



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

Annual Report 2008

The Economic Society of South Africa

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AGENDA

for the 83rd Annual General Meeting of the Economic Society of South Africa

Date: 9 September 2009

Time: 9h00

Venue: Feather Market Convention Centre, Port Elizabeth (conference venue)

1. Welcome and apologies
2. Adoption of the agenda
3. Confirmation of the minutes of the Annual General Meeting held on 13 October 2008
4. Adoption of the Annual Report of the Council and the financial statements of the Society and of the journals for 2008
5. Appointment of auditors for the 2009 financial statements
6. Annual membership fees for 2010
7. Prize winners for 2009
8. Journal of Development Perspectives
9. Election of President-elect, Vice-President, and six Council members
10. Interim arrangement for President during September 2009 – September 2010
11. Any other business
12. Presidential address: Prof M. Leibbrandt

MINUTES

of 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

Prof Leibbrandt (chair) welcomed all to the AGM.

2. Adoption of the agenda

The agenda was adopted without change.

3. Confirmation of the minutes of the Annual General Meeting held on 11 September 2007

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 2007

The Annual Report (2007) and financial statements were approved.

5. Election of auditors for the 2008 financial statements

The current auditors were re-appointed as auditors (CM Auditors Incorporated, previously known as C. van der Merwe Inc.).

6. Annual membership fees for 2009

The annual membership fee was raised from R420 (2008) to R460 (2009) for ordinary members, and from R210 to R230 for students and pensioners.

7. Proposed constitutional changes

Prof Du Plessis summarised the proposed changes to the constitution that had been circulated ahead of the AGM. These concerned a change in structure from a President and two Vice-Presidents to a President, a President-elect and a Vice-President; the associated voting procedures to allow for their direct election by all members of the Society; and the direct election of six Council members by all members of the Society. An interim arrangement for the President in the period October 2009 to September 2010 would be required. The Executive Committee would make a proposal regarding such an arrangement after considering the alternatives, some of which were allowing the President-elect to act as President from September 2009; extending the term of the current President; appointing a past President as caretaker; and electing a President in 2009 and a President-elect one year later.

The proposed constitutional changes were approved by the AGM.

8. Prize winners for 2008

The Society's 2008 prize winners, as determined by Council, were announced as follows:

ABSA prize for Honours dissertation

Finn, Arden (University of Cape Town)

The role of education in labour market inequality in South Africa: A ten year analysis of employment and earnings changes

Supervisor: Prof Murray Leibbrandt

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

Pillay, Neryvia (University of Cape Town)

Theory-consistent formal risk measures: using financial market data from a middle income context

Supervisor: Prof Johannes Fedderke

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

Perold, Martin (University of Johannesburg)

A flat tax as a plausible alternative to the progressive system: an economic comparison

Supervisors: Prof L Greyling and Mr L Bonga-Bonga

Founders' medal for Doctoral thesis

Hassan, Shakill (University of Cape Town)

Applications of continuous-time methods to dynamic rivalry in oligopoly; and an essay on the monetary policy response to currency crises

Supervisors: Prof Haim Abraham, Prof Johannes Fedderke and Prof Don Ross

9. Presidential address

Prof M Leibbrandt delivered the 2008 presidential address, "Growth and poverty in South Africa: an analytic review".

MEMBERSHIP

as at 31 December

Branch:	Normal		Honorary		Lifetime		Pension		Student		Total	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
Cape Town	34	33	2	2	3	3	3	3	20	8	62	49
Eastern Cape	20	19	0	0	1	1	1	1	9	2	31	23
Free State	15	10	0	0	0	0	3	3	5	4	23	17
Johannesburg	111	120	0	0	3	1	4	3	8	4	126	128
KwaZulu-Natal	25	21	0	0	0	0	1	1	1	0	27	22
Limpopo	13	13	0	0	1	1	0	0	0	0	14	14
North West	12	12	0	0	0	0	1	1	28	28	41	41
Pretoria	259	235	3	3	3	2	0	0	3	4	268	244
Stellenbosch	39	33	1	0	0	0	1	1	21	20	62	54
Foreign	7	5	0	0	3	3	1	1	1	1	12	10
Total	535	501	6	5	14	11	15	14	96	71	666	602

