



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

**Annual Report 2010**

## **The Economic Society of South Africa**

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## Contents

	<b>Page</b>
1 Agenda for the 2011 annual general meeting .....	2
2 Minutes of the 2010 annual general meeting (for approval) ...	3
3 Membership: 2009 and 2010 .....	7
4 Council: 2010 .....	8
5 Branch secretaries .....	9
6 ESSA prize entries: 2011 .....	10
7 Branch activities: 2010 .....	13
8 Annual financial statements for 2009 and 2010 .....	19

## **AGENDA**

### **85th Annual General Meeting of the Economic Society of South Africa**

Date: Wednesday, 7 September 2011

Time: 11:15

Venue: Room 104, CGW Schumann Building, Stellenbosch University, Stellenbosch

1. Welcome and apologies
2. Address by the President, Prof SA du Plessis
3. Adoption of the agenda
4. Confirmation of the minutes of the Annual General Meeting held on 20 September 2010
5. Adoption of the annual report of the Council and the financial statements of the Society and of the Journal for 2010
6. Appointment of auditors for the 2011 financial statements
7. Annual membership fees for 2012
8. Prize winners for 2011
9. General
10. Closing

## MINUTES

### Minutes of the 84th annual general meeting of the Economic Society of South Africa

Date: Monday, 20 September 2010

Time: 18h30

Venue: Teaching Block, Monash University, 144 Peter Road, Ruimsig, Johannesburg

#### 1. Welcome

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 9 September 2009

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 2009

Mr Perkins (secretary) provided a summary of the annual report and Ms Pretorius (treasurer) provided a summary of the 2009 audited financial statements. The annual report and financial statements were approved.

#### 5. Appointment of auditors for the 2010 financial statements

H. Gordon & Partners Incorporated were appointed to audit the 2010 financial statements.

#### 6. Annual membership fees for 2011

The annual membership fee was raised from R500 (2010) to R520 (2011) for ordinary members, and from R250 to R260 for students and pensioners.

#### 7. Prize winners: 2010 Founders' Medals

The prize winners for 2010 were announced as follows.

##### Founders' medal for honours degree essay

**Buchanan, David** (Cape Town)

The Rand as a Commodity Currency: Evidence from the Determination of the Nominal Exchange Rate

Supervisor: Dr Shakill Hassan

**Founders' medal for masters degree short dissertation (the degree includes both coursework and a dissertation)**

**Walker, Ernest Edward** (Stellenbosch)

An evaluation of PPP in terms of the iPod index: a possible replacement of the Big Mac index?

Supervisor: Prof Stan du Plessis

**Founders' medal for doctor's degree thesis**

**Ardington, Carolyn** (Cape Town)

Parental death and schooling outcomes in South Africa

Supervisors: Prof Murray Leibbrandt, Prof Anne Case

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

**8. Journal of Development Perspectives**

Prof Leibbrandt explained the background to the suspension of publication of the JDP, and proposals that had been made to revive it. A promising proposal had unfortunately been withdrawn owing to a change in circumstances, and other proposals had not met Council's requirements.

Mr Perkins summarized the rest of Council's discussion of the JDP earlier in the day. Council had tasked the Journal Management Committee with making recommendations on how best to deal with the JDP's suspension (such as the parameters within which its restoration would be considered viable, or whether it should be abandoned as an ESSA initiative). The JMC's recommendations would then be considered by the Executive Committee and Council. Although no time limit had been set for the process, it was recognized that the JMC would need to treat the matter as a priority.

**9. Constitutional amendment**

Two constitutional amendments were approved. Firstly, the requirement of "at least six editors" for each of the journals was replaced by the requirement of "a panel of editors". The removal of the minimum number had been proposed as it placed an unnecessary constraint on the editorial model. Secondly, the number of years for which editors other than the managing editors were appointed was amended from four to two.

**10. Any other business**

None.

**11. Address by Prof Peet Strydom on the topic Economics for a new era**

In place of the customary presidential address (Prof Leibbrandt having already delivered two presidential addresses during his extended three-year term as president), Prof Peet

Strydom delivered a paper "Economics for a new era". Since this was not a presidential address, the paper was followed by two respondents (Prof Stan du Plessis and Prof Raymond Parsons) and discussion.

## **12. Closing**

Prof Leibbrandt thanked Mr Perkins, who was stepping down as secretary, for his services to the Society since 2005. He thanked the Journal Management Committee, the Executive Committee and the Council for all their support during his time as president. Prof Leibbrandt wished incoming president Stan du Plessis all the best for the next two years.

