

Now investors at luxury Zimbabwe estate cry foul

TANIA BROUGHTON
AND COLEEN DARDAGAN

INVESTORS in a fractional-title ownership scheme in KwaZulu-Natal's upmarket Zimbabwe estate have cried foul after discovering that their "paid-up" villas remain bonded.

Now, in yet another scandal involving a luxury estate and a property company, forensic auditors have been hired to probe the books of Seeff/Golf and Leisure and to find out where the money has gone.

The Mercury reported this week about the financial troubles of KZN property tycoon Keith Wakefield. He and other directors in the Cotswold Downs Development Company stood surety for a

R40 million loan from First Rand Bank but have now agreed to judgment being granted against them.

They also agreed to the provisional liquidation of the company which will almost certainly result in losses for 126 investors who have not yet taken transfer of sites because the cash-strapped company could not pay the VAT.

Now, about 400 people who bought time in villas at Zimbabwe on the North Coast, Arabella near Hermannus and Sparrebosch in KwaZulu-Natal are also concerned about their investments.

According to a Moneyweb report, the investors bought the shares through Seeff/Golf and Leisure on the understanding that once all the investors' money was in, the villas—each owned by a dif-

ferent company—would be bonded free.

One investor told Moneyweb: "As we paid our shares, so the bond should have been paid. Seeff/Golf and Leisure was supposed to on-pay the money to the bank."

Seeff marketing manager Ted Frazer said yesterday that chairman Samuel Seeff and CEO Stuart Manning had initially held shares in the company but it had been run by Henry Greyling from 2007.

"We got word from a shareholder in early November that there was a bond on a villa which shouldn't have been there," Frazer said.

"It turned out that about 40 villas were affected and that loans had been granted between the companies that owned the villas."

Frazer said the franchise licence had been cancelled and an auditor appointed to probe 1 600 transactions.

At this stage, it appeared that about R30m was involved. KPMG had now been brought in and although Greyling had not yet given access to all the bank records, it was hoped that this would be resolved. Meanwhile, the bonds weren't being serviced.

"Samuel Seeff has met with two of the banks so far to discuss the issue," said Frazer. "They have agreed to hold off until the audit process has been completed... (Seeff) is meeting the remaining banks to discuss same. It is not easy to say what the solution will be. We need a true picture."

Last night, Greyling told The Mercury that he had provided his bank records in November reports Yusuf Moolah.

"All the information was given and I was later told it was no longer needed and asked to cancel the request," said Greyling, adding that he was willing to furnish the details again.

Of 16 villas at the Zimbabwe estate, half had bonds of between R1.1m and R2m, he said.

"The other villas never had bonds. The few that have were as a result of land being purchased and the villas needing to be built." Greyling, however, blamed Seeff for the debacle, saying that an audit had revealed that Seeff had allegedly been involved in inter-company loans of which he had been unaware.