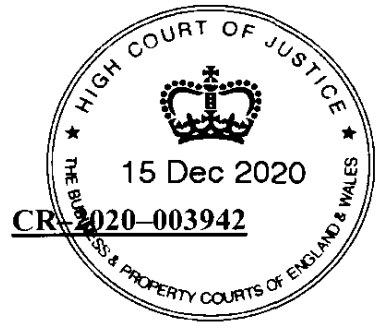


7/10/2020



IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY
COURTS OF ENGLAND AND
WALES
INSOLVENCY AND COMPANIES LIST (ChD)

CR-2020-003942

CR-2020-003942

Mr Justice Snowden

Tuesday 15 December 2020

**IN THE MATTER OF SUNBIRD BUSINESS
SERVICES LIMITED**

- and -

**IN THE MATTER OF THE COMPANIES ACT
2006**

TUESDAY



A24 15/12/2020 #19
COMPANIES HOUSE

ORDER

UPON THE APPLICATION by a Part 8 Claim Form dated 12 October 2020 of the above-named Sunbird Business Services Limited (the “**Company**”) whose registered office is at 5th Floor, 8 City Road, London, EC1Y 2AA (the “**Application**”).

AND UPON HEARING Andrew Thornton QC, Counsel for the Company and Mr Rupinder ‘Mike’ Bains (a creditor of the Company, in person) (“**Mr Bains**”), via Microsoft Teams

AND UPON READING the Part 8 Claim Form and the evidence

AND UPON THE COMPANY UNDERTAKING by Counsel to discharge in cleared funds by not later than 4 p.m. on Wednesday 16 December 2020 the outstanding costs order made by Deputy Insolvency and Companies Court Judge Agnello QC dated 5 August 2020 in the sum of £9,727.94 (consisting of the principal amount of £9,452.40 together with interest on that amount at 8% running from 5 August 2020 to the date of this Order (inclusive) amounting to a further £275.54)

THE COURT HEREBY SANCTIONS the Scheme as set forth in the Schedule hereto

AND IT IS ORDERED that:

1. The Company pay Mr Bains's costs of the Application in the sum of £500, such sum to be paid by 4 p.m. on Thursday 24 December 2020
2. A copy of this Order be delivered to the Registrar of Companies

A copy of this order has been provided to the serving party:

CMS Cameron McKenna Navarro, Olswang LLP, Cannon Place, 78 Cannon Street, London EC4N 6AF, Solicitors to the Company

SCHEDULE
SCHEME OF ARRANGEMENT
IN THE HIGH COURT OF JUSTICE **CR-2020-003942**
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)

**IN THE MATTER OF SUNBIRD BUSINESS
SERVICES LIMITED**
and
IN THE MATTER OF THE COMPANIES ACT
2006
SCHEME OF ARRANGEMENT
(under Part 26 of the Companies Act 2006)
between
SUNBIRD BUSINESS SERVICES LIMITED
and
THE SCHEME CREDITORS
(as hereinafter defined)

PRELIMINARY

In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings:

“Business Day”	a day, other than a Saturday or a Sunday or public holiday or bank holiday, on which banks are generally open for business in the City of London;
“Companies Act”	the Companies Act 2006 including any statutory modification or re-enactment thereof from time to time in force;
“Company”	Sunbird Business Services Limited registered in England and Wales with company number 09107183 with its registered office at 5th Floor, 8 City Road, London, England, EC1Y 2AA;
“Consideration Shares”	A1 Ordinary Shares of US\$0.01 each in the capital of the Company to be issued to Scheme Creditors pursuant to the terms of this Scheme;
“Court”	the High Court of Justice in England and Wales;