COUNCIL MEMBERS

2008

President: MV Leibbrandt

Vice-Presidents: SA du Plessis
M Mnyande

Elected / appointed in terms of the Constitution:

7 (a) (iv) E Gilbert
M Keswell
L Kritzinger-van Niekerk
E Loots
C Luüs
W Viviers

7 (a) (v) PA Black
M Holden

7 (a) (vi) RWK Parsons

7 (a) (vii) S Koch
K Todani

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

Cape Town	J Fedderke	L Edwards
Eastern Cape	CVR Wait	G Fraser
Johannesburg	D Blaauw	A Kabundi
Free State	F Booysen	P Burger
KwaZulu-Natal	D Posel	R Dias
Limpopo	KSM Matjekana	A Gyekye
North West	M Matthee	W Krugell
Pretoria	C Harmse	
Stellenbosch	BW Smit	SWF du Plessis

Secretary: P Perkins

Treasurer: AM Pretorius

BRANCH SECRETARIES

2008

Branch and Secretary	Address	Phone and Email
Cape Town Madalet Sessions	36 Hans Strijdom, Foreshore, Cape Town, 8001	(021) 416 1446 madalet@sessions.co.za
Eastern Cape Gavin Fraser	Department of Economics and Economic History, Rhodes University, P. O. Box 94, Grahamstown, 6140	(046) 603 8303 g.fraser@ru.ac.za
Johannesburg Lyndal Keeton-Stolk	School of Economic and Business Sciences, University of the Witwatersrand, Private Bag 3, Wits 2050	(011) 717 8065 lyndal.keeton-stolk@wits.ac.za
Free State Antonie Pool	Department of Economics, University of the Free State, PO Box 339, Bloemfontein, 9300	(051) 401 3596 poolan.ekw@ufs.ac.za
KwaZulu-Natal Rosa Dias	Department of Economics, University of KwaZulu-Natal, Durban, 4041	(031) 260 2311 diasr@ukzn.ac.za
Limpopo A. Khangale	Department of Economics, University of Venda, PO Box 823, Thohoyandou, 0950	(015) 962 8000 azwikhang@gmail.com
North West Jacqueline van der Merwe	School of Economics, Private Bag X6001, North-West University, Potchefstroom, 2520	(018) 299 1444 jacky.vandermerwe@nwu.ac.za
Pretoria Andre Gouws	PO Box 12245, Hatfield, 0028	(012) 342 2977 dragouws@gmail.com
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

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Email: saje@up.ac.za

ESSA PRIZE ENTRIES

2008

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

See the 2008 AGM minutes (above) for a list of the 2008 winners.

ABSA prize for Honours dissertation

Mateane, Lebogang (Wits)

Inflation targeting and unemployment in a small open economy

Supervisor: Dr Christopher Malikane

Kemp, Harri (Stellenbosch)

Macroeconomic modelling: from system-of-equations to dynamic stochastic equilibrium A South African example

Supervisor: Mr Dieter von Vintel

Finn, Arden (Cape Town)

The role of education in labour market inequality in South Africa: A ten year analysis of employment and earnings changes

Supervisor: Prof Murray Leibbrandt

Warman, Sarah L (KwaZulu-Natal)

Earnings differentials between married and unmarried women in South Africa, 2004

Supervisor: Colette Muller

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

Pillay, Neryvia (Cape Town)

Theory-consistent formal risk measures: using financial market data from a middle income context

Supervisor: Prof Johannes Fedderke

Tshiswaka-Kashalala, Gautier (Pretoria)

Assessing the crowding-out effect of tobacco spending

Supervisor: Prof SF Koch

Reid, Monique (Stellenbosch)

Communication in the strategic game of monetary policy: publication of an interest rate forecast

Supervisor: Prof Stan du Plessis

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

Perold, Martin (Johannesburg)

A flat tax as a plausible alternative to the progressive system: an economic comparison

Supervisors: Prof L Greyling and Mr L Bonga-Bonga

Founders' medal for Doctoral thesis

Hassan, Shakill (Cape Town)

Applications of continuous-time methods to dynamic rivalry in oligopoly; and an essay on the monetary policy response to currency crises

Supervisors: Prof Haim Abraham, Prof Johannes Fedderke and Prof Don Ross

Kabundi, Alain Ntumba (Johannesburg)

South Africa's integration into the global economy: a structural dynamic factor analysis

