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Mysterious benchmark

TALK about sleight of hand. Now where did accountant PricewaterhouseCoopers get 170c a share as the benchmark for the bonuses paid to Corpcapital executive directors Benji Liebmann and Neil Lazarus?

The company's annual report says this was derived by comparison with the market price of 88c a share. But what does the share price have to do with net asset value, which is what shareholders should want the sale of their assets to achieve?

Barely months after three companies merged in 2001 into Corpcapital, the net tangible asset value was 308,4c. Shareholders have been told that, after their assets are sold, they can expect 287,5c a share.

So three-and-a-half years later, shareholders will have been handed 93,6% of the value of their company. That hardly smacks of excellent shepherding, especially given an environment of major growth.

On the basis of that PricewaterhouseCoopers benchmark, the executives went off with R11m each, of which their bonuses constituted R7,9m. By comparison, Standard Bank CE Jacko Maree collected R11,3m last year, while FirstRand CEO Laurie Dippenaar and Paul Harris, CEO of the banking group, earned a paltry R9,2m.

Bad weather

I UNDERSTAND that financier Mzi Khumalo has hit stormy weather with his development of a new five-star hotel in the Zimbali area of KwaZulu-Natal.

Contractor Stocks & Stocks, which bid R166m for the job (now thought to be anything between R180m and R200m) holds a guarantee for work valued at R40m.

This will have been used by end-March. What then?

Stocks executive Peter Posthumus confirms the firm "is working around the financial problems".

Apparently, the Independent Development Corporation is not willing to advance further funds, although Posthumus says he believes Khumalo has submitted another application for the assistance.

Well, well, what happened to that R1bn-plus that Khumalo extracted from the Simane deal with Harmony?