“Court Hearing”	the hearing by the Court of the claim form to sanction this Scheme under section 899 of the Companies Act;
“Court Meeting”	the meeting of the Scheme Creditors to be convened by order of the Court pursuant to section 896 of the Companies Act to consider and, if thought fit, approve (with or without modification) this Scheme, notice of which is set out in Part 7 of the Scheme Document, including any adjournment thereof;
“Court Order”	the order of the Court sanctioning this Scheme under section 899 of the Companies Act;
“Registrar of Companies”	the Registrar of Companies in England and Wales;
“Scheme”	this proposed scheme of arrangement made under Part 26 of the Companies Act between the Company and the Scheme Creditors in its present form or with or subject to any modification, addition or condition approved or imposed by the Court and/or determined by the Company;
“Scheme Creditors”	a Holder of Scheme Debt;
“Scheme Debt”	all loans, bonds and other debt set out in the Appendix to this Scheme together with all interest accrued and/or owing on such Scheme Debt at (a) the Scheme Record Time and (b) the Scheme Effective Date (as appropriate);
“Scheme Document”	the circular dated 29 October 2020 sent by the Company to the holders of Scheme Debt and persons with information rights, of which this Scheme forms a part;
“Scheme Effective Date”	the date on which this Scheme becomes effective in accordance with its terms;
“Scheme Record Time”	6.00 p.m. on the Business Day immediately following the date of the Court Hearing or such later time as the Company may determine;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland (and its dependent territories);
“Voting Record Time”	6.00 p.m. on the day which is two days before the date of the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. on the day which is two days before the date of such adjourned meeting.

References to clauses are to clauses of this Scheme and references to time are to London time.

Where the context so admits or requires, the plural includes the singular and vice versa.

1) As at the close of business on 16 December 2020:

- 1.1 The Company had 14,075,787 A1 ordinary shares of US\$0.01 each, 8,336,113 A2 ordinary shares of US\$0.01 each, 196,234 A3 ordinary shares of US\$0.01 each in issue and 5,100 C ordinary shares of US\$0.01 each; and
 - 1.2 there are currently no shares held by the Company in treasury.
- 2) As at the close of business on 16 December 2020, the Company's unsecured financial debt plus accrued interest amounted to US\$19,584,420, comprised of the unsecured financial debt set out in the Appendix to the Scheme:

THE SCHEME

1. RELEASE OF DEBT AND ISSUE OF THE SCHEME SHARES

1.1 Upon and with effect from the Scheme Effective Date:

1.1.1 the Company shall allot and issue to the Scheme Creditors 1 Consideration Share for every US\$0.33 of Scheme Debt held by them at the Scheme Record Time, which shares shall be allotted credited as fully paid; and

1.1.2 each Scheme Creditor irrevocably and unconditionally, fully and finally waives and releases and forever discharges all Scheme Debt.

1.2 For the avoidance of doubt, nothing in this Scheme shall affect or is intended to affect the rights of any Scheme Creditor against any person other than their rights against the Company. Without prejudice to the generality of the aforesaid, nothing in this Scheme is intended to affect, and shall not affect, the rights of any Scheme Creditor to recover the full amount of any Scheme claim from any third party guarantor.

1.3 No fractions of Consideration Shares shall be allotted to any Scheme Creditor and any fractional entitlement shall be disregarded in calculating the number of Consideration Shares to which a Scheme Creditor is entitled pursuant to clause 1.1 of this Scheme.

2. CERTIFICATES

With effect from and including the Scheme Effective Date:

2.1 share certificates in respect of the Consideration Shares shall be issued to the holders of Scheme Shares; and

2.2 appropriate entries shall be made in the register of members of the Company to reflect the conversion of the Scheme Debt into Consideration Shares with effect from the Scheme Effective Date.

3. EFFECTIVE DATE

3.1 This Scheme shall become effective upon a copy of the Court Order being delivered to the Registrar of Companies for registration.

3.2 Unless this Scheme shall become effective on or before 5.00 p.m. on 31 December 2020 or such later date and time (if any) as the Company may determine and the Court may allow, this Scheme shall never become effective.

4. MODIFICATION

The Company may consent on behalf of all persons concerned to any modification of, or addition to, this Scheme or to any condition which the Court may approve or impose.

5. GOVERNING LAW

5.1 This Scheme and any dispute or claim arising out of or in connection with it shall be governed by and construed in accordance with English law.

5.2 The courts of England shall have exclusive jurisdiction in relation to any dispute or claim arising out of or in connection with this Scheme.

