



Annual Report 2013

The Economic Society of South Africa

P.O. Box 73354
Lynnwood Ridge
0040
Pretoria

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

Tukkiewerf 2/21
University of Pretoria
Pretoria 0002
South Africa

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

Contents

		Page
1	Agenda for the 2014 annual general meeting	2
2	Minutes of the 2013 annual general meeting (for approval)	3
3	Membership: 2012 and 2013	6
4	Council: 2013	7
5	Branch secretaries	8
6	ESSA prize entries: 2013	9
7	Branch activities: 2013	10
8	Annual financial statements for 2012 and 2013	14

AGENDA

88th Annual General Meeting of the Economic Society of South Africa

Date: Monday, 6 October 2014
Time: 18:00
Venue: SEBS Seminar Suite, Room NCB100;
New Commerce Building;
West Campus of the Witwatersrand University;
Johannesburg

Welcome and apologies

Adoption of the agenda

Confirmation of the minutes of the Annual General Meeting held on 26 September 2013

Adoption of the annual report of the Council and the financial statements of the Society and of the Journal for 2013

Appointment of auditors for the 2014 financial statements

Annual membership fees for 2015

Prize winners for 2014

General

Address by the President, Prof P Burger

Closing

Minutes of the 87th Annual General Meeting of the Economic Society of South Africa

Thursday, 26 September 2013; 10:30
EBW Auditorium; EMS Building
University of Free State
Bloemfontein

1 Welcome

Prof Burger (chair) welcomed all to the AGM and to the conference in Bloemfontein.

2 Adoption of the agenda

The agenda was adopted without change.

3 Confirmation of the minutes of the annual general meeting held on 26 September 2012

The minutes were approved.

4 Adoption of the annual report of the Council and the financial statements of the Society and of the journals for 2012

Mr Burrows provided a summary of the annual report and Ms Anmar Pretorius (immediate past treasurer) provided a summary of the 2012 audited financial statements. The annual report and financial statements were approved.

The president thanked the treasurer for the services provided the last years.

Issues of importance not reflected in the annual report:

The Society is now registered as a Public Benefit Organisation but still awaits tax exemption clearance from SARS.

A request is extended to branches to apply for the financial support available. There is also a request extended to branches to expand their student numbers.

5 Appointment of auditors for the 2013 financial statements

H. Gordon & Partners Incorporated was appointed to audit the 2013 financial statements.

6 Changes to the Constitution

The president explained the need for change and then highlighted the change in paragraph 4.5: "Members of at least twenty five years' standing who have reached the age of 65 may, at the discretion of the Council, be admitted as retired members, paying no membership fees while retaining all the privileges of ordinary membership."

The meeting approved the changes.

7 Annual membership fees for 2014

The annual membership fee was raised from R580 (2013) to R600 (2014) for ordinary members, and from R290 to R300 for students and pensioners.

A three year ordinary membership was approved with the membership fee of three times the annual fee. This is only available to ordinary members that pay their fees before the end of February.

There is also the new category of pensioner members with 25 years standing (see 6 above) paying no membership fees.

8 Prize winners: 2013 Founders' Medals

The prize winners for 2013 were announced as follows.

Founders' medal for Honours essay in *partial* fulfilment of the degree

Institution	Supervisor	Student	Title
Wits	T Gwatidzo	MYH Jooma	Partial adjustment toward capital structure: evidence from selected African countries
UCT	K Eyal	C Shenker	Encouraging Tutorial Attendance and its impact on grades: a randomised controlled trial

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

Institution	Supervisor	Student	Title
UCT	K Kotze	H Kavli	Spillovers in emerging market currencies and implications for volatility forecasting

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

Institution	Supervisor	Student	Title
US	J Fourie	Jeanne Cilliers	Cape Colony marriage in perspective

Founders' medal for Doctoral thesis

Institution	Supervisor	Student	Title
US	S vd Berg	Kwan Cheung Derek Yu	Using household surveys for deriving labour market, poverty and inequality trends in South Africa

The prize winners and their supervisors were congratulated on their achievements, and the adjudicators were thanked for their work in making recommendations to Council.

