 years be extinguished on death as the asset falls outside of the persons estate.

It is possible for individual Investors to lose their SEIS/EIS tax reliefs by taking or not taking certain steps. **Investors are advised to take appropriate independent professional advice on the tax aspects of their investment.** Full details of the Qualifying Company Criteria and the tax reliefs available to Qualifying Investors can be found by going to: <https://www.gov.uk/business-tax/investment-schemes>

Please note that this document and link provide only a condensed summary of the taxation legislation and should not be construed as constituting advice, which a potential Investor should obtain from their own investment or taxation adviser before applying for Ordinary A Shares.

## Simplified Examples of the Auxilium Financial Model

To understand Auxilium's basic financial model we have provided below a simplified example of how underlying opportunities might work. The example shown is based on a real project which Auxilium is currently engaging with. Numbers have been rounded for ease of illustration. If you would like more details of this or any other projects, we will be happy to supply these on the signing of a non-disclosure agreement.

### Simplified Worked Example-Software Development for a Charity

#### Background

A Software Company has a potential Charity Client who needs a package that will cost £25,000 and take 3-4 months to deliver. Auxilium can acquire the package for £20,000 'up front' and can have delivery in 1-2 months. Auxilium intends to commission the software development and re-sell the completed package to the Charity for £25,000, with the Charity paying as funds are raised. The Charity will have the advantage of the software package to aid in their fund raising.

The simplified Cash flow for this transaction is as follow;

Auxilium raises	£20,000 from investment under an SEIS
Investor Gross Input	£20,000
SEIS tax relief to Investor	(£10,000)
Net cost of Investment	£10,000

£20,000 Used by Auxilium to commission and purchase Software.

£25,000 Is Price Auxilium Sells Software Package.

Auxilium receives back £25,000 which provides a Profit of £5000 (25%)

The CIC under schedule 3 can distribute dividends at a rate of no greater than the Bank of England base rate (currently 4.25%) plus 5%., subject to a maximum aggregate distribution of no more than 35% of the total distributable profits.

Distribution of £5000 profit (assuming 20,000 shares)

Gross profits	£5,000
Maximum Dividend distribution	£1,850 (9.25% per share)
35% aggregate asset lock	(£1,750) (8.75% per share is thus allowed)
Less Corporation tax @25%	(£1,250)
Net Profits Retained (redeployed)	£2,000

## Conclusion

All Stakeholders involved benefit. Charity gets software they need at an agreed price, sooner and benefit their stakeholders faster.

Software company benefit from being able to schedule work, making them more efficient, and to take on more work and employ more people.

Auxilium makes a gross profit of £5000 as a reseller. Investors can receive a dividend, HMRC receive £1250 in corporation tax, and Auxilium has a £2000 after tax profit, plus return of £20,000 which is then available for redeployment.

Projected forwards assuming funds were to be deployed on a similar basis twice in a year, over a 3-year period the result would be that the initial £20,000 (net £10,000) could provide a total of £120,000 worth of Social Impact spend. A Gearing effect of 6X the initial gross investment or 12X the net investment.

## Simplified Cash Flow from Investors Perspective Over 3 Years

A potential exit route for an investor is that the Company has the ability to buy back some or all of its shares from investors. The maximum purchase price under the CIC regulations is the nominal value plus any premium paid on subscription.

Gross Investment	£20,000
SEIS Tax Relief	£10,000 (a)
Gross Dividends* (3* £1750)	£5,250 (b)
Proceeds of share buy back	£20,000 (c)
Total Gross Return	£35,250 (a+b+c)
Profit	£15,250 (76.25%)

*\*Note Dividends are taxable with the rate of tax being determined by an individual circumstances.*

*The above is a simplified example it is not a forecast and is provided purely to illustrate the way the Auxilium Business model works.*

## Summary Financial Illustration for SEIS/EIS

For illustrative purposes the Directors have considered three scenarios as to the level of returns investors into Auxilium Society CIC might receive. These illustrations are based on the Company buying back its own shares after 5 years at a price of between 50% and 100% of the nominal value (subscription price). A Base Case scenario assumes a buy back value of £50 per share (50%) and an average dividend of 4% per annum being paid over 5 years. Mid Case assumes a share buy back at £75 (75%) and an average dividend rate of 5% per annum, and the High case assumes a share buy back of £100 (100%) per share and an average dividend rate of 6% per annum.