## MEMBERSHIP

as at 31 December

Branch:	Normal		Honorary		Lifetime		Pension		Student		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
<b>Cape Town</b>	31	23	2	2	3	3	4	4	4	13	44	45
<b>Eastern Cape</b>	22	20	0	0	1	1	0	0	3	4	26	25
<b>Free State</b>	11	11	0	0	0	0	3	3	2	1	16	15
<b>Johannesburg</b>	152	158	0	0	1	1	3	3	8	5	164	167
<b>KwaZulu-Natal</b>	21	21	0	0	0	0	1	1	1	1	23	23
<b>Limpopo</b>	7	16	0	0	1	1	1	0	2	0	11	17
<b>North West</b>	19	17	0	0	0	0	1	1	41	36	61	54
<b>Pretoria</b>	272	275	3	3	2	2	0	0	2	0	279	280
<b>Stellenbosch</b>	39	35	0	0	0	0	1	1	18	14	58	50
<b>Foreign</b>	33	22	0	0	3	3	0	0	1	1	37	26
<b>Total</b>	607	598	5	5	11	11	14	13	82	75	719	702



## COUNCIL

2010

**President:** MV Leibbrandt

**Vice-President:** M Mnyande

**President-elect:** SA du Plessis

### **Elected / appointed in terms of the Constitution:**

**7 (a) (v)** M Keswell  
J Luiz  
T Mokoena  
W Viviers  
E Gilbert  
–

**7 (a) (vi)** JW Fedderke  
–

**7 (a) (vii)** RWK Parsons

**7 (a) (viii)** R Gouws  
–  
–

### **Elected by branches in terms of 7 (a) (iv) of the Constitution:**

<b>Cape Town</b>	L Edwards	–
<b>Eastern Cape</b>	G Fraser	J Snowball
<b>Johannesburg</b>	D Blaauw	A Kabundi
<b>Free State</b>	P Burger	GM Wessels
<b>KwaZulu-Natal</b>	D Posel	R Dias
<b>Limpopo</b>	KSM Matjekana	A Gyekye
<b>North West</b>	A Heymans	H Bezuidenhout
<b>Pretoria</b>	C Harmse	A Gouws
<b>Stellenbosch</b>	L Burrows	D von Fintel

**Secretary:** P Perkins

**Treasurer:** AM Pretorius

## BRANCH SECRETARIES

Branch and Secretary	Contact details
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## ESSA PRIZE ENTRIES

2010

See [www.essa.org.za](http://www.essa.org.za) for further explanation and details relating to prizes.

See the AGM minutes (above) for a list of the 2010 winners.

### **Founders' medal for honours degree essay**

**Buchanan, David** (Cape Town)

The Rand as a Commodity Currency: Evidence from the Determination of the Nominal Exchange Rate

Supervisor: Dr Shakill Hassan

**Reid, Steven** (Stellenbosch)

LICSA: a Study of Leading Indicators of Currency Crisis in South Africa

Supervisor: Prof Evan Gilbert

### **Founders' medal for master's degree short dissertation (the degree includes both coursework and a dissertation)**

**Charlton, Richard** (Cape Town)

Controlling the Walrasian Tatonnement Process

Supervisor: Prof Haim Abraham

**Walker, Ernest Edward** (Stellenbosch)

An evaluation of PPP in terms of the iPod index: a possible replacement of the Big Mac index?

Supervisor: Prof Stan du Plessis

### **Founders' medal for doctor's degree thesis**

**Ardington, Carolyn** (Cape Town)

Parental death and schooling outcomes in South Africa

Supervisors: Prof Murray Leibbrandt, Prof Anne Case

**Ngoie, Jacques Kibambe** (Pretoria)

A disaggregated Marshallian macroeconomic model of South Africa

Supervisors: Prof Charlotte du Toit, Prof René van Eyden

**Van Niekerk, Arno Johan** (Free State)

Global economic governance in question: Africa's adverse position and policy reform

Supervisor: Prof Elsabé Loots

## BRANCH ACTIVITIES

2010

### Cape Town

Tuesday, 20 July 2010

The Economic Society of South Africa and Investec Private Clients invited members to attend a discussion by the OECD on its Economic Survey (published on 19 July 2010). The OECD surveys are published every 1½-2 years for each OECD country and identify the main economic challenges faced by the country and policy options to meet them. Non-member country reports are prepared as part of the Organisation's outreach and focus on macroeconomic stability and areas that constitute barriers to long-term sustainability. In addition to South Africa, other non-member countries for which such reports are prepared regularly comprise Brazil, China, India, Indonesia, and Russia.