9 New format: Founders' Medal competition

The president briefly discussed the changes to the rules. The most important change is to the format of the masters competition – only one category in the form of a research report of 10 000 words. The possibility to publish the winning paper will be investigated.

10 General

The result of the council election was announced.

President-elect:	Prof John Luiz (UCT Business School)
Vice-president:	Dr Johan van den Heever (SARB)
Council members:	Dr Manoel Bittencourt (UP)
	Mr Dennis Dykes (Nedbank)
	Dr Mark Ellyne (UCT)
	Prof Waldo Krugell (NWU)
	Dr Logan Rangasamy (SARB)
	Prof Wilma Viviers (NWU)

11 Address by the President, Prof P Burger

Prof Burger delivered his presidential address with title:

"Facing the conundrum: How useful is the 'developmental state' concept in South Africa?"

12 Closing

Prof Burger thanked all that attended the conference as well as the AGM. He thanked the Journal Management Committee, the Executive Committee and the Council for all their support during the year.

MEMBERSHIP

as at 31 December

Branch:	Normal		Honorary		Lifetime		Pension		Student		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Cape Town	45	35	2	2	3	3	4	4	5	1	59	45
Eastern Cape	20	20	0	0	1	1	0	0	5	4	26	25
Free State	19	20	0	0	0	0	3	3	1	4	23	27
Johannesburg	151	148	1	1	1	1	3	3	8	9	164	162
KwaZulu-Natal	17	18	0	0	0	0	1	1	2	0	20	19
Limpopo	12	10	0	0	1	1	1	1	0	0	14	12
North West	23	16	0	0	0	0	1	1	49	64	73	81
Pretoria	301	293	2	2	2	2	0	0	9	3	315	300
Stellenbosch	35	39	0	0	0	0	1	1	4	1	40	41
Foreign	40	29	0	0	3	3	0	0	1	2	44	34
Total	663	628	5	5	11	11	15	14	84	88	778	746

COUNCIL: 2013

	Before AGM	After AGM
President:	P Burger	P Burger
Vice-President:	J Luiz	J van den Heever
President-elect:		J Luiz
Elected / appointed in terms of the Constitution:		
7 (a) (v)	C Bruggemans	M Bittencourt
	GN Farrel	DM Dykes
	G Keeton	M Ellyne
	H Nel	W Krugell
	CP van Walbeek	L Rangasamy
	W Viviers	W Viviers
7 (a) (vi)	SF Koch	SF Koch
	-	-
7 (a) (vii)	SA du Plessis	SA du Plessis
7 (a) (viii)	RWK Parsons	RWK Parsons
	R Gouws	R Gouws
	-	-

Elected by branches in terms of 7 (a) (iv) of the Constitution:		
Cape Town	L Edwards	–
Eastern Cape	G Fraser	J Snowball
Johannesburg	D Blaauw	A Kabundi
Free State	JP Geldenhuys	A Pool
KwaZulu-Natal	D Posel	C Vermaak
Limpopo	KSM Matjekana	A Gyekye
North West	A Heymans	H Bezuidenhout
Pretoria	M Breitenbach	R Seymore
Stellenbosch	Le R Burrows	MP van Schoor