The tables below show the level of return based on the purchase of 100 Ordinary A Shares at a subscription price of £100 per share via the Offer and qualifying for SEIS/EIS tax reliefs.

### SEIS

	BASE CASE	MID CASE	HIGH CASE
Gross Investment	£10,000	£10,000	£10,000
Less income tax relief at 50%	(£ 5,000)	(£5,000)	(£5,000)
Net Cost of investment	£5,000	£5,000	£5,000
Investment proceeds	£5,000	£7,500	£10,000
Loss Relief*	£0.00	£0.00	£0.00
Total Dividends**	£2000	£2,500	£3,000
Total Return	£12,000	£15,000	£18,000
Profit return on initial investment	20%	50%	80%
Annual Flat Rate of return	4%	10%	16%

\*Assumes investor is a 40% taxpayer

\*\* Tax is potentially payable on dividends depending on the individuals' personal circumstances.

### EIS

	BASE CASE	MID CASE	HIGH CASE
Gross Investment	£10,000	£10,000	£10,000
Less income tax relief at 30%	(£ 3,000)	(£3,000)	(£3,000)
Net Cost of investment	£7,000	£7,000	£7,000
Investment proceeds	£5,000	£7,500	£10,000
Loss Relief*	£800	£0.00	£0.00
Total Dividends**	£2000	£2,500	£3,000
Total Return	£10,800	£13,000	£16,000
Profit return on initial investment	8%	30%	60%
Annual Flat Rate of return	1.6%	6%	12%

\*Assumes investor is a 40% taxpayer

\*\* Tax is potentially payable on dividends depending on the individuals' personal circumstances.

*The above returns are solely for illustration purposes and should not be viewed as a forecast or projection of future performance. The illustrations have not been audited and are subject to the Risk Factors set out in pages 22 to 26 of this Document. The tax treatment depends on the individual circumstances of the Investor and may be subject to change in future. The actual results and developments may differ materially from those expressed or implied by these statements by a variety of factors and accordingly, there can be no assurances that the projected results or developments will be attained.*

## Possible Exit Strategies

There is no guarantee or pre agreed exit strategy and the illustrations above are provided simply to illustrate one potential option.

The Directors intend to operate the Company in accordance with CIC regulations and to retain EIS qualifications. To retain any tax benefits, qualifying investors in the Company will need to remain invested for a minimum of 3 years from the issue date of their shares.

Options after the minimum qualification period, may include the buy-back of Ordinary A shares, transfer of Assets to another asset-locked body, conversion to a charity or simply continuing to hold the shares and receive dividends.

Distribution of profits via dividends is subject to Schedule 3 CIC rules, the CIC Asset Lock and a dividend cap. Fuller detail are available in the Memorandum and Articles of Association of the company. The maximum dividend payable is set by legislation at 5% over Bank of England Base rate, at the time dividends are declared. (BoE base rate at the time of writing is 4.25%).

## What to do next

Please read the Document fully before making any investment decision, paying particular attention to the risks set out on pages 24 to 27.

If you are in any doubt, seek the advice of an FCA-authorized financial adviser.

Only when you are happy that you **Like**, **Understand**, and can **Afford** to invest should you follow the steps below,

1. Complete a registration to become a member of the Auxilium Society CIC if you don't already have one, by using the code AUX 100 to create a profile at <http://www.tapinto.me/>
2. This will include telling Auxilium what type of investor you are and checking that you have understood the risks.
3. Complete your Subscription document at the level that you wish to fund.
4. Auxilium will then complete all the necessary ID checks.  
*It might be necessary to ask you for further information at this stage.*
5. Make your payment for your share subscription once your ID has been confirmed.

As a subscriber we will provide you with a 14-day 'cooling-off period' from the date of your subscription form, during which time you will be able to withdraw your investment. Funds will not be invested and share certificates will not be issued, until all the agreements required are in place. In *Pease note no SEIS1/EIS1 submissions for tax relief will be made until after cleared funds have been received.*

If you have indicated you wish to claim SEIS/EIS tax reliefs on your application, Auxilium will submit an SEIS1/EIS1 compliance statement to HMRC, and when we receive the SEIS3/EIS3 tax certificate we will forward this onto you or your representative, for claiming SEIS/EIS tax reliefs. This process can take a little while. The Inland Revenue current target is to turn around 90% of cases with in six weeks.





