



**THE ECONOMIC SOCIETY
OF SOUTH AFRICA**
(EST. 1925)

Annual Report 2007

The Economic Society of South Africa

P.O. Box 73354
Lynnwood Ridge
0040
Pretoria

Tel: +27 12 420 3525
Fax: +27 12 362 5266

4-45 EBW Building
University of Pretoria
Pretoria 0002
South Africa

E-mail: saje@up.ac.za
Web: www.essa.org.za

Contents

	Page
1. Agenda for the 2008 Annual General Meeting	2
2. Minutes of the 2007 Annual General Meeting	3
3. Membership: 2006 and 2007	5
4. Council: 2007	6
5. Branch Secretaries: 2007	7
6. ESSA Prize Entries: 2007	8
• ABSA prize for Honours dissertation	
• Founders' medal for Master's dissertation in partial fulfilment of the degree	
• Founders' medal for Master's dissertation in full fulfilment of the degree	
• Founders' medal for Doctoral thesis	
7. Branch activities: 2007	10
8. Financial statements of the society and the journals for 2006 and 2007	14

AGENDA

for the 82nd Annual General Meeting of the Economic Society of South Africa

Date: Monday 13 October 2008

Time: 16h00

Venue: Wits Club, University of the Witwatersrand, Johannesburg

- 1 Welcome and apologies
- 2 Adoption of the agenda
- 3 Confirmation of the minutes of the Annual General Meeting held on 11 September 2007
- 4 Adoption of the Annual Report of the Council and the financial statements of the Society and of the journals for 2007
- 5 Election of auditors for the 2008 financial statements
- 6 Annual membership fees for 2009
- 7 Proposed constitutional changes
- 8 Prize winners for 2008
- 9 Any other business
- 10 Presidential address: Prof M. Leibbrandt

MINUTES

of the 81st Annual General Meeting of the Economic Society of South Africa

Date: Tuesday 11 September 2007

Time: 10h00

Venue: Kgotla, Indaba Hotel, Johannesburg

1 Welcome

Professor Parsons (President and Chair) welcomed all present to the AGM.

2 Agenda

The agenda was adopted without change.

3 Minutes

The minutes of the previous Annual General Meeting, held on 22 October 2006, were approved without change.

4 Annual Report

The 2006 Annual Report of the Council and the 2006 financial statements of the Society and the journals were approved.

5 Auditors

The current auditors (C. van der Merwe Inc.) were re-appointed as auditors.

6 Membership fees

The annual membership fee was raised from R400 (2007) to R420 (2008) in the case of normal members, and from R200 to R210 for students.

7 Prizes

The Society's 2007 prize winners, as determined by Council, were announced as follows:

ABSA prize for Honours essay

- **Burger, Cobus** (Stellenbosch)
Sample Selection Bias and the South African Wage Function
Supervisors: Mr RP Burger & Prof S van der Berg

and

- **Visagie, Justin Paul** (KwaZulu-Natal)
Estimating poverty in South Africa since the fall of Apartheid: An analysis of survey based versus national accounts based measures
Supervisor: Prof Dori Posel

Founders' medal for Master's dissertation in *partial* fulfilment of the degree

Owing to the late submission of the adjudicator's report, the prize announcement was deferred to the next Council meeting.

The medal was subsequently awarded to:

- **Hill, AJ** (Cape Town)
Industry Structure and Labour Market Flexibility in the South African Manufacturing Sector: A Time Series and Panel Data Approach
Supervisor: Prof Johannes Fedderke

Founders' medal for Master's dissertation in *full* fulfilment of the degree

No medal was awarded for 2007.

Founders' medal for Doctoral thesis

No medal was awarded for 2007.

8 Election of six Council members in terms of section 7(a)(iv) of the constitution

Six members were nominated and duly elected to Council, namely E. Gilbert, L. Kritzinger-van Niekerk, W. Viviers, M. Keswell, E. Loots and C. Luüs.

9 Expressions of thanks

Professor Parsons expressed his appreciation for the help and support from the outgoing Council and Executive Committee.

10 Presidential address

Prof RWK Parsons delivered the 2007 presidential address, entitled "After Mugabe: the Economic and Political Reconstruction of Zimbabwe".

MEMBERSHIP

as at 31 December

Branch:	Normal		Honorary		Lifetime		Pension		Student		Total	
	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007
Cape Town	38	34	1	2	4	3	3	3	16	20	62	62
Eastern Cape	19	20	0	0	1	1	1	1	21	9	42	31
Free State	19	15	0	0	0	0	3	3	2	5	24	23
Johannesburg	101	111	0	0	3	3	4	4	12	8	120	126
KwaZulu-Natal	25	25	0	0	0	0	2	1	3	1	30	27
Limpopo	12	13	0	0	1	1	0	0	0	0	13	14
North West	15	12	0	0	0	0	1	1	33	28	49	41
Pretoria	254	259	3	3	3	3	0	0	10	3	270	268
Stellenbosch	31	39	1	1	0	0	1	1	28	21	61	62
Foreign	7	7	0	0	3	3	1	1	0	1	11	12
Total	521	535	5	6	15	14	16	15	125	96	682	666

COUNCIL MEMBERS

2007

President: RWK Parsons
Vice-Presidents: FS Barker
L Kritzinger-van Niekerk

Elected / appointed in terms of the Constitution:

7 (a) (iv) W Viviers
C Luüs
R Baxter
E Masilela
J Fedderke
S du Plessis

7 (a) (v) PA Black
M Holden

7 (a) (vi) E Loots

7 (a) (vii) JH van Heerden
M Mnyande
M Keswell

Elected by branches in terms of 7 (a) (iii) of the Constitution:

Cape Town	M Leibbrandt	J Gerson
Eastern Cape	H Nel	CVR Wait
Johannesburg	R Cassim	J Luiz
Free State	F Booyesen	P Burger
KwaZulu-Natal	D Posel	R Dias
Limpopo	KSM Matjekana	A Gyekye
North West	M Matthee	W Krugell
Pretoria	C Harmse	FK Siebrits
Stellenbosch	BW Smit	SWF du Plessis

Secretary: P Perkins

Treasurer: AM Pretorius

BRANCH SECRETARIES

2007

Branch and Secretary	Address	Phone and Email
Cape Town Madalet Sessions	Investec Hans Strijdom Ave 36 Foreshore Cape Town, 8001	(021) 416 2000 madalet.sessions@investec.co.za
Eastern Cape Gavin Fraser	Department of Economics, Rhodes University, Grahamstown, 6140	(040) 602 2298 g.fraser@ru.ac.za
Johannesburg Alain Kabundi	Department of Economics University of Johannesburg PO Box 542, Auckland Park, 2006	(011) 489 2061 akabundi@uj.ac.za
Free State Antonie Pool	Department of Economics University of the Free State PO Box 339, Bloemfontein, 9300	(051) 401 3596 poolan.blms@ufs.ac.za
KwaZulu-Natal Rosa Dias	Department of Economics University of KwaZulu-Natal King George V Avenue, Durban, 4001	(031) 260 2311 diasr@ukzn.ac.za
Limpopo L Tala	School of Economics and Management University of Limpopo P/Bag X1106, Sovenga, 0727	(015) 268 2434 ltala@ul.ac.za
North West Jacqueline van der Merwe	School for Economics, Risk Management and International Trade, P/Bag X6001, North West University (Potchefstroom Campus), 2521	(018) 299 1444 jacqueline.vandermerwe@nwu.ac.za
Pretoria Krige Siebrits	Department of Economics UNISA PO Box 392, Pretoria, 0003	(021) 808 2234 krigesiebrits@sun.ac.za
Stellenbosch Sophia du Plessis	Department of Economics University of Stellenbosch P/Bag X1, Matieland, 7602	(021) 808 2247 sophia@sun.ac.za

Membership enquiries:

Mrs Titia Antonites, PO Box 73354, Lynnwood Ridge, 0040

Phone: (012) 420 3525

Fax: (012) 362 5266

Email: saje@up.ac.za

ESSA PRIZE ENTRIES

2007

See www.essa.org.za for further explanation and details relating to prizes.