Supervisors: Dr F Nadal De Simone (IMF) and Prof DJ Marais

Booyesen-Wolthers, Annelize (Free State)

The development status of women in South Africa: patterns, progress and profiles

Supervisors: Prof Frederick Fourie and Prof Lucius Botes

Mokoena, Thabo Mishack (Pretoria)

Finding theoretical and empirical solutions to the three major puzzles of exchange rate economics: applications in respect of southern African macroeconomic data

Supervisors: Prof R van Eyden and Prof R Gupta

Mbatha, Cyril Nhlanhla (Rhodes)

A case for institutional investigations in economic research methods with reference to South Africa's agricultural sector

Supervisor: Prof Geoffrey Antrobus

BRANCH ACTIVITIES

2008

Cape Town / Investec Forum (2008)

Activities during 2008 included seminars with the OECD following the OECD report on South Africa and Ann Bernstein from the Centre for Development and Enterprise on solutions for the unemployment problem in SA.

Eastern Cape (2008)

22 September Dr Ron Sandrey South Africa's way ahead: Looking East

Report on the Eastern Cape RU/ESSA Postgraduate Conference 2008

The Rhodes University / Economic Society of South Africa (ESSA) postgraduate economics student conference took place at Rhodes University on 11 and 12 October 2008. The theme of the 2008 conference was *Young Economists in South Africa: Overcoming Challenges, Resurrecting the Dream*. The conference had two broad streams: a financial/monetary economics stream and a focus on development economics. Students and staff from University of Fort Hare and Nelson Mandela Metropolitan University also attended, the students presenting papers sponsored by the Economic Society of South Africa.

The keynote speaker this year was Mr. Duma Gqubule, who spoke on current South African macroeconomic performance and policy. Mr. Gqubule has an MA degree in Economics from Aberdeen University and contributes, as a financial journalist, to most of the country's leading publications. Since 2000, he has provided consulting and policy advisory services to a number of organizations including: the Black Economic Empowerment Commission, the NEPAD Secretariat and Steering Committee, and the Department of Transport. He is a founder of Kio Advisory Services, which specializes in Broad-Based Black Economic Empowerment implementation.

Johannesburg (2008)

28 February	Phakumani Hadebe	Reducing the Country's External Vulnerability
10 April	Dr Lucio Esposito	To Reign in Hell or Serve in Heaven? Absolute and Relative Attitudes to Happiness in Eight Countries.
31 July	Jacques Ngoie Kibambe	Marshallian Macroeconometric Modelling: A Bayesian versus Non-Bayesian Perspective
20 October	Dr Frans Barker	The Economics of Affirmative Action and Other Forms of Redress

North West (2008)

24 April	Prof Ludo Cuyvers, University of Antwerpen, Belgium	Regional integration in South-East Asia
24 April	Prof Ludo Cuyvers, University of Antwerpen, Belgium	Public export production: Needs, instruments, strategies, planning and evaluation
5 August	Ms Rose Blatch, ITRISA	Employment opportunities in International Trade
7 August	Mr Etienne le Roux, RMB	The state of the South African economy
7 August	Dr Gary van Vuuren, Fitch Ratings, London	Credit ratings and bank capital: The impact of Basel II
19 August	Prof PDF Strydom	The international economy: Growth and inflation strains

Stellenbosch (2008)

18 February	Prof Eric Schaling, Univ of Pretoria	Learning about the Term Structure and optimal rules for Inflation Targeting
25 February	Prof Di McIntyre, Univ of Cape Town	Challenges facing the South African health system
3 March	Ms Monique Reid, Univ of Stellenbosch	The SARB's management of private sector expectations: an evaluation
4 March	Prof Jo Swinnen, Katholieke Univ Leuven	Sports and Development: An economic perspective on the impacts of the 2010 World Cup in SA
5 March	Dr Deon Filmer, World Bank	Increasing Schooling Outcomes through cash transfers: Regression discontinuity evidence from Cambodia
6 March	Prof Ove Granstrand, Chalmers Univ of Technology, Goteborg, Sweden	Economics of Innovation and Intellectual Property
10 March	Mr Derek Yu and Mr Hassan Essop, Univ of Stellenbosch	The South African informal sector (1997-2006)
7 April	Prof Malcolm Keswell, Univ of Stellenbosch	Poverty and Landownership: Quasi-experimental evidence on the impact of negotiated land reforms in SA, Brazil and India
7 April	Prof Cees Bruggemans, Prof Extraordinary in Economics, Univ of Stellenbosch	Sentiment in economic life
5 May	Prof Deirdre McCloskey, University of Illinois	Bourgeois Deeds: How values caused the Modern World

6 May	Dr Karol Boudreaux, George Mason University, USA	Alternative Strategies for a Green Revolution in Africa
13 May	Prof John Hart, UKZN	How to be a good economist
28 July	Dr Justine Burns, Univ of Cape Town	Inequality aversion and group identity in a segmented society
4 August	Mr Johan Fourie and Mr Krige Siebrits, Univ of Stellenbosch	Measuring the attractiveness of rugby union competitions
7 August	Prof Andreas Freytag, Friedrich-Schuller University, Jena	South Africa's balance of payments: a micro perspective
8 August	Prof Gavin Williams, Oxford	The economics of free and unfree labour, 1838- 1988
11 August	Mr Stephen Taylor, Univ of Stellenbosch	The impact of socio-economic status on educational performance in South Africa
18 August	Mr Georde Kershoff and Mrs Christelle Grobler, Buro Economic Research: Univ of Stellenbosch	The impact of the Jan/Feb 2008 power outages on selected business sectors - indications from a survey
25 August	Prof Evan Gilbert, Univ of Stellenbosch and Prof Dave Strugnell, Univ of Cape Town	Survivorship bias - does it matter?
1 September	Mr Rashaad Amra, Univ of Stellenbosch	The Muqaddimah of Ibn Khaldun: The Introduction of Economics
15 September	Prof Kenneth Good, Rhodes and Melbourne	The limits of free speech in Botswana
29 September	Mrs Megan Burgoyne, CLT, SU; and Mrs Ada Jansen and Me Carina Smit, Univ of Stellenbosch	What makes a "good tutor?" An exploratory analysis of the factors influencing tutor behaviour in Economics
6 October	Mrs Liezl Nieuwoudt and Dr AP de Villiers, Univ of Stellenbosch	Higher Education Funding
13 October	Mr Fulbert Tchana Tchana, Univ of Cape Town	The empirics of Banking regulation
20 October	Ms Hilary Joffe, Business Day	Power and powerlessness: The SA energy crisis

THE ECONOMIC SOCIETY OF SOUTH AFRICA
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 December 2008

**THE ECONOMIC SOCIETY OF SOUTH AFRICA
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008
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**THE ECONOMIC SOCIETY OF SOUTH AFRICA
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008
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, 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 6 September 2009 and were signed on its behalf by:

Secretary

Treasurer

REPORT OF THE INDEPENDENT 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 F10, for the year ended 31 December 2008.

Councils' 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 2008 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.

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.

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

6 September 2009

**1ST FLOOR
BYRON PLACE
320 SCHUBART STREET
PRETORIA
0002**

**THE ECONOMIC SOCIETY OF SOUTH AFRICA
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008
BALANCE SHEET**

Figures in Rand	Note(s)	2008	2007
ASSETS			
NON-CURRENT ASSETS			
Office equipment	1	5 047	9 541
		5 047	9 541
CURRENT ASSETS			
The Economic Society of South Africa			
Investment accounts		597 003	527 662
Money market accounts		103 386	92 560
Cash and cash equivalents	7	247 051	195 707
Trade and other receivables	12	30 697	88 106
		978 137	904 035
EHD Arndt Fund			
Equities held		326	384
Investment accounts		200 384	136 570
Money market accounts		98 998	88 632
Cash and cash equivalents		3 729	3 729
		303 437	229 315
Owen Horwood Fund			
Investment account		83 713	73 979
Money market accounts		74 313	66 531
		158 025	140 510
Total Assets		1 444 646	1 283 401
FUNDS AND LIABILITIES			
FUNDS			
The Economic Society of South Africa		766 627	659 268
EHD Arndt Fund		283 515	243 706
Owen Horwood Fund		163 813	143 705
		1 213 954	1 046 678
LIABILITIES			
NON-CURRENT LIABILITIES			
The South African Journal of Economics	11	156 176	216 487
		156 176	216 487
CURRENT LIABILITIES			
The Economic Society of South Africa			
Trade and other payables	11	54 789	509
Capital endowment fund	2	19 727	19 727
		74 516	20 236
Total Funds and Liabilities		1 444 646	1 283 401

**THE ECONOMIC SOCIETY OF SOUTH AFRICA
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008
INCOME STATEMENT**

Figures in Rand	Note(s)	2008	2007
INCOME			
Investment income		100 749	48 193
Members' dues received		207 488	228 033
Prize entry fees		3 970	2 350
		312 207	278 577
EXPENSES			
Auditors remuneration	4	14 235	8 434
Bank charges		1 110	1 187
Courier services		64	364
Depreciation	1	4 494	2 809
Entertainment and refreshments		4 164	1 548
Prize adjudications		1 600	3 550
Prizes awarded		588	562
The South African Journal of Economics		165 990	182 426
Stationery, printing and postage		3 158	1 520
Travel and accommodation		9 443	13 006
		204 848	215 407
Surplus / (Deficit)		107 359	63 170
OWEN HORWOOD FUND			
Investment income		20 108	10 246
		20 108	10 246
Surplus / (Deficit)		20 108	10 246
EHD ARNDT FUND			
INCOME			
Fair value adjustment on investments - MTN shares		-	250
Investment income		39 867	22 114
		39 867	22 364
EXPENSES			
Fair value adjustment on investments - MTN shares		59	-
		59	-
Surplus / (Deficit)		39 809	22 364

**THE ECONOMIC SOCIETY OF SOUTH AFRICA
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008
BALANCE SHEET - CENTRAL COUNCIL CONFERENCE**

Figures in Rand	Note(s)	2008	2007
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	10	51 381	60 661
Investment accounts		420 289	371 415
Money market accounts		49 616	44 421
Trade and other receivables		-	10 000
Total Assets		521 286	486 497
FUNDS AND LIABILITIES			
Funds		496 405	400 007
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	24 881	86 490
Total Funds and Liabilities		521 286	486 497
INCOME STATEMENT - CENTRAL COUNCIL CONFERENCE			
INCOME			
Conference registration fees		-	261 000
Investment income		67 074	28 235
Sponsorships		36 250	207 875
		103 324	497 110
EXPENSES			
Bank charges		390	1 204
Branch activities			
Branch activities - Eastern Cape		6 535	6 700
Branch activities - Stellenbosch		-	2 270
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
		6 925	507 540
Surplus / (Deficit)		96 399	(10 430)

**THE ECONOMIC SOCIETY OF SOUTH AFRICA
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008
BALANCE SHEET - JOURNAL OF DEVELOPMENT PERSPECTIVES**

Figures in Rand	Note(s)	2008	2007
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	-	972
Trade and other receivables		41 613	-
		41 613	972
Total Assets		41 613	972
FUNDS AND LIABILITIES			
Funds		35 797	(644)
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	5 816	1 616
Total Funds and Liabilities		41 613	972
INCOME STATEMENT - JOURNAL OF DEVELOPMENT PERSPECTIVES			
INCOME			
Sponsorships		85 046	18 065
		85 046	18 065
EXPENSES			
Auditors remuneration	6	4 200	1 616
Bank charges		972	1 474
Employee costs		8 507	19 950
Publication costs		34 926	35 793
		48 606	58 833
Surplus / (Deficit)		36 440	(40 768)

**THE ECONOMIC SOCIETY OF SOUTH AFRICA
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008
BALANCE SHEET - SOUTH AFRICAN JOURNAL OF ECONOMICS**

Figures in Rand	Note(s)	2008	2007
ASSETS			
NON-CURRENT ASSETS			
Office Equipment	1	-	2 809
		-	2 809
CURRENT ASSETS			
Cash and cash equivalents	8	269 677	116 523
The Economic Society of South Africa	11	156 176	216 487
		425 853	333 010
Total Assets		425 853	335 819
FUNDS AND LIABILITIES			
Funds		268 383	167 101
		268 383	167 101
CURRENT LIABILITIES			
Trade and other payables	13	157 470	168 718
		157 470	168 718
Total Funds and Liabilities		425 853	335 819

**THE ECONOMIC SOCIETY OF SOUTH AFRICA
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008
INCOME STATEMENT - SOUTH AFRICAN JOURNAL OF ECONOMICS**