Auxilium will issue Share certificates and forward these with SEIS3/EIS3. You will be sent a physical and electronic copy of your Share Certificate, which will also be advised to Companies House through submission of a confirmation statement. Each notification of a change costs £13 per confirmation statement irrespective of the number of changes, so in the interests of efficiency and economy, Auxilium intend to submit share issue information to Companies house on a block basis.

### **What happens after the money is raised?**

You can log on as a “member of Auxilium” to the Auxilium and Take A Punt websites to review projects, opportunities and Events. The Company will also use the website and TAP members portal to post updates and news about the company, events, and shareholder meetings.

### **Contacts**

If you have any questions, ideas or suggestions we would love to hear from you, please email [info@auxiliumsocietycic.org](mailto:info@auxiliumsocietycic.org) or contact us through the members portal @ [www.takeapunt.group](http://www.takeapunt.group)

You may also find answers to your questions in the FAQs contained on the website. [www.auxiliumsocietycic.org](http://www.auxiliumsocietycic.org) or via the members portal @ [www.takeapunt.group](http://www.takeapunt.group)

## **Additional Information About the Company**

### **Articles of Association of the Company**

The Articles of Association of the Company comply with the CIC regulator and were adopted on the 30<sup>th</sup> November 2022. These are available for inspection at the Company’s offices during normal business hours on any business day or by searching on the Companies House website. [THE AUXILIUM SOCIETY CIC overview - Find and update company information - GOV.UK \(company-information.service.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/111111)

### **Litigation**

As far as the Company is aware, there are no legal or arbitration proceedings, active, pending or threatened against, or being brought by, the Company which are having, or may have, a significant effect on the financial position of the Company.

### **Working Capital and Liquidity**

In the opinion of the Directors, having made careful enquiry, and based on current trading, the working capital available to the Company after the minimum investment under the offer will be sufficient to cover basic overheads for a period of at least the next twelve months from the date of publication of this document.

### **General**

Save as otherwise disclosed in any subsequent Offer Document updates issued by the Company and referenced therein, there has been no meaningful changes in the trading or financial position of the Company after the publication of this Offer Document.

Save as disclosed in this Offer Document, the Directors are unaware of any trends, uncertainties, demands, commitments, or events that are likely to have a material effect on the Company's prospects for the current financial year.

The Directors confirm that the financial information disclosed in this Document has been prepared in accordance with the law applicable to the Company, and that they accept responsibility for it.

The Directors of Auxilium and whose names appear in this Offer Document, accept full responsibility for the information contained in this Offer Document. The Directors (who have taken all reasonable care to ensure that such is the case) believe that the information contained in this Offer Document is in accordance with the facts and does not omit anything likely to affect the importance of such information.

**Investing in shares in The Auxilium Society CIC should be considered a high-risk investment. If for any reason the Company fails to meet its initial targets or raise the funds required then Investors could stand to lose a significant part, if not all, of their investment. If Considering Investment, you need to be aware of the risks and capable of bearing the financial consequences of any losses**

## Risks

In addition to the information set out in this document, the following specific risk factors should be considered carefully when evaluating whether to invest into the Ordinary A Shares issued by The Auxilium Society CIC Limited.

If you are in any doubt about the contents of this document, or the action you should take, you are strongly recommended to consult a professional advisor, specialising in advising on SEIS/EIS and private equity.

The directors of The Auxilium Society CIC Limited (the “Directors”) believe the following risks to be significant for potential investors.

The risks listed, however, do not necessarily comprise all those associated with The Auxilium Society CIC Limited and are not intended to be presented in any assumed order or priority. The Auxilium Society CIC performance may be affected by changes in legal, regulatory and tax requirements as well as overall global financial conditions.

### **Not protected by the Financial Services Compensation Scheme**

As with other investments into an unlisted company, investment into the Ordinary A Shares of Auxilium are not protected by the Financial Services Compensation Scheme against loss.