See the 2007 AGM minutes (above) for a record of the 2007 winners.

ABSA prize for Honours dissertation

Burger, Cobus (Stellenbosch)

Sample Selection Bias and the South African Wage Function

Supervisors: Mr RP Burger & Prof S van der Berg

Redl, Chris (Wits)

Bank Credit and Investment in South Africa 1994 – 2004

Supervisor: Prof Simon Roberts

Visagie, Justin Paul (KwaZulu-Natal)

Estimating poverty in South Africa since the fall of Apartheid: An analysis of survey based versus national accounts based measures

Supervisor: Prof Dori Posel

Buss, Damon (Rhodes)

An analysis of South African equities: an asset pricing model approach

Supervisor: Mr Ebrahim Seedat

Van Biljon, Andrew (Cape Town)

The equity premium puzzle in South Africa

Supervisor: Dr Shakill Hassan

Founders' medal for Master's dissertation in *partial* fulfilment of the degree

Gebreselasie, Tewodros G. (Pretoria)

Modelling South Africa's Aggregate Export Using Gravity Equations

Supervisors: Prof Andre C. Jordaan and Prof Chris Harmse

Makrelov, Konstantin Hristov (Wits)

Determinants of Inequality in the Transition Economies

Supervisor: Dr Carola Gruen

Du Toit, Adriaan (Pretoria)

Quantifying the deterring impact of inflation on emerging market growth

Supervisor: Prof Reneé van Eyden

Steenkamp, Ermie Annelies (North-West)

The structure and content of undergraduate economics curricula offered by SA universities

Supervisors: Prof W. Viviers and Prof W. Naudé

Tsheole, Thapelo (Rhodes)

The demand for broad money (M2) in Botswana

Supervisor: Mr Meshach Aziakpono

Von Fintel, Dieter (Stellenbosch)

Rising unemployment in South Africa: an intertemporal analysis using a birth cohort panel

Supervisors: Mr R. Burger and Prof S. van der Berg

Hill, AJ (Cape Town)

Industry Structure and Labour Market Flexibility in the South African Manufacturing Sector: A Time Series and Panel Data Approach

Supervisor: Prof Johannes Fedderke

Founders' medal for Master's dissertation in *full* fulfilment of the degree

Molatsana, NEM (Pretoria)

The effect of structural change on the demand for shift work, with specific reference to the SA Clothing & Textile industry

Supervisor: Prof Martin Breitenbach

Founders' medal for Doctoral thesis

Chasomeris, Mihalis Georgiou (KwaZulu-Natal)

South Africa's Seaborne Commerce and Global Measurement of Shipping Costs

Institution: University of KwaZulu-Natal

Supervisors: Prof Merle Holden and Prof Trevor Jones

BRANCH ACTIVITIES

2007

Cape Town / Investec Forum (2007)

Mar 2007	Prof Murray Leibbrandt & Prof Servaas van der Berg & Mrs. Ilana Melzer	Poverty & Welfare In SA - What We Know, What We Need To Know About Poverty, And Where We Are Heading With Our Welfare System
Aug 2007	Mr David Lewis	A Forum In Honour Of Jos Gerson
Nov 2007	Dr. Christoph Leitl	Austria's Benefits From European Integration: Vienna The Hub For East And West
Nov 2007	Mr. L. Papademos	The Outlook For The Euro Economy
Nov 2007	Mr. Sean Nolan & Mr. Charles Collyns	The Regional Economic Outlook & The World Economic Outlook

Eastern Cape (2007)

27 September	Prof Murray Leibbrandt	Schooling as a Lottery: Racial Differences in School Advancement in Urban South Africa
5 October	Rowan Williams- Short	Some lessons for economists in financial markets" RU/ESSA postgraduate student conference (See report below)

Report on the Eastern Cape RU/ESSA Postgraduate Conference 2007

For the last five years, all Rhodes University economics honours candidates have been required to produce a mini research project in the form of an SAJE journal article. The results of their research have been presented in October of each year in a postgraduate economics conference. Students are required to present for 7 minutes, with 5 minutes for discussion afterwards. Members of the honours class chair sessions.

In 2007 the guest speaker was Mr Rowan Williams-Short, of Orthogonal Investment in Cape Town. All together, 64 papers were presented at the conference. Each paper was allocated a lead-in student discussant, who put some questions to the speaker. Feedback on the conference, received via evaluation questionnaires, was overwhelmingly positive. On behalf of the Rhodes University Economics Department staff and especially the Rhodes, Fort Hare and NMMU student participants, we would like to thank ESSA very much for their conference sponsorship and hope that we can continue to work together in the future.

Free State (2007)

13 April	Lizelle Janse van Rensburg, University of Free State (UFS)	Modelling South African House Prices: A bubbly story or not? AND Metropolitan house prices in South Africa: Do they converge?
20 April	Marina Marinkov, University of Free State (UFS)	Analysis of inflation in South Africa
4 May	JP Geldenhuys, University of Free State (UFS)	Health sector reform and equity in post-apartheid South Africa
17 May	Prof Philip Black	Foreign Direct Investment (FDI): What Is It?
27 July	Antonie Pool, University of Free State (UFS)	Poverty and migration in the context of the social transformation in South Africa
3 August	Johan Coetzee, University of Free State (UFS)	Financial intermediation and the role of information in banking
31 August	Jess de Beer & Nico Keyser, University of Free State (UFS)	Macroeconomic forces, political changes and stock market performance on the JSE: a historical perspective
7 September	Annelize Booysen-Wolthers, University of the Free State (UFS)	The development status of women in South Africa: patterns, progress and profiles
14 September	Karlien Kitching, University of Free State (UFS)	Price discrimination: the issue of equivalent transactions
26 October	Ivan van der Merwe, University of Free State (UFS)	Challenges Related To Preservation of Financial Stability: Early Warning Systems
23 November	Arno van Niekerk, University of Free State (UFS)	Africa's marginalisation and global economic governance

Johannesburg (2007)

7 August	Prof Raymond Parsons	ASGISA and JIPSA: enough to reach SA's growthmanship ambitions?
6 December	Dr Rashad Cassim	Economic policy and statistical measurement in South Africa

North West (2007)

The North West branch hosted several speakers, both local and international, during 2007. These included amongst others Prof Ludo Cuyvers from Antwerp University, Gary van Vuuren from Feature Ratings, Rudolf Gouws from RMB and Lulu Krugel from KPMG. Topics ranged from international trade, wage issues and financial risk assessment to the economic outlook for South Africa. Further speakers addressed the branch during August regarding career opportunities for economics students, and the annual post-graduate colloquiums (Honours and Master's) focused on issues such as non-economic quality of life, local government capacity, factors impacting on banking risk and trade models with neighbouring countries.

Pretoria (2007)

21 February	Prof Matthew Lester	The 2007/08 Budget
24 May	Prof Raymond Parsons	Unlocking South Africa's growth and development potential (Annual General Meeting)

Stellenbosch (2007)

12 February	Prof Jan van Heerden (UP)	Water taxation modelling using CGE
15 February	Prof Steve Koch (UP)	An empirical examination of alcohol and tobacco expenditure in South African households
19 February	Prof Stan du Plessis & Wimpie Boshoff (SU)	Anti-cyclical policy and fiscal rules in SA
26 February	Prof Grietjie Verhoef (UJ)	Why Economic history?
27 February	Valerie Cerra (IMF)	Growth dynamics: the myth of economic recovery
1 March	Leslie Lipschitz (IMF)	Macroeconomic policy and capital markets
5 March	Linda Zuze (SU)	Gender equity in Mathematics achievement in East African Primary schools: context counts
6 March	Boriana Yontcheva (IMF)	Does foreign aid reduce poverty? Non-governmental and bilateral aid.
12 March	Prof Arne Heise (University of Hamburg)	How to create a growth-oriented market constellation for South Africa: A case for Post-Keynesian macroeconomic policy
19 March	Prof Zane Spindler (Simon Fraser University)	Lessons from Asia on democracy and economic policy. Asian Tiger versus Non-Tiger economic policies
22 March	Prof Deirdre McCloskey (University of Illinois in Chicago)	Signifying something: a reply to Hoover and Siegler on statistical significance

26 March	Prof Andrie Schoombee (SU)	Interest rate ceilings in South Africa: In the best interest of small loan users?
16 April	MN Nepembe & Prof Philip Black (SU)	FDI: what is it?
23 April	Wimpie Boshoff (SU)	Cigarettes, price elasticities and GETS
30 April	Prof Basil Moore (SU)	Is saving really volitional?
7 May	Prof Philip Black & Ronelle Burger	Searching for love: is there a case for a matchmaker?
14 May	Rulof Burger (SU)	Labour force participation
30 July	Rulof Burger (SU)	The sudden increase in the South African participation rate: investigating the role of changes in schooling policies and the improved capturing of informal sector employment
6 August	Prof Stan du Plessis & Dr Sophia du Plessis (SU)	A new and direct test of the 'gender bias' in multiple-choice questions
13 August	Prof Philip Black (SU)	Alcohol taxes versus preventative measures: welfare implications
17 August	Dr Eric Strobl (Ecole Polytechnique, France)	Rainfall trends and economic growth in Africa : A neglected cause of the growth tragedy
20 August	Prof Estian Calitz & Johan Fourie	Infrastructure in South Africa: who is to finance and who is to pay?
24 August	Prof Don Ross (University of Alabama, USA & UCT)	Integrating the dynamics of multi-level economic agency: Picoeconomics and Neuroeconomics
27 August	Dr Pierre de Villiers (SU)	Effect of change in state funding of higher education on higher education output in SA
3 September	Prof Ben Smit (SU)	Current account sustainability
17 September	Johan Fourie & Wimpie Boshoff	Ship traffic and the economy of the Cape colony
1 October	Johannes Gräß (Georg-August Universität Göttingen)	Robust multi-period poverty comparisons
8 November	Giorgia Albertin (IMF)	Will a regional bloc enlarge?

THE ECONOMIC SOCIETY OF SOUTH AFRICA
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 December 2007

CM Auditors Incorporated
Chartered Accountants (SA)
Registered Auditors

The Economic Society of South Africa
Annual Financial Statements for the year ended 31 December 2007

Index

The reports and statements set out below comprise the annual financial statements presented to the council:

Index	Page
Council's Responsibilities and Approval	F1
Report of the Independent Auditors	F2
Balance Sheet - The Economic Society of South Africa	F3
Income Statement - The Economic Society of South Africa	F4
Balance Sheet - Central Council Conference	F5
Income Statement - Central Council Conference	F5
Balance Sheet - Journal of Development Perspectives	F6
Income Statement - Journal of Development Perspectives	F6
Balance Sheet - South African Journal of Economics	F7
Income Statement - South African Journal of Economics	F8
Notes to the Annual Financial Statements	F9 - F10

The Economic Society of South Africa

Annual Financial Statements for the year ended 31 December 2007

Council's Responsibilities and Approval

The Council is required by the Society's constitution, to maintain adequate records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Society as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with South African Statements of Generally Accepted Accounting Practice. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Council acknowledges that they are ultimately responsible for the system of internal financial control established and places considerable importance on maintaining a strong control environment. To enable the Council to meet these responsibilities, they set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effectively monitored throughout the period and all officers are required to maintain the highest ethical standards in ensuring the Society's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Society is on identifying, assessing, managing and monitoring all known forms of risk across the Society. While operating risk cannot be fully eliminated, the Society endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Council is of the opinion, based on the information and explanations given by officers, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Council is satisfied that the Society has or has access to adequate resources to continue in operational existence for the foreseeable future.

Although the Council is primarily responsible for the financial affairs of the Society, they are supported by the external auditors.

The external auditors are responsible for the reviewing and reporting on the Society's annual financial statements. The annual financial statements have been examined by the Society's external auditors and their report is presented on page F2. The annual financial statements set out on pages F3 to F10, which have been prepared on the going concern basis, were approved by the Council on 13 October 2008 and were signed on its behalf by:

Secretary

Treasurer

The Economic Society of South Africa

Annual Financial Statements for the year ended 31 December 2007

Report of the Independent Auditors

We have audited the annual financial statements of The Economic Society of South Africa set out on pages F3 to F10 for the year ended 31 December 2007. These annual financial statements are the responsibility of the Society's Council. Our responsibility is to express an opinion on these annual financial statements based on our audit.

We were engaged to audit the annual financial statements of the Economic Society of South Africa set out on pages F3 to F10 for the year ended 31 December 2007. These annual financial statements are the responsibility Society's Council.

Scope

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the annual financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the society at 31 December 2007 and the results of its operations and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the constitution.

Accounting and secretarial duties

Without qualifying our opinion, we draw your attention to the fact that with the written consent of council, we have performed certain accounting and secretarial duties

CMA Incorporated

CMA Incorporated
Chartered Accountants (SA)
Registered Auditors
CM Auditors Group

03 October 2008
274 Queen Wilhelmina Avenue
Nieuw Muckleneuk
Pretoria
0181

The Economic Society of South Africa

Annual Financial Statements for the year ended 31 December 2007

Balance Sheet

Figures in Rand	Note(s)	2007	2006
Assets			
Non-Current Assets			
Office Equipment	1	9,541	3,166
		<u>9,541</u>	<u>3,166</u>
Current Assets			
The Economic Society of South Africa			
Investment Accounts		527,662	523,525
Money market accounts		92,560	91,254
Cash and cash equivalents	7	195,707	149,980
Trade and other receivables	12	88,106	2,572
		<u>904,035</u>	<u>767,331</u>
EHD Arndt Fund			
Equities held		384	134
Investment accounts		136,570	175,661
Money market accounts		88,632	122,840
Cash and cash equivalents		3,729	(77,293)
		<u>229,315</u>	<u>221,342</u>
Owen Horwood Fund			
Investment account		73,979	73,387
Money market accounts		66,531	60,072
		<u>140,510</u>	<u>133,459</u>
Total Assets		1,283,401	1,125,298
Funds and Liabilities			
Funds			
The Economic Society of South Africa		659,268	596,014
EHD Arndt Fund		243,706	221,342
Owen Horwood Fund		143,705	133,459
		<u>1,046,678</u>	<u>950,815</u>
Liabilities			
Non-Current Liabilities			
The South African Journal of Economics	11	216,487	126,096
		<u>216,487</u>	<u>126,096</u>
Current Liabilities			
The Economic Society of South Africa			
Trade and other payables	11	509	28,660
Capital endowment fund	2	19,727	19,727
		<u>20,236</u>	<u>48,387</u>
Total Funds and Liabilities		1,283,401	1,125,298

The Economic Society of South Africa

Annual Financial Statements for the year ended 31 December 2007

Income Statement

Figures in Rand	Note(s)	2007	2006
Income			
Investment income		48,193	42,112
Members' dues received		228,033	157,147
Prize entry fees		2,350	8,150
Transfer from conference surplus		-	27,276
		<u>278,577</u>	<u>234,685</u>
Expenses			
Auditors remuneration	4	8,434	6,271
Bank charges		1,187	652
Branch grants		-	2,500
Capital endowment fund		-	1,050
Courier services		364	702
Depreciation	1	2,725	1,217
Entertainment and refreshments		1,548	1,692
Prize adjudications		3,550	6,700
Prizes awarded		562	-
Seminars	3	-	1,380
South African Journal of Economics		182,426	125,246
Stationery, printing and postage		1,520	633
Travel and accommodation		13,006	1,550
		<u>215,323</u>	<u>149,593</u>
Surplus / (Deficit)		<u>63,254</u>	<u>85,092</u>
Owen Horwood Fund			
Investment income		10,246	8,874
		<u>10,246</u>	<u>8,874</u>
Surplus / (Deficit)		<u>10,246</u>	<u>8,874</u>
EHD Arndt Fund			
Income			
Fair value adjustment on investments - MTN shares		250	-
Investment income		22,114	19,861
		<u>22,364</u>	<u>19,861</u>
Expenses			
Fair value adjustment on investments - MTN shares		-	64
		<u>-</u>	<u>64</u>
Surplus / (Deficit)		<u>22,364</u>	<u>19,797</u>

The Economic Society of South Africa

Annual Financial Statements for the year ended 31 December 2007

Balance Sheet - Central Council Conference

Figures in Rand	Note(s)	2007	2006
Assets			
Current Assets			
Cash and cash equivalents	10	60,661	(10,253)
Investment accounts		371,415	368,437
Money market accounts		44,421	42,253
Trade and other receivables		10,000	10,000
Total Assets		486,497	410,437
Funds and Liabilities			
Funds		400,007	410,437
Liabilities			
Current Liabilities			
Trade and other payables	12	86,490	-
Total Funds and Liabilities		486,497	410,437

Income Statement - Central Council Conference

Income			
Branch allocations		-	2,500
Conference registration fees		261,000	-
Investment income		28,235	27,469
Sponsorships		207,875	-
		497,110	29,969
Expenses			
Allocation to The Economic Society of South Africa		-	27,276
Allocation to The Journal of Development Perspectives		-	44,445
Allocation to The South African Journal of Economics		-	40,000
Bank charges		1,204	-
Branch activities			
Branch activities - Eastern Cape		6,700	4,500
Branch activities - Free State		-	5,000
Branch activities - North West		-	1,400
Branch activities - Stellenbosch		2,270	1,318
Entertainment and refreshments		23,812	-
Equipment rental		2,166	-
Fees paid		9,070	-
Gifts		4,630	-
Registration fees		3,420	-
Stationery, printing and postage		36,653	-
Travel and accommodation		64,067	-
Venue rental		353,548	-
		507,540	123,939
Surplus / (Deficit)		(10,430)	(93,970)

The Economic Society of South Africa
Annual Financial Statements for the year ended 31 December 2007

Balance Sheet - Journal of Development Perspectives

Figures in Rand	Note(s)	2007	2006
Assets			
Current Assets			
Cash and cash equivalents	9	972	48,479
Total Assets		972	48,479
Funds and Liabilities			
Funds		(644)	40,124
Liabilities			
Current liabilities			
Trade and other payables	12	1,616	8,355
Total Funds and Liabilities		972	48,479

Income Statement - Journal of Development Perspectives

Income			
Allocation from conference		-	44,445
Sponsorships		18,065	-
		18,065	44,445
Expenses			
Auditors remuneration	6	1,616	855
Bank charges		1,474	1,255
Employee costs		19,950	39,000
Publication costs		35,793	38,766
		58,833	79,876
Surplus / (Deficit)		(40,768)	(35,431)

The Economic Society of South Africa

Annual Financial Statements for the year ended 31 December 2007

Balance Sheet - South African Journal of Economics

Figures in Rand	Note(s)	2007	2006
Assets			
Non-Current Assets			
Office Equipment	1	2,809	6,878
		2,809	6,878
Current Assets			
Cash and cash equivalents	8	116,523	92,338
Economic Society of South Africa	11	216,487	126,096
		333,010	218,434
Total Assets		335,819	225,312
Funds and Liabilities			
Funds			
		167,101	147,754
		167,101	147,754
Current Liabilities			
Trade and other payables	13	168,718	77,558
		168,718	77,558
Total Funds and Liabilities		335,819	225,312