The South Africa survey contained three chapters. Chapter 1 discussed the economy's experience during the global crisis, how to consolidate the emergence from recession, and how to improve trend growth. Chapter 2 addressed South Africa's macroeconomic framework and how it could be improved. Chapter 3 looked at the challenge of raising employment.

### Eastern Cape

The Rhodes University/Economic Society of South Africa (ESSA) postgraduate economics student conference took place at Rhodes University on the 8<sup>th</sup> and 9<sup>th</sup> of October 2010. This is the ninth 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 6 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 2010, we hosted 9 students from these universities, all of whom presented a paper, and 2 staff members. ESSA sponsorship covered conference fees of R120 per person and one night of accommodation.

The theme of the 2010 conference, chosen by the student committee, was *Bridging the Divide: Economic Innovation for Positive Change*. In total, 74 student papers were presented on a wide variety of topics. The keynote address was given by Mr. Neren Rau, CEO of the South African Chamber of Commerce and Industry. Mr Rau spoke on the current and future environment for business in South Africa. Despite a power failure during his keynote address, he continued with the talk, which was very well received.

An innovation at the 2009 conference was the invitation to 50 grade 11 learners (who were taking economics as one of their subjects) and their teachers from township schools in the Grahamstown area. Each learner was assigned to an honours student, who acted as their guide for the afternoon, during which they attended the conference sessions. Sponsorship for a similar initiative in 2010 was obtained from the Rhodes University SRC, but due to the disruption of the public servants' strike, a much smaller group of learners attended. We also hosted 2 guests from the National Treasury, and one from the Western Cape Provincial Treasury.

Overall, the conference was a success with the visitors added 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 honours and masters students. Staff and students would like to extend our grateful thanks to ESSA who helped to make this such a productive and successful event.

## Johannesburg

DATE	SPEAKER	TOPIC
13 April	Prof Russell Smyth	Health, human capital, height and wages in China
13 April	Dr Gennadi Kazakevitch	Towards the end of the world: crisis or a myth
27 May	Dr. Gabriel Palma	The current financial crisis: toxic assets and toxic ideologies
15 July	Prof Alain Kabundi	Three cycles: housing, credit, and real activity
10 August	Dr. Linda Edwards	The influence of Fair trade on the Quality of life of traders

The Johannesburg Branch together with the University of Johannesburg hosted an international mini-conference on Development Economics on Monday, 12<sup>th</sup> April 2010

### Papers Presented:

SPEAKER	TOPIC
PL Beena	Economic liberalisation and financing pattern of the Indian industries
Vanessa da Costa	Revisiting capital controls: Theoretical perspectives and empirical evidence from the developing world
Ashwini Deshpande	Do reservation policies affect productivity in the Indian railways?
Leandro Serino	Trade integration during the great recession: The case of Argentina
Annalisa Primi	Re-thinking about growth: The innovation challenge in post-recession markets
Manuel Montes	Class and Gender Equity and the Economic Crisis
Jason Jackson	Comparative cross-regional gendered impact of the economic crisis on international trade and production in the developing world
Ozge Izdes	Financial crises of Turkey and gendered employment outcomes

## North West

DATE	SPEAKER	TOPIC
06 February	André Mellet, NWU	Die stand van die SA ekonomie 2009.
18 March	Ronnie van Rooyen	Customs and their role in international trade.
29 May	Ms Rose Blatch, ITRISA	SA in the international world.
18 June	Prof PDF Strydom	The International financial crisis. (Workshop)
24 August	Dr Gary van Vuuren, Fitch Ratings, London	Rating agencies.
25 August	Dr Gary van Vuuren, Fitch Ratings, London	The role of asset correlations in the financial crisis.
26 August	Mr Adriaan Snyman	Huidige stand van graanmarkte in SA & werksgeleenthede by Vrystaat Mielies.
27 August	Ms Rose Blatch	Employment opportunities in international trade.
23 September	Annual Honors Road Trip of the School of Economics co-sponsored by ESSA North-West	Honors students of the School of Economics visit SAA Cargo at OR Tambo International as well as SAB Miller
15 October	Ettienne le Roux, RMB	An overview of the current RSA economy
18 October	Honors Colloquium and General Meeting	General meeting of ESSA North-West and Presentation of the Honors dissertations