### **The Company is less than 3 years old and has a limited operating history.**

The Company was incorporated on 07/12/2022 and has limited trading history.

### **Business Risk**

No assurances can be given as to the future performance of The Auxilium Society CIC and whether it will achieve its business objectives. Prospective investors should be aware when considering the past performance of the Company and the Directors that past performance is not a guide to future results. There can be no guarantee that the Company will be profitable in the future. Performance depends on many factors including the value of the assets, market conditions, any related costs, the timing, and management of the transactions, all of which may change over time.

### Management Risk

Whilst the CIC is governed by its Community Interest Statement and ALL members will vote on matters such as the distribution of profits, Investors may not have the opportunity to fully evaluate for themselves all relevant economic, financial, and other information regarding the Company and will be dependent on the judgment and abilities of the management. There is no assurance that the management will not make mistakes, accordingly, no person should invest in The Auxilium Society CIC unless willing to entrust the day to day running and conducting of the business of the Company to the management. Investors will not participate in the day-to-day management of the Company or day to day business decisions.

### Illiquid Asset Risk

The shares are not traded on any market and as such are an illiquid asset. There is a risk that Shareholders will not be able to dispose of their Shares to third parties. Therefore, it may not be possible to sell or realise The Auxilium Society CIC shares. The shares can not be bought back by the Company for any more than the nominal value plus any premium paid on subscription, which effectively caps their value. Additionally, the Company will not buy back in any event, any of its own shares while there are any shares in issue that have not achieved their 3 year SEIS/EIS qualification period.

### Risks relating to the SEIS/EIS qualifying status of the Company.

Investors are strongly advised to seek professional advice in relation to the taxation implications of an investment in an SEIS/EIS qualifying company. The taxation treatment depends on the individual circumstances of each Investor and may be subject to change in the future. There are circumstances in which an Investor could cease to qualify for the taxation reliefs offered by the SEIS/EIS. In addition, an Investor could cease to qualify for the SEIS/EIS reliefs if they received value from the Company during the period beginning one year before the Ordinary A Shares are issued and ending three years after the date of issue or from when the Company commences trading, if later. The Company will have no, or a very limited, trading history at the time of issue of the Ordinary A Shares.

The levels and availability of reliefs described in this Document are based upon legislation in force as at the date of this Document and there may be changes to SEIS/EIS legislation affecting SEIS/EIS reliefs available in

future or the SEIS/EIS reliefs may be subsequently withdrawn.

A sale of Ordinary A Shares by Investors within the three years after the date of issue will result in SEIS/EIS income tax relief made available upon investment in those Ordinary A Shares becoming repayable to HM Revenue & Customs, and any gains being subject to capital gains tax (both the gain on the disposal of the Ordinary A Shares and any gain deferred under CGT deferral/reinvestment relief).

If the Company ceases to carry on the business outlined in this Document during the three years after the date of issue of the Ordinary A Shares, this could prejudice its qualifying status under the SEIS/EIS. A failure to meet the qualifying requirements for SEIS/EIS could result in Investors being required to repay any SEIS/EIS income tax relief received on subscription for Ordinary A Shares and interest on the same, a liability to capital gains tax on a disposal of the Ordinary A Shares, and any deferred/reinvested gain crystallising.

Although the Company has applied for provisional approval from HM Revenue & Customs for the Company and its activities to qualify under the SEIS, there is no guarantee that either provisional or formal SEIS clearance will be agreed or that such agreement will not be subsequently withdrawn or that the Company will subsequently qualify under EIS. In those circumstances, subscription monies will not be returned to Investors. Returns to Investors will be lower if the Company fails to obtain SEIS/EIS tax relief or if it is subsequently withdrawn, in which case the SEIS/EIS income tax relief and CGT deferral/reinvestment relief referred to above would not be granted.

Under SEIS/EIS rules, the Company is required to have employed 100 per cent. of its net funds (after the deduction of issue costs in relation to the Offer) into its trading business within three years of the date that the Ordinary A Shares are issued. If the Company fails to employ this level of funds within the required deadline, the Company would be in breach of the SEIS/EIS regulations and tax relief may be withdrawn from Investors. As set out in detail above, this may result in the individual being required to repay any SEIS/EIS relief already claimed.