The Economic Society of South Africa

Annual Financial Statements for the year ended 31 December 2007

Income Statement - South African Journal of Economics

Figures in Rand	Note(s)	2007	2006
Income			
Membership revenue		182,626	127,608
Blackwell Publishing revenue		85,930	74,744
Conference allocation		-	40,000
Sponsorship received		-	62,124
Submission fees		15,832	11,307
Dalro income		49,381	17,222
Profit on exchange differences		632	198
		334,400	333,203
Expenses			
Auditors remuneration	5	9,773	10,261
Bank charges		3,781	4,491
Communication costs		10,990	7,976
Depreciation	1	4,069	4,068
Employee costs		162,527	157,725
Lease rentals		-	245
Printing and stationery		4,186	4,736
Publication costs		109,186	131,606
Travel and accommodation		10,541	26,290
		315,053	347,398
Surplus / (Deficit)		19,347	(14,195)

The Economic Society of South Africa

Annual Financial Statements for the year ended 31 December 2007

Notes to the Annual Financial Statements

Figures in Rand 2007 2006

Basis of preparation

The financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice.

These accounting policies are consistent with the previous period.

1.) Fixed Assets

All fixed assets are initially recorded at cost. Depreciation is calculated on the straight line method to write off costs off each assets, or revalued amounts, to their residual values over the estimated useful lives.

The depreciation rates applicable to each class of fixed assets are as follows:

	2007			2006		
	Cost	Accumulated Depreciation	Book Value	Cost	Accumulated Depreciation	Book Value
Office equipment - SAJE	12,206	(9,397)	2,809	12,206	(5,328)	6,878
Office equipment - ESSA	13,483	(3,942)	9,541	4,383	(1,217)	3,166
	25,689	(13,339)	12,350	16,589	(6,545)	10,044

Reconciliation of Fixed Assets

	Opening Balance	Additions	Depreciation	Total
Office equipment - SAJE	6,878	-	(4,069)	2,809
Office equipment - ESSA	3,166	9,100	(2,725)	9,541
	10,044	9,100	(6,794)	12,350

2.) Capital endowment fund - ESSA

Balance as at 1 January	19,727	18,677
Unattached member's dues	-	1,050
Balance as at 31 December	19,727	19,727

3.) Seminar expenses - ESSA

Sponsorship received	(207,875)	(10,000)
Seminar expenses	-	11,380
	(207,875)	1,380

4.) Auditors remuneration - ESSA

Audit fee - 2005 financial year	-	6,271
Audit fee - 2006 financial year	8,434	-
	8,434	6,271

5.) Auditors remuneration - SAJE

- 2004 financial year	-	3,991
- 2005 financial year	-	6,270
- 2006 financial year	9,773	-
	9,773	10,261

6.) Auditors remuneration - JDP

Audit fee - 2005 financial year	-	855
Audit fee - 2006 financial year	1,616	-
	1,616	855

The Economic Society of South Africa

Annual Financial Statements for the year ended 31 December 2007

Notes to the Annual Financial Statements

Figures in Rand	2007	2006
7.) Cash and cash equivalents - ESSA		
Nedbank account	11,368	149,980
First National Bank account	184,577	-
Petty cash on hand	(238)	-
	<u>195,707</u>	<u>149,980</u>
8.) Cash and cash equivalents - SAJE		
First National Bank account	116,523	92,338
	<u>116,523</u>	<u>92,338</u>
9.) Cash and cash equivalents - JDP		
First National Bank account	972	48,479
	<u>972</u>	<u>48,479</u>
10.) Cash and cash equivalents - Central Conference		
First National Bank account	60,661	(10,253)
	<u>60,661</u>	<u>(10,253)</u>
11.) Trade and other payables - ESSA		
Membership revenue received in advance	509	28,660
Membership revenue due to SAJE	216,487	126,096
	<u>216,996</u>	<u>154,756</u>
12.) Trade and other receivables - ESSA		
Auditors fees paid on behalf of JDP	1,616	-
Expenses paid on behalf of Central Conference	86,490	-
Other receivables	-	2,572
	<u>88,106</u>	<u>2,572</u>
13.) Trade and other payables - SAJE		
Blackwell publishing expenses	80,818	77,558
Blackwell income received in advance	86,878	-
Membership revenue received in advance	672	-
SAJEM membership incorrectly received	350	-
	<u>168,718</u>	<u>77,558</u>