Dated: 29 October 2020

**APPENDIX TO THE SCHEME
FINANCIAL DEBT OF THE SCHEMECO**

Creditor	Facility Name	Principal (USD)	Interest up to 16 Dec. 2020 (USD)	Total (USD)	Interest rate (p.a. unless stated otherwise)	Pre-default maturity date	Other
Creditor 1	3 Year Bond	819,047	196,100	1,015,147	9%	20/04/2021	See Note 2
Creditor 1	3 Year Bond with Put	200,000	18,000	218,000	9%	17/12/2022	See Note 3
Creditor 2	3 Year Bond	771,802	184,789	956,591	9%	20/04/2021	See Note 2
Creditor 3	Individual Revolver	573,900	35,236	609,136	9%	06/04/2021	See Note 4
Creditor 3	Loan Facility	535,152	153,993	689,145	20%	31/03/2020	See Note 5
Creditor 3	3 Year Bond	2,275,695	544,857	2,820,552	9%	20/04/2021	See Note 2
Creditor 3	Short Term Note	155,125	6,125	161,250	2.5% p.m.	21/03/2020	See Note 6
Creditor 3	3 Year Bond with Put	1,152,000	88,686	1,240,686	9%	31/01/2023	See Note 3
Creditor 3	Small Loans	136,104	-	136,104	N/A	N/A	Nil
Creditor 4	Individual Revolver	433,271	75,239	508,510	9%	06/04/2021	See Note 4
Creditor 4	3 Year Bond	317,684	76,061	393,745	9%	20/04/2021	See Note 2
Creditor 4	Zero Coupon Loans	471,000	-	471,000	N/A	N/A	Nil
Creditor 5	Individual Revolver	30,000	5,540	35,540	9%	19/07/2020	See Note 4
Creditor 5	3 Year Bond	368,257	78,921	447,178	9%	20/04/2021	See Note 2
Creditor 5	Zero Coupon Loans	416,250	-	416,250	N/A	N/A	Nil
Creditor 6	3 Year Bond	603,393	144,467	747,861	9%	20/04/2021	See Note 2
Creditor 7	3 Year Bond	43,363	10,382	53,746	9%	20/04/2021	See Note 2
Creditor 8	3 Year Bond	1,753,513	419,834	2,173,347	9%	20/04/2021	See Note 2
Creditor 9	3 Year Bond	520,904	124,717	645,621	9%	20/04/2021	See Note 2

Creditor	Facility Name	Principal (USD)	Interest up to 16 Dec. 2020 (USD)	Total (USD)	Interest rate (p.a. unless stated otherwise)	Pre-default maturity date	Other
Creditor 10	Individual Revolver	247,420	19,834	267,254	9%	11/04/2021	See Note 4
Creditor 11	3 Year Bond	520,904	124,717	645,621	9%	20/04/2021	See Note 2
Creditor 12	Bond	1,250,000	354,976	1,604,976	16%	02/09/2018	See Note 7
Creditor 13	3 Year Convertible Loan	150,000	56,225	206,225	12% cash, 8% PIK	02/08/2021	See Note 8
Creditor 14	Individual Revolver	1,000,000	68,795	1,068,795	9%	11/03/2020	See Note 4
Creditor 15	Individual Revolver	138,596	22,969	161,565	9%	20/06/2020	See Note 4
Creditor 16	3 Year Bond	38,809	9,292	48,101	9%	20/04/2021	See Note 2
Creditor 17	Individual Revolver	-	2,280	2,280	9%	20/12/2019	No outstanding capital
Creditor 18	Individual Revolver	-	183,319	183,319	2.5% p.m.	15/07/2019	No outstanding capital. See Note 11
Creditor 19	Loan Agreement	122,416	159,186	281,602	4% for 60 days	11/05/2019	Arrangement fee settled in equity
Creditor 20	Individual Revolver	66,894	67,616	134,510	0.75% p.m.	03/09/2018	See Note 9
Creditor 21	Unsecured Invoice Factor Loan	103,775	201,028	304,803	2% per 30 days, 1%	22/01/2019	Nil

Creditor	Facility Name	Principal (USD)	Interest up to 16 Dec 2020 (USD)	Total (USD)	Interest rate (p.a. unless stated otherwise)	Pre-default maturity date	Other
					arrangement fee		
Creditor 22	Individual Revolver	138,981	81,514	220,494	9%	27/10/2019	See Note 10
Creditor 23	3 Year Bond	104,688	25,065	129,752	9%	20/04/2021	See Note 2
Creditor 24	3 Year Convertible Loan	64,870	28,797	93,667	12% cash, 8% PIK	15/11/2021	See Note 8
Creditor 25	3 Year Convertible Loan	62,565	26,953	89,517	12% cash, 8% PIK	06/12/2021	See Note 8
Creditor 26	Individual Revolver	-	2,699	2,699	10% on capital only	01/05/2020	No outstanding capital
Creditor 27	Individual Revolver	307,341	16,975	324,316	9%	05/05/2020	See Note 4
Creditor 28	3 Year Bond	10,000	1,618	11,618	9%	20/04/2021	See Note 2
Creditor 29	3 Year Bond	10,000	1,618	11,618	9%	20/04/2021	See Note 2
Creditor 30	3 Year Bond	25,000	4,044	29,044	9%	20/04/2021	See Note 2
Creditor 31	3 Year Bond	10,000	1,618	11,618	9%	20/04/2021	See Note 2
Creditor 32	3 Year Bond	10,000	1,618	11,618	9%	20/04/2021	See Note 2

Creditor	Facility Name	Principal (USD)	Interest up to 16 Dec 2020 (USD)	Total (USD)	Interest rate (p.a. unless stated otherwise)	Pre-default maturity date	Other
	TOTAL	15,958,720	3,625,700	19,584,420			

1. Note: Sterling converted into US Dollars using the rate sourced from XE.com on 15 December 2020 equating to US \$1.33788 to £1.00.
2. Note: Bullet at 3 years. Investor's option to convert any amount of the Loan Notes upon a Relevant Fundraise (being the next \$1m equity fundraise) at a strike price of \$2.06. Upon any further fundraising after the Relevant Fundraise (where such fundraise is more than \$1m), the Investor has the option to convert any amount of their Loan Notes at a strike price of the market value of the shares pursuant to the fundraise less 15%.
3. Note: 9% interest accrued but non-compounding. The Company has the option to put to the Investor and convert the debt and all the accrued interest to date and to maturity at a 12% discount on the Series D subscription price (\$2.38). The Company can only exercise the put once a qualifying capital raise of \$400k or more has been completed. The Investor can exercise a call and convert the debt and all accrued interest upon the same raise at a strike price of the current market value of the shares determined pursuant to the fundraise less 10%.
4. Note: Interest accrues daily and shall be payable in cash or equity on Repayment or Prepayment date. Default interest of 2% per annum accruing daily paid monthly.
5. Note: Default interest of 3% per annum over the existing rate (compounding).
6. Note: 9-month term. Interest to be paid monthly on 28th of the month. 3% arrangement fee.
7. Note: Noteholders may elect to convert their notes upon the Company raising over US\$3,000,000 from an issue of shares to any person(s) (excluding any notes to be converted into shares). Default interest of 12% per annum accruing daily paid monthly.
8. Note: Interest payment every 1 July. Bullet at 3 years. Any Principal Amounts still drawn down can be converted to equity at the conversion price upon the point of expiry, break or a third party capital raise (where such fundraise is more than \$1m). PIK on the converting amount is cancelled at point of conversion. PIK on remaining balance of Principal Amount at PIK conversion price.
9. Note: Interest accrues daily and shall be payable on Repayment date or Prepayment date. Overdue interest of 2.5% p.m. accruing daily paid monthly.
10. Note: Two loans: a) Interest accrues daily and shall be payable quarterly. Overdue interest of 2.5% p.m. accruing daily; and b) interest accrues daily and shall be payable quarterly.
11. Note: Default interest of 3% per 30 days if not paid at maturity.