It is possible for Investors to lose their SEIS/EIS tax reliefs by taking or not taking certain steps. **Investors are advised to take appropriate independent**

### **professional advice on the tax aspects of their investment.**

Full details of the Qualifying Company Criteria and the tax reliefs available to Qualifying Investors can be found by going to:

<https://www.gov.uk/business-tax/investment-schemes>

**Please note that this document and link provide only a condensed summary of the taxation legislation and should not be construed as constituting advice, which a potential Investor should obtain from their own investment or taxation adviser before applying.**

### **SEIS/ EIS Qualifying status.**

#### **Trading**

The Auxilium Society CIC must meet the trading requirement under S257MJ throughout the whole of the 3-year qualifying period which is 3 years from the issue of SEIS/EIS shares. The requirement is only met if:

- the Auxilium Society CIC is a single company that is **not** a charity and:
  - any non-trade activities are merely incidental, and
  - any excluded activities do not form a substantial part of the overall business activities; or
- The Auxilium Society CIC is a parent company that is **not** a charity, and the business of the group as a whole does not consist to a substantial part in the carrying on of non-qualifying activities.

#### **Non-trading**

For the purposes of SEIS/EIS, non-trade activities are any activities other than those carried on in the course of a trade, or in the course of preparing to carry on a trade. This includes things like rental income, and other investment-type activities. Non-qualifying activities include anything that appears on the specific list of excluded activities at S257MQ.

Note: Dividends can only be declared if the Company is making a profit and has assets greater than on subscription, and whilst it is intended that dividends will be declared annually, the dividend allowance can be rolled forwards for 5 years. Tax is payable on dividends and Investors will be responsible for their own tax reporting.

### **Risks related to Investments in Small Businesses**

Investment in small companies carries greater risks than investment in larger companies. There can be no assurance as to how long it will take for the Company to invest all of the funds raised. The longer the period the greater the likelihood that the Company's results of operations will be materially adversely affected. Many factors outside the control of the Directors could influence the performance of the Company and Investors may therefore realise less than the original amount invested or lose their investment entirely.

#### **Project Range and Performance**

The Company plans to maintain its operations in its target communities and by launching products into new markets. These plans will place additional demands on the Company's management, customer support, marketing, administrative and technological resources. The Company's ability to cope with these demands may be impaired because the Company is still at a relatively early stage of its operations and development. Management cannot be certain that it will be able to successfully achieve or manage the Company's anticipated growth. If the Company is unable to manage its growth effectively, its business, financial condition or results of operations could be adversely affected.

#### **Estimations and Assumptions**

Where the Company have made estimates or projections of anticipated revenues, asset values, costs, or inflation these are based on what it believes to be reasonable at the date of this Brochure. These statements may involve known or unknown risks, uncertainties, and other important factors, which could cause actual performance to differ from those the Company expect. Whilst the Company believes that any predictions or forecasts given are reasonable and based on reasonable assumptions supported by data, they may be affected by risks and other factors not set out in this Brochure and therefore are not reliable indicators of future performance.

#### **Liquidity Risk**

There is a risk that the underlying projects take longer to return than planned and the Company will encounter difficulty in meeting its obligations associated with its financial liabilities.

The Company mitigates this risk in a number of ways through management of the Company's cash requirements in a manner to ensure the Company has sufficient liquid resources to meet its operating needs. The Company's business projections are based on fee

income generated on the provision of services, sale of goods, grants, and sponsorship. By getting involved with a diverse portfolio of projects both at the front and back end of the production process and mixing projects of differing sizes and durations, liquidity will be generated for the Company and in certain cases the Company may opt to sell on or refinance assets and the projects it is working on to create liquidity.

#### **Availability of suitable projects**

If returning funds are not able to be redeployed in a timely fashion the level of return the company can generate may not be sufficient to sustain the basic overheads of the Company.

#### **Risks relating to the trading nature of the Company**

The Company will be subject to the trading risks associated with the operation of a CIC and the projects in which it is involved. The income and capital returns received from such activities may fluctuate and there is no guarantee that the levels of income or capital return set out in this document will be achieved.

The existence of other operators in the same marketplace may impose restraints on the Company's ability to meet its financial and other targets, as may the performance of the Directors, key advisers or other persons associated with, or engaged by, the Company, whether through death, illness, misjudgement, or other factors.