Figures in Rand	Note(s)	2008	2007
INCOME			
Blackwell Publishing revenue		86 878	85 930
Dalro income		46 233	49 381
Membership revenue		165 990	182 626
Profit on exchange differences		-	632
Sponsorship received		184 000	-
Submission fees		15 061	15 832
		498 162	334 400
EXPENSES			
Auditors remuneration	5	10 800	9 773
Bank charges		4 021	3 781
Communication costs		11 128	10 990
Depreciation	1	2 809	4 069
Employee costs		221 364	162 527
Loss on exchange differences		1 645	-
Printing and stationery		-	4 186
Publication costs		115 272	109 186
Repairs and maintenance		1 391	-
Travel and accommodation		28 450	10 541
		396 880	315 053
Surplus / (Deficit)		101 282	19 347

**THE ECONOMIC SOCIETY OF SOUTH AFRICA
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008
NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

Figures in Rand

2008

2007

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:

Office equipment 33.33%

	2008			2007		
	Cost	Accumulated Depreciation	Book Value	Cost	Accumulated Depreciation	Book Value
Office equipment - ESSA	13 483	(8 436)	5 047	13 483	(3 942)	9 541
Office equipment - SAJE	12 206	(12 206)	-	12 206	(9 397)	2 809
	<u>25 689</u>	<u>(20 642)</u>	<u>5 047</u>	<u>25 689</u>	<u>(13 339)</u>	<u>12 350</u>

Reconciliation of Fixed Assets

	Opening Balance	Additions	Depreciation	Total
Office equipment - ESSA	9 541	-	(4 494)	5 047
Office equipment - SAJE	2 809	-	(2 809)	-
	<u>12 350</u>	<u>-</u>	<u>(7 303)</u>	<u>5 047</u>

2.) CAPITAL ENDOWMENT FUND - ESSA

Balance as at 1 January	19 727	19 727
Unattached member's dues	-	-
Balance as at 31 December	19 727	19 727

3.) SEMINAR - ESSA

Sponsorship received	-	(207 875)
Seminar expenses	-	-
	<u>-</u>	<u>(207 875)</u>

4.) AUDITORS REMUNERATION - ESSA

Audit fee - 2006 financial year	-	8 434
Audit fee - 2007 financial year	8 235	-
Audit fee - 2008 financial year	6 000	-
	<u>14 235</u>	<u>8 434</u>

5.) AUDITORS REMUNERATION - SAJE

Audit fee - 2006 financial year	-	9 773
Audit fee - 2007 financial year	6 300	-
Audit fee - 2008 financial year	4 500	-
	<u>10 800</u>	<u>9 773</u>

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Figures in Rand	2008	2007
6.) AUDITORS REMUNERATION - JDP		
Audit fee - 2006 financial year	-	1 616
Audit fee - 2007 financial year	2 700	-
Audit fee - 2008 financial year	1 500	-
	4 200	1 616
7.) CASH AND CASH EQUIVALENTS - ESSA		
First National Bank Limited	240 682	184 577
Nedbank Limited	6 369	11 368
Petty cash on hand	-	(238)
	247 051	195 707
8.) CASH AND CASH EQUIVALENTS - SAJE		
First National Bank Limited	269 677	116 523
	269 677	116 523
9.) CASH AND CASH EQUIVALENTS - JDP		
First National Bank Limited	-	972
	-	972
10.) CASH AND CASH EQUIVALENTS - CENTRAL CONFERENCE		
First National Bank Limited	51 311	60 661
	51 311	60 661
11.) TRADE AND OTHER PAYABLES - ESSA		
H. Gordon & Partners Incorporated	6 000	-
Journal of Development Perspectives	41 613	-
Membership revenue received in advance	7 176	509
The South African Journal of Economics	156 176	216 487
	210 965	509
12.) TRADE AND OTHER RECEIVABLES - ESSA		
Expenses paid on behalf of Central Conference	24 881	86 490
Auditors remuneration on behalf of JDP	5 816	1 616
	30 697	88 106
13.) TRADE AND OTHER PAYABLES - SAJE		
Blackwell income received in advance	98 892	86 878
H. Gordon & Partners Incorporated	4 500	-
John Wiley & Sons Ltd publishing expenses	25 374	80 818
Membership revenue received in advance	28 704	672
SAJEM membership incorrectly received	-	350
	157 470	168 718