Secretary: Le R Burrows

Treasurer: M Pretorius

BRANCH SECRETARIES: 2013

Branch and Secretary	Contact details
Cape Town Madalet Sessions	madalet.sessions@gmail.com (021) 416 1446 28 St Georges Street, Oranjezicht, Cape Town, 8000
Eastern Cape Michael Sale	michael.sale@nmmu.ac.za (041) 504 2795 Department of Economics and Economic History, Nelson Mandela Metropolitan University, PO Box 77000, Port Elizabeth, 6031
Johannesburg Lyndal Keeton-Stolk	lyndal.keeton-stolk@wits.ac.za (011) 717 8065 School of Economic and Business Sciences, University of the Witwatersrand, Private Bag 3, Wits 2050
Free State Antonie Pool	poolan@ufs.ac.za (051) 401 3596 Department of Economics, University of the Free State, PO Box 339, Bloemfontein, 9300
KwaZulu-Natal Claire Vermaak	vermaak@ukzn.ac.za (031) 260 2577 School of Accounting, Economics and Finance Westville Campus, University of Kwazulu Natal; Private Bag X54001, Durban, 4001
Limpopo A. Khangale	richard.khangale@univen.ac.za (015) 962 8000 Department of Economics, University of Venda, PO Box 823, Thohoyandou, 0950
North West R Waitt	Requier.Waitt@nwu.ac.za (018) 299 1446 School for Economics, North-West University, P/Bag X6001, Potchefstroom, 2521
Pretoria Reyno Seymore	Reyno.Seymore@up.ac.za (012) 420 3525 Department of Economics, University of Pretoria, PO Box 7335, Lynnwood Ridge, 0040
Stellenbosch Melt van Schoor	mpvs@sun.ac.za (021) 808 3414 Department of Economics, University of Stellenbosch, P/Bag X1, Matieland, 7602

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: 2013

See the AGM minutes (above) for a list of the 2013 winners.

1 Founders' medal for Honours essay in *partial* fulfilment of the degree

Institution	Supervisor	Student	Title
UKZN	C Vermaak	K Moothoo-Padayachie	The study of wage differentials in South Africa's public and private sectors
Wits	T Gwatidzo	M Y H Jooma	Partial adjustment toward capital structure: evidence from selected African countries
UCT	K Eyal	C Shenker	Encouraging Tutorial Attendance and its impact on grades: a randomised controlled trial
US	R Burger	C F Kreuser	Do family bonds bind? Testing the unitary and collective household, behaviour on South African Data
Rhodes	H Nel	M Feddersen	Exports and Economic Growth in South Africa - The Validity of the Export-Led Growth Strategy
NWU	M Petersen	L N P Hlatshwayo	Basel III and Liquidity Risk

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

Institution	Supervisor	Student	Title
UCT	K Kotze	H Kavli	Spillovers in emerging market currencies and implications for volatility forecasting
UNW	W Viviers	C Jacobs	Identifying export opportunities for South Africa in South America with special reference to measuring trade barriers
UJ	F Tregenna	P Ncube	An empirical investigation of the gender wage gap in South Africa
US	S vd Berg	N Spaull	Equity & Efficiency in South African Primary Schools: A Preliminary Analysis of SACMEQ III South Africa

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

Institution	Supervisor	Student	Title
UCT	B Conradie	T McMillan	SMME performance in South Africa 2010: Linear and logit regressions of the factors affecting business owner income, employment and firm survival
US	J Fourie	J Cilliers	Cape Colony marriage in perspective

4 Founders' medal for Doctoral thesis

Institution	Supervisor	Student	Title
UKZN	D Posel	C Vermaak	The working poor in South Africa , 2000-2007
UCT	N Natrass	E Grebe	Civil society leadership in the struggle for Aids treatment in South Africa and Uganda
UJ	A Kabundi	AS Duncan	Asset price volatility in South African markets during financial crises
US	S vd Berg	K C D Yu	Using household surveys for deriving labour market, poverty and inequality trends in South Africa

BRANCH ACTIVITIES

2013

Bloemfontein (Free State)

The Department of Economics of the Free State University, in association with the Free State branch of the Economic Society of South Africa, hosted the following research seminars:

Seminar 1:

Presenter: Mr Nic Spaul (US)

Date: 1/8/2013

Title of presentation: 'Effective enrollment' - Creating a composite measure of educational access and educational quality to accurately describe education system performance in sub-Saharan Africa

Seminar 2:

Presenter: Dr Claire Vermaak (UKZN)

Date: 20/8/2013

Title of presentation: Job search and the measurement of unemployment in South Africa

Cape Town

Investec in association with the Cape Town branch of the Economic Society of South Africa, hosted the following research seminars:

Date	Title	Presenters
18 July	SA's outlook in a regional context	Axel Schimmelpfennig, Senior Resident Representative, IMF
3 April	Karoo shale gas – A game changer for SA	Rob Jeffrey, MD Econometrix Jan Willem Eggink, GM Shell SA Upstream Associate Professor Tony Leiman, Environmental Economics Policy Research Unit UCT
26 March	Employment and unemployment in SA	Loane Sharp, Adcorp Servaas van der Berg, University of Stellenbosch

Eastern Cape

The Rhodes University/Economic Society of South Africa (ESSA) postgraduate economics student conference took place at Rhodes University on the 11th and 12th of October 2013. This is the 12th year that the conference has run, and continues to be a highly successful forum for honours and masters students in economics to present their research. As for the past 8 years, students from NMMU and Fort Hare University have also been invited to participate, thanks to sponsorship from the Economic Society of South Africa (ESSA). In 2013, we hosted 9 students and staff from these universities. ESSA sponsorship covered conference fees and one night of accommodation.

The 2013 conference commemorated 100 years of teaching Economics at Rhodes University, with special articles by Profs Geoff Antrobus and Hugo Nel included in the conference programme. In total, 56 student papers were presented on a wide variety of topics. The keynote address was given by Dr Michael Sale (brief CV below), who stepped in when Prof Johan van Rooyen was unexpectedly unable to attend because of ill health. The committee extends its grateful thanks to Dr Sale for his willingness to assist and for his very interesting paper on the use of the hedonic pricing method.

The conference also included a community engagement aspect: the invitation to 50 grade 11 learners (who were taking economics as one of their subjects) and their teachers from schools in the Grahamstown area. Sponsorship for the provision of a lunch pack was obtained from the Rhodes University. Special guests were ten Grade 11 learners from the Ntsika High School Economics class, and their teacher and subject head, Mr. Elvis Bojo. These students attended weekly workshops at Rhodes as part of the Department of Economics community engagement initiative.

Overall, the conference was a success with the visitors adding a great deal in terms of networking and providing feedback on work in progress. As in the past, visitors found the conference an overwhelmingly positive and academically useful experience, as did Rhodes students. Staff and students would like to extend our grateful thanks to ESSA who helped to make this such a productive and successful event.

The 2013 AGM of the Eastern Cape Branch of the Society was held on the 4th December 2013 at Rhodes University. Mr Ferdi Botha (of Rhodes University) presented a paper at the AGM entitled "Family functioning and life satisfaction and happiness in South African Households". The paper was well received and Mr Botha was commended on the research and the contribution it is making to the field of Economics.

Johannesburg

The Johannesburg branch of the Economic Society of South Africa hosted the following research seminars:

Date	Speaker	Topic
13 March	Christo Auret	A Comparative Analysis Of Returns of Various Asset Classes in South Africa (1986-2012) – The Triumph Of Bonds
14 March	John Muteba Mwamba(UJ)	An Unbiased Bayesian Loss Distribution Approach to Operational Risk
2 May	Liberty Mncube	The Wheat Flour Cartel: Overcharges and Market Power
18 July	Simon Roberts	A 20 Year Review of Competition and Concentration and a Research Agenda
1 August	Raphael Nkomo	Multivariate Singular Spectrum Analysis for Portfolio Selection

Johannesburg Branch AGM took place on the 21st November 2013. The AGM included a presentation by Gary Magee on "Technological Development in pre-Federation Australia". Dr Ilse Botha was elected chairperson and Ms L Keeton was elected secretary. There were no nominations for either deputy chairperson or treasurer.

KwaZulu-Natal

No report submitted.

Limpopo

No report submitted.

North West

The Department of Economics of the North West University (Potchefstroom campus), in association with the North West branch of the Economic Society of South Africa, hosted the following research seminars and guest lectures:

Date	Speaker	Topic
7 March	Ilse Botha (UJ)	Two-stage least square regressions
18 April	Ettienne le Roux (RMB)	The South African Economy
2 May	Duncan Clarke (GPP)	Africa's economic future
23 May	Sandra Mollentze (SARB)	SARB cadet program
15 August	Francois Groepe (SARB)	Monetary Policy
22 August	Carike Claassen (NWU)	Decoupling
22 August	Marianne Matthee & Waldo Krugell (NWU)	Firms in Zimbabwe
29 August	Requier Wait & Henri Bezuidenhout (NWU)	Energy FDI
5 September	Ermie Steenkamp & Sonja Grater (NWU)	DSM – Export promotion
12 September	Heinrich Bohlman (UP)	CGE
23 October	Honours students (NWU)	Honours colloquium

Pretoria

No report submitted.

Stellenbosch

The Department of Economics of the Stellenbosch University, in association with the Stellenbosch branch of the Economic Society of South Africa, hosted the following research seminars lectures:

Date	Speaker	Topic
4 February	Wimpie Boshoff (SU)	Determining damages from a cartel: the case of South African bitumen prices
11 February	Greg Farrell (SARB)	Exchange rate pass-through
18 February	Hylton Hollander (SU)	The Equity Price Channel in a New-Keynesian DSGE model with financial frictions and banking
25 February	Hugo Pienaar (BER - SU)	Latest BER forecasts
4 March	Juergen Meinecke (Australian National University)	The Labour market return to academic fraud
11 March	Jeanne Cilliers (SU)	Cape Colony marriage in perspective
18 March	Andreas Freytag (Friedrich-Schiller University, Jena)	Savings and the debt cycle: The ambiguous role of institutions
25 March	Shireen de Visser (UWC)	The Equitable Share Review and the impact of the 2011 Census
8 April	Martine Mariotti (Australian National University)	Father's employment and sons' stature: the long-run effects of a positive regional employment shock in South Africa's mining industry
15 April	Marjorie Lecerf (Strasbourg Business School)	The internationalization process of French and German SMEs - an empirical study
22 April	Estian Calitz (Stellenbosch University)	The accuracy of fiscal projections in South Africa
29 April	Wimpie Boshoff and Nico Katzke (SU)	The Rand beyond our borders: international trade in Rand cash and its implications for exchange control
6 May	Henco van Schalkwyk (UP)	The rationality of retirement preservation decisions: a conceptual model
13 May	Gideon du Rand (SU)	The impact of voting mechanism and level government centralization on the evolution of the wealth distribution under incomplete information
22 July	Leigh Gardner and Steve Broadberry (London School of Economics)	Africa's growth prospects in a European mirror: a historical perspective
29 July	Debra Shepherd (SU)	Distributive effects of curriculum coverage in South Africa: an unconditional quantile regression approach
5 August	Tania Ajam (Director of Financial and Fiscal Commission)	Analysing aspects of the FFC's 2014/15 Division of Revenue Submission
12 August	Prof Neil Rankin (SU) and Prof Lawrence Edwards (UCT)	Trade and poverty: The consumer price impact of clothing quotas in South Africa
26 August	Gideon du Rand (SU)	Agent based model of banking regulation
2 September	Liberty Mncube (Competition Commission)	Overcharges at the mill: The South African flour cartel
16 September	Prof Andreas Freytag (Friedrich-Schiller University, Jena)	Are We Measuring Press Freedom Correctly? The Role of English Proficiency and Spatial Aspects in Media Control
7 October	Nelene Ehlers (South African Reserve Bank)	The rationality of South African inflation expectations: Survey data analysis

14 October	Prof Ruthira Naraidoo (UP)	International business cycle, banking and aggregate risk
17 October	Remi Jedwab (George Washington University); Edward Kerby (LSE) and Alexander Moradi (Sussex)	Out of Africa: Colonial Railroads, White Settlement and Path Dependence in Kenya
21 October	Prof Marc Piazolo (Fachhochschule Kaiserslautern)	European monetary policy from a German perspective - including an experiment on ECB's liquidity absorption

**THE ECONOMIC SOCIETY OF SOUTH AFRICA (NPO)
(REGISTRATION NUMBER 2012/033217/08)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

INDEX

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

INDEX	Page
Council's Responsibilities and Approval	15
Report of the Independent Auditors	16
Balance Sheet - The Economic Society of South Africa	17
Income Statement - The Economic Society of South Africa	18
Balance Sheet - South African Journal of Economics	19
Income Statement - South African Journal of Economics	20
Notes to the Annual Financial Statements	21 - 22

**THE ECONOMIC SOCIETY OF SOUTH AFRICA (NPO)
(REGISTRATION NUMBER 2012/033217/08)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

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 year then ended, in conformity with International Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Reporting Standards 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, effective 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 16.