The performance of the Company may be affected from time to time by factors outside the control of the Directors, such as changing laws, regulations and standards, economic environment, current events, positioning, pricing, sales, and distribution constraints in the various markets, changing public taste and a general slow-down in the demand for its products and services.

The past performance and experience of the management team are not a guide to the future performance of the Company.

There is no guarantee that the Company's business strategy will be successful. There can be no guarantee that the activities of the Company will result in a successful outcome or that revenues will achieve the levels projected or that costs will not prove to be higher than anticipated.

The Company currently outsources and will continue to outsource some services particularly where regulatory

approval is required. This could expose the company to higher costs and sub-optimal quality which may result in missed deadlines, supply or distribution disruptions, product non-compliance and reputational harm, all with potential negative implications on the Company results.

The Company will market products and services internationally and will be required to bear the risks resulting from international business including, without limitation, changes in exchange rates, international political issues, local and international legal and regulatory requirements, and difficulty in managing licensors and distributors and enforcing obligations, including payments in other jurisdictions.

Whether or not the Company is profitable and regardless of how much is raised under the Offer (subject to receipt of the Minimum Subscription), the Company is required to meet certain fixed costs, including administrative and operating expenses and advisory fees.

Unforeseen delays to schedules, implementation, availability of, illness of or injury to, key personnel, adverse weather conditions and other factors beyond the control of the Directors may result in the Company missing its intended delivery and marketing schedules and result in a delay to and/or reduction of the revenues available to the Company.

There is a risk that the Directors may not have realised or understood all of the risks associated with the business and trading activities of the Company and that there may occur an event or situation that has not been foreseen, or if foreseen, not understood by the Directors to represent a risk. If such an event should occur, there may be unexpected and unaccounted for outcomes. Possible outcomes may include that the revenues received by, or profitability of the Company are adversely affected or that returns to Investors are diminished or even completely extinguished.

#### **Dependence on key personnel**

The Company's future performance and success is substantially dependent on the continued services and continuing contributions of its Directors senior management and the strategic alliances they bring. Although the Company has agreed contractual arrangements to secure the services of the Directors, and the retention of these services cannot be guaranteed. The loss of the services of any of the Company's executive officers or senior management



could have a material adverse effect on the Company's business.

The Company's future success will also depend on its ability to attract and retain additional suitably qualified and experienced employees. There can be no guarantee that the Company will be able to attract and retain such employees, and failure to do so could have a material adverse effect on the financial condition, results, or operations of the Company.

#### **Summary**

The above risk factors are not exhaustive and do not purport to be a complete explanation of all the risks and significant considerations involved in Investing in the Ordinary A shares of The Auxilium Society CIC.

Accordingly, and as noted above, additional risks and uncertainties not presently known to the Directors or

that the Directors currently deem immaterial, may also have an adverse effect on the Company's business and prospects.

Investment into the Ordinary A Shares of The Auxilium Society CIC may not be a suitable investment for all who review this Document. Investors should take their own tax advice as to an Investment into The Auxilium Society CIC.

The value of the Ordinary A Shares may go down and you may receive back less than the full amount invested. In extreme circumstances, you may not receive any capital back at all. Losses on your capital may arise due to a combination of factors.

## Key Company Information

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Registered Office: & Trading Address	Northumbria House Samson Close Killingworth Newcastle Upon Tyne NE12 6DX
Company number:	14527821
Telephone:	0191-486 2605
Email address:	<a href="mailto:info@auxiliumsocietycic.org">info@auxiliumsocietycic.org</a>
Website	<a href="http://www.auxiliumsocietycic.org">www.auxiliumsocietycic.org</a>
Accountants and auditors	TBA
Bankers:	TBA
Legal Advisors	TBA
Socials	<a href="https://www.linkedin.com/company/auxiliumsociety">https://www.linkedin.com/company/auxiliumsociety</a> <a href="https://www.facebook.com/auxiliumsociety">https://www.facebook.com/auxiliumsociety</a> <a href="https://twitter.com/auxiliumsociety">https://twitter.com/auxiliumsociety</a>

### IMPORTANT INFORMATION

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