

**SWORN AFFIDAVIT**

**HS ADVISORY SERVICES (PTY) LTD**

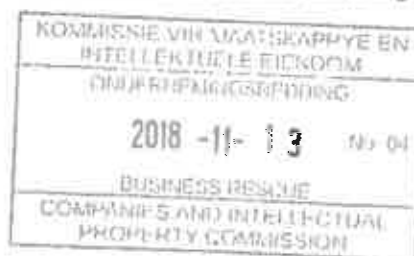
**REGISTRATION NUMBER 1999/020884/07**

I, the undersigned,


**NEILL MICHAEL HOBBS**

do hereby make oath and say that:

1. I am an adult male chartered accountant practising from the eighth floor, Letterstedt House, Claremont, Western Cape. I am also a business rescue practitioner and a director of HS Advisory Services (Pty) Ltd.
2. HS Advisory Services (Pty) Ltd operates as a bookkeeping, accounting and tax compliance business.
3. This business is distinct from the business Hobbs Sinclair Business Solutions (Pty) Ltd, a company which undertakes, *inter alia*, business rescue services.
4. On 11 April 2014, HS Advisory Services (Pty) Ltd, received a summons in respect of monies allegedly owing to a company Dotcom Trading 118 (Pty) Ltd in respect of services rendered to a company Wilenri Appliance Services (Pty) Ltd, of which I was the business rescue practitioner duly appointed on 21 May 2012.
5. The action was defended by HS Advisory Services (Pty) Ltd in the first instance, on the basis that there was never a contract between Dotcom Trading 118 (Pty) Ltd and HS Advisory Services (Pty) Ltd, and in the second instance that these services were never rendered.
6. The grounds for these defences, based on the guidance of our legal team, appeared sound and based on this legal advice we engaged in action to defend the matter.
7. Prior to the matter going before the court an offer of settlement was made by HS Advisory Services (Pty) Ltd, which offer was not accepted by the Dotcom Trading 118 (Pty) Ltd.
8. In late November 2017, the first defence, that there was no contract between Dotcom Trading 118 (Pty) Ltd and HS Advisory Services (Pty) Ltd, was argued in the High Court in Cape Town.
9. On or about 13 December 2017, the court ruled that a contract did exist between the parties.
10. Following this judgement, I approached Mr Mark Mans, the owner and director of Dotcom Trading 118 (Pty) Ltd, and once again proposed a settlement. This settlement offer was rejected.
11. Following the judgement, the company of December 2017, application was made for leave to appeal the decision of the high court. This application was subsequently denied.
12. The situation has now arisen, whereby costs with regards to the above court actions, which are currently being taxed, have been awarded against HS Advisory Services (Pty) Ltd.
13. Our repeated efforts to settle this matter have been unsuccessful.
14. Although the company does trade profitably on a day to day basis, the untaxed bill in the amount R 911 733 places the company in situation where it is financially distressed, commercially insolvent and it does not have the resources to continue defending this matter.



15. Under these circumstances, I believe the company should be placed into the hands of an independent Business Rescue Practitioner who will take charge of the company and develop a Business Rescue Plan to protect the interests of all affected parties, including the 27 employees who earn their livelihood from the company.
16. The company has traded successfully since its inception in 1999. The legal action against the company and the ruling of the High Court has been unexpected and out of the ordinary as it does not relate to the day to day activities of the company.
17. For this reason I believe that there is a reasonable expectation that the company can be rescued and the directors have resolved to place the company into business rescue with immediate effect.




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NEILL MICHAEL MOSES

Signed and sworn to by deponent at CAPE TOWN on this 13<sup>th</sup> day of November 2018, the deponent having acknowledged that he knows and understands the contents of this affidavit and the oath having been administered in the form and manner set out in government notice R1258 dated 23 July 1972, as amended by government Gazette notices are 1548 dated 19<sup>th</sup> of August 1977, R1428 dated 11 July 1980 and R774 dated 25 April 1982




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COMMISSIONER OF OATHS:

**BARON RICHARD TOY NAUDÉ**  
 Commissioner of Oaths, District of the Cape  
 Admitted Attorney  
 Skybound Capital (Pty) Ltd  
 7th Floor, Lattard House  
 cnr. Main & Campground Roads, Newlands, 7700

13/11/2018  
 CR 235393

KOMMISSIE VAN SWAAR EN AFLEEF EN  
 INTELEKTUELE EIENDOMME  
 ONTWERP/INNOVASIE EN  
 2018 -11- 13 NO. 01  
 BUSINESS RESCUE  
 COMPANIES AND INTELLECTUAL  
 PROPERTY COMMISSION