The annual financial statements set out on pages 17 to 22, which have been prepared on the going concern basis, were approved by the Council on 6 October 2014 and were signed on their behalf by:

Secretary

Treasurer

94 Regency Drive
Corner Sovereign & Regency Drives
Route 21 Corporate Park
Irene, 0062
Email: info@hgordon.co.za



Reg. No: 2000/020632/21
CHARTERED ACCOUNTANTS & AUDITORS (S.A.)
REGISTERED ACCOUNTANTS AND AUDITORS

P.O. BOX 2473
PRETORIA, 0001
TEL: (012) 345-5545
TELEFAX: (012) 345-5511

RE
PO
RT
OF
TH
E
IND

DEPENDENT AUDITORS

To the members of THE ECONOMIC SOCIETY OF SOUTH AFRICA

We have audited the accompanying annual financial statements of THE ECONOMIC SOCIETY OF SOUTH AFRICA set out on pages F3 to F8 (17 – 22), for the year ended 31 December 2013.

Council's Responsibility for the Annual Financial Statements

The Society's Council is responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standards, and in a manner required by the Constitution. These responsibilities include: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the annual financial statements.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the society at 31 December 2013 and the results of its operations and cash flows for the year then ended in accordance with International Reporting Standards, and in the manner required by the constitution.

H. GORDON & PARTNERS INCORPORATED
CHARTERED ACCOUNTANTS (SA)
REGISTERED ACCOUNTANTS AND AUDITORS

29 August 2013

Pretoria

THE ECONOMIC SOCIETY OF SOUTH AFRICA (NPO)
(REGISTRATION NUMBER 2012/033217/08)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

BALANCE SHEET

Figures in Rand	Notes	2013	2012
ASSETS			
NON-CURRENT ASSETS			
Office equipment	1	-	-
CURRENT ASSETS			
Cash and cash equivalents	5	709 710	588 794
Equities held		651	534
Investment accounts		1 857 148	1 771 574
Money market account		447 054	425 538
		3 014 563	2 786 440
TOTAL ASSETS		3 014 563	2 786 440
FUNDS AND LIABILITIES			
Funds		2 828 530	2 403 149
LIABILITIES			
NON-CURRENT LIABILITIES			
The South African Journal of Economics	7	126 384	330 842
CURRENT LIABILITIES			
Trade and other payables	7	39 922	32 722
Capital endowment fund	2	19 727	19 727
		59 649	52 449
TOTAL FUNDS AND LIABILITIES		3 014 563	2 786 440

THE ECONOMIC SOCIETY OF SOUTH AFRICA (NPO)
(REGISTRATION NUMBER 2012/033217/08)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

INCOME STATEMENT

Figures in Rand	Notes	2013	2012
INCOME			
Conference income		449 257	129 404
Blackwell income		105 681	-
Fair value adjustment on investments - MTN shares		117	102
Donations		1 250	-
Investment income		107 090	164 133
Members' dues received		300 251	336 370
Prize entry fees		2 300	6 050
		965 945	636 059
EXPENSES			
Auditors' remuneration	3	6 750	6 400
Accounting fees		6 123	
Administration costs		46 000	24 000
Bank charges		4 572	2 945
Branch activities - Cape Town		20 000	-
Branch activities - Eastern Cape		-	6 840
Communication expense Computer expenses		-	833
Conference organising fees		- 56 208	502
Courier services		191	1 544
Entertainment and refreshments		168 042	7 658
Prize adjudications		7 350	1 950
Prizes awarded		1 128	629
Secretarial fees		5 339	3 306
Stationery, printing and postage		9 855	2 922
The South African Journal of Economics		158 809	269 096
Travel and accommodation		50 197	270
Website design and maintenance		-	13 650
		(540 564)	(342 544)
Donation received from the Economic Society of South Africa			2 109 634
SURPLUS FOR THE YEAR		425 381	293 515
Retained income - beginning of the year		2 403 149	
Surplus at the end of the year		2 828 530	2 403 149

THE ECONOMIC SOCIETY OF SOUTH AFRICA (NPO)
(REGISTRATION NUMBER 2012/033217/08)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

BALANCE SHEET – SOUTH AFRICAN JOURNAL OF ECONOMICS

Figures in Rand	Notes	2013	2012
ASSETS			
NON-CURRENT ASSETS			
Office equipment	1	-	-
CURRENT ASSETS			
Cash and cash equivalents	6	241 232	152 915
The Economic Society of South Africa	7	126 384	330 842
		367 617	483 757
TOTAL ASSETS		367 617	483 757
FUNDS AND LIABILITIES			
Funds		186 184	329 798
CURRENT LIABILITIES			
Trade and other payables	8	181 432	153 959
TOTAL FUNDS AND LIABILITIES		367 616	483 757

THE ECONOMIC SOCIETY OF SOUTH AFRICA (NPO)
(REGISTRATION NUMBER 2012/033217/08)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

INCOME STATEMENT – SOUTH AFRICAN JOURNAL OF ECONOMICS

Figures in Rand	Notes	2013	2012
INCOME			
Blackwell Publishing revenue		105 681	90 383
Dalro income		96 737	78 159
Membership revenue		104 647	269 096
Other income		4 787	-
Submission fees		-	300
		311 852	437 938
EXPENSES			
Auditors' remuneration	4	5 400	5 100
Administration costs		277 561	304 800
Bank charges		4 915	3 335
Communication costs		4 941	5 631
Computer expenses		-	895
Entertainment and refreshments		-	585
Loss on exchange differences		16 349	2 753
Printing and stationery		3 061	1 923
Publication costs		139 720	119 284
Travel and accommodation		3 519	5 016
		(455 466)	(449 321)
Donation received from the Economic Society of South Africa			341 181
Retained income - beginning of the year		329 798	
Surplus / (Deficit) for the year		(143 614)	(11 383)
Surplus / (Deficit) at the end of the year		186 184	329 798

THE ECONOMIC SOCIETY OF SOUTH AFRICA (NPO)
(REGISTRATION NUMBER 2012/033217/08)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

BASIS OF PREPARATION

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

These are the first financial statements of the company. The company was incorporated on 21 February 2012 under certificate of incorporation number 2012/033217/08.

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:

Office equipment 33.33%

		2013		2012
	Cost	Accumulated Depreciation	Book Value	Book Value
Office equipment - ESSA	13 483	(13 483)	-	-
Office equipment - SAJE	12 206	(12 206)	-	-
	<u>25 689</u>	<u>(25 689)</u>	<u>-</u>	<u>-</u>

Figures in Rand

	2013	2012
2. CAPITAL ENDOWMENT FUND - ESSA		
Balance as at 31 December	19 727	19 727
3. AUDITORS' REMUNERATION - ESSA		
Audit fee	6 750	6400
4. AUDITORS' REMUNERATION - SAJE		
Audit fee	5 400	5 100
5. CASH AND CASH EQUIVALENTS - ESSA		
First National Bank	709 710	588 794
6. CASH AND CASH EQUIVALENTS - SAJE		
First National Bank	241 232	152 915

THE ECONOMIC SOCIETY OF SOUTH AFRICA (NPO)
(REGISTRATION NUMBER 2012/033217/08)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2013	2012
7. TRADE AND OTHER PAYABLES - ESSA		
H. Gordon & Partners Incorporated	8 326	6 400
Membership revenue received in advance	31 596	25 872
Prize adjudications unpaid	-	450
The South African Journal of Economics	126 384	330 842
	166 306	363 564
8. TRADE AND OTHER PAYABLES - SAJE		
H. Gordon & Partners Incorporated	13 561	5 100
John Wiley & Sons Limited publishing expenses	41 487	38 472
Salaries unpaid	-	6 900
Membership revenue received in advance	126 384	103 487
	181 432	153 959