## Stellenbosch

DATE	SPEAKER	SEMINAR TITLE
19 January	Michael Lipton (University of Sussex)	Land Reform in Developing Countries: Property rights and property wrongs
15 February	Wimpie Boshoff (Stellenbosch University)	Market definition using statistical learning techniques and consumer characteristics
22 February	Johan Fourie (Stellenbosch University)	The impact of mega events on tourist arrivals
01 March	Prof Stan du Plessis & Gideon du Rand (Stellenbosch University)	Pure inflation in South Africa
02 March	Jeremy Magruder (University of California, Berkely)	High unemployment yet few small firms: the role of centralized bargaining in South Africa
08 March	Prof Paul van Rensburg (University of Cape Town)	Size, P/E and Beta on the JSE
18 March	Robert Z Lawrence (Kennedy School, Harvard) and Lawrence Edwards (University of Cape Town)	Rising tide: Is growth in emerging economies good for the United States?
25 March	Prof Jan Prieue (University of Applied Sciences, Berlin)	Some Building Blocks for a Macroeconomic Theory of Development
29 March	Prof Estian Calitz and Hassan Essop (Stellenbosch University)	Is South Africa becoming more centralised fiscally?
01 April	Prof Colin Thirtle (Imperial College and Stellenbosch University)	District level total factor productivity in agriculture: Western Cape Province, South Africa, 1952-2002
12 April	Denis Wendt (University of Göttingen, Germany)	Financial Structure and Inflation
15 April	Graham Cookson (Imperial College, London)	Space, the final frontier
19 April	Monique Reid (Stellenbosch University)	Transforming the SARB's words into "News"
29 April	Dr. Waldo Krugell (North west University)	Small firms and access to finance: Evidence from the World Bank Enterprise survey
10 May	Dr. Ronelle Burger (Stellenbosch University)	Money, mission or need: How do Ugandan NGOs choose activities?
13 May	Prof Lilliana Avendaño (Veracruzana University, Mexico)	Main drivers of Chinese FDI in sub-Saharan Africa and Latin America
26 July	Stan du Plessis (Stellenbosch University) and Cobus Venter (Bureau for Economic Research)	The home team scores! A first assessment of the economic impact of World Cup 2010
02 August	Stan du Plessis & Leon du Toit (Stellenbosch University)	Large current account reversals and the exchange rate regime
12 August	Hugo Pienaar (Bureau for Economic Research)	Medium term forecast for the SA economy
16 August	Wimpie Boshoff (Stellenbosch University)	Advances in price time series tests for antitrust market definition
26 August	Marisa Coetzee (Stellenbosch University)	Finding the benefits - An evaluation of the impact of the South African child support grant using propensity scores
30 August	Leigh Gardner (University of Cape Town)	From Gladstone to a New Deal in British Africa, 1918-39: A New Era in Colonial Governance?
31 August	Tobias Lechtenfeld (University of Göttingen)	What about the Women? Female Headship, Poverty and Vulnerability in Thailand and Vietnam
07 September	Dr. Manoel Bittencourt (University of Pretoria)	Financial Development and Economic Growth in Latin America: Schumpeter is Right!
13 September	Prof. Basil Moore (Stellenbosch University)	The Current World Depression: A Replay of the Great Balance Sheet Depression of the 1930's?
20 September	Prof Philip Black (Stellenbosch University)	Another take on poverty: Behavioural Perspectives
23 September	Martin Wittenberg (University of Cape Town)	Earnings Inequality in South Africa: Decomposing Changes Between 1995 and 2006

27 September	Monique Reid (Stellenbosch University)	Inflation expectations of the rationally inattentive public
11 October	Rudolf Gouws (Rand Merchant Bank / Stellenbosch University)	A day in the life of an economist
28 October	Mini symposium (Moderator: Prof Stan du Plessis   Speakers: Andreas Freytag (Professor in Economics, University of Jena); Cees Bruggemans (Chief Economist, FNB and Honorary Professor in Economics, Stellenbosch University); Alfredo Cuevas (Senior Resident Representative, IMF: South Africa)	Surviving the currency war

**THE ECONOMIC SOCIETY OF SOUTH AFRICA  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011  
INDEX**

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

<b>INDEX</b>	<b>Page</b>
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  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011  
COUNCIL'S RESPONSIBILITIES AND APPROVAL**

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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 statement. 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 F8, which have been prepared on the going concern basis, were approved by the Council on 31 August 2011 and were signed on its behalf by:

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Treasurer

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Reg. No: 200002063221  
CHARTERED ACCOUNTANTS & AUDITORS (S.A.)  
REGISTERED ACCOUNTANTS AND AUDITORS

## REPORT OF THE INDEPENDENT AUDITORS

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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, for the year ended 31 December 2010

### 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 controls 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 2010 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**

31 AUGUST 2011

94 REGENCY DRIVE  
CORNER SOVEREIGN & REGENCY DRIVES  
ROUTE 21 CORPORATE PARK  
IRENE  
0062

**THE ECONOMIC SOCIETY OF SOