

BUSINESS AGENT LIMITED T/A NEXTCROWD & NEXTFIN (IN ADMINISTRATION) (the “Firm”)

9 April 2025

FREQUENTLY ASKED QUESTIONS (FAQs)

Important Notice

The Firm entered Administration on 8 April 2025. Administrators from specialist insolvency practice Beggies Traynor have been appointed to manage the Firm’s affairs, business and property.

These FAQs have been prepared with the current information available to the Administrators. The Administrators will continue to update these FAQs as and when required.

This document does not constitute legal, tax, financial or other professional advice. Investors should take advice from their own professional advisers before taking any action in connection with their investments.

Administrators’ contact information

Please do not call the offices of Beggies Traynor. The Administrators will provide updates via a dedicated website and further information should be sought in the first instance from <http://www.beggies-traynorgroup.com/nextcrowd>.

Should you wish to contact the Administrators directly please email nextcrowd@btguk.com.

Being alert to scams

We encourage you to be vigilant and to exercise caution when dealing with correspondence regarding the Administration of the Firm.

Please be alert to the possibility of fraud and scams. Caution should be exercised if you are encouraged or pressured to make a bank transfer to cover costs or fees and requested to provide certain personal information following an unauthorised or unsolicited call, email, or letter. If you receive any such communication, we advise you not take any action or engage with the sender or caller. There is no requirement for any investor to make a bank transfer to a third party to secure the transfer or release of their investments.

If you are in any doubt regarding the authenticity of the correspondence or communication you may have received, please contact the Administrators as soon as possible by emailing nextcrowd@btguk.com. This is the official line of communication for the Administration.

Support is available to all investors and further information on the Administration should be sought in the first instance from the dedicated webpage <http://www.begbies-traynorgroup.com/nextcrowd>.

Claims Management Companies (CMC)

For most investors there is little benefit in involving a third party to assist in making a claim for any losses suffered as a result of the advice you may have received. Promises from such third parties that by using their services you will be able to (a) recover any amounts you have invested more quickly; and/or (b) recover a higher percentage of your invested amount should be treated with caution. Please be assured that the Administration will be conducted in a client friendly manner. If you choose to engage a third party to assist in making a claim, please note that the third party is likely to seek a fee which may reduce what you get back.

What is Administration?

Administration is a formal insolvency process that typically lasts 12 months. It is generally used to maximise the value of assets and achieve a better outcome for creditors or enable a distribution to be made to one or more secured and/or preferential creditors. The procedure facilitates an orderly wind down of a firm's affairs.

What is meant by insolvency?

This is when a firm is unable to pay the people or entities it owes money too.

What is a creditor?

A creditor is any person or entity that is owed money.

What has happened to the Firm?

The Firm was incorporated on 18 December 2013. The principal activity of the Firm was to provide investment advice and arrange debt and equity deals through its online platform.

The Firm was authorised by the Financial Conduct Authority ("FCA") on 29 September 2015 and held permissions for:

- Credit broking
- Arranging deals in investments
- Making arrangements with a view to transactions in investments
- Agreeing to carry on a regulated activity

The Firm did not have permission to hold or control client money.

On 22 July 2024, restrictions were imposed on the business which prevented the Firm from undertaking any regulated activity. The restrictions were imposed due to several concerns with the operation of the Firm's business.

The Firm was reliant upon FCA authorisation to operate, and trading effectively ceased when restrictions were placed on the Firm. Due to the financial position of the Firm, advice was sought from Begbies Traynor which has resulted in the Administration.

Is the Firm regulated?

Yes – the Firm will remain authorised and regulated by the FCA despite its entry into Administration.

Are the FCA aware that Administrators have been appointed?

Yes – the FCA provided its consent to the appointment of the Administrators and will be kept informed of progress throughout the Administration.

Are the Administrators regulated?

The Administrators are regulated by the Institute of Chartered Accountants in England and Wales.

Which business does the Administration cover?

The Administration applies to Business Agent Limited t/a NextCrowd & NextFin only. The Firm has one wholly owned subsidiary, Wheatfromchaff Limited, which is not covered by the Administration and we are not able to advise on this business. Investors and creditors of any other business should speak to their usual contact.

Are you in contact with the Firm's management?

The Firm's management is actively assisting the Administrators and we are in regular dialogue with them.

I have invested in an Innovative Finance ISA (IFISA) – will the Administration impact on the tax-free status?

The Firm notified investors on 4 December 2024 that it was ceasing to be an ISA Manager. From that date investors had 30 days in which to transfer their ISA or IFISA to another HMRC approved ISA Manager to retain the tax wrapper on their investments.

The Firm subsequently ceased to be an approved ISA Manager on 9 January 2025.

Any ISA or IFISA accounts which remained with the Firm after 9 January 2025 are not valid and do not benefit from the ISA tax wrapper. All subscriptions made by investors are impacted irrespective of the financial year in which the investment was made. This means that all funds invested via an ISA or IFISA offered by the Firm will be treated as general investments and may attract tax charges.

Should any investor have questions regarding the tax on their investments, they may wish to contact HMRC or seek independent financial advice.

Will I still receive my initial capital and interest that I was expecting?

Business Agent Loan Note holders - investors in loan notes issued directly by the Firm will be entitled to make a claim in the Administration for any amounts they may be owed by the Firm. At this time, we are unable to comment on the prospects of investors of this type receiving any money back from the Firm.

Investors in company's raising money via the platform – you should liaise directly with the company in which you have invested to ascertain the prospect of receiving back your capital and any expected interest payments.

Are my investments protected by the Financial Services Compensation Scheme (FSCS) and what is the procedure to get my money back?

There are rules around who and in what circumstances FSCS protection applies. Please note that FSCS cannot compensate investors for poor investment performance alone, or for losses arising from an inability to sell assets or settle transactions. General guidance may be found on the FSCS website www.fscs.org.uk.

FSCS is not currently open to customer claims against the Firm. The FSCS are investigating whether there are likely to be any claims against the Firm that will meet the qualifying conditions for compensation and under the rules set for FSCS by the FCA. Customers should refer to the FSCS dedicated page <https://www.fscs.org.uk/making-a-claim/failed-firms/business-agent> for further updates.

It is completely free to make a claim for compensation with FSCS if you claim directly.

I complained about the Firm – what happens now?

Any complaints made to the Firm will be considered by the Administrators and those complainants will be entitled to make a claim in the Administration. Similarly, if you escalated a complaint to the Financial Ombudsman Service or FCA, you will be entitled to make a claim in the Administration and the Administrators will liaise with these entities as appropriate.

I think I am a creditor of the Company, what should I do regarding outstanding balances?

The Administrators will write to you in due course regarding outstanding balances and ongoing supply, however, please send correspondence to nextcrowd@btguk.com in the first instance.

When will I hear from the Administrators?

The Joint Administrators are required to report to creditors within 8 weeks of their appointment on 8 April 2025. This report will set out the Joint Administrators' proposals (the “**Proposals**”) for the Administration.

The Proposals will set out, amongst other things, the likelihood of creditors receiving any money back from the Company and the anticipated costs of the Administration process. At that time, we will issue a proof of debt form for creditors to complete and we will be seeking from the appropriate body of creditors approval for the basis of our remuneration and expenses.

Can I speak to the person in charge?

A dedicated mailbox has been set up for those affected by the Administration of the Company. In the first instance, we politely ask that you direct your queries to the email address nextcrowd@btguk.com.

This mailbox is being monitored by the Administrators staff and they will endeavour to answer your queries as soon as possible. However, due to the volume and similarity of certain queries being received certain queries will be addressed through updates on the Administrators' website.

Please monitor the website for latest updates at <http://www.begbies-traynorgroup.com/nextcrowd>. The Administrators will provide further updates once in a position to do so.