

showed current assets of P222.57 million and current liabilities of P543.30 million giving a current liabilities position of P320.73 million.

3.0 Management letter

The following are some of the matters raised by the auditors and the management responses thereto:

3.1 BotswanaPost Account

The auditors noted, as in the previous year, a balance of P7.29 million in the BotswanaPost clearing account.

In response management stated that they engaged BotswanaPost on several occasions regarding the matter and it was not concluded. The Commission had decided to engage legally to settle the dispute as it was a dispute between the parties.

3.2 Standing Days of Cattle in Feedlots

The auditors noted, as in the previous year that 536 animals (2016: 1 235 animals) had been in the feedlots for more than 90 days, which exposed the Commission to loss of profit since standing fees and feeding cost were incurred for each animal on a daily basis.

In response management stated that the standing days for cattle was not necessarily 90 days but the 90 days was termed the average standing days which considered the following:

- Some cattle were taken out immediately after 40 days residency period while some were taken out at different times which fell within 120 days feeding period.
- The profitability of cattle was not determined by them being pulled out at 90 days but rather pulled out at a time within 40 – 120 days, provided such cattle were well finished to yield good weight and good grade.

Management further highlighted that there were instances beyond the Commission and the feedlotter's control that sometimes resulted in cattle standing beyond the average time, such as days spent by cattle in sick pens and veterinary issues, e.g. animals indicating that they were in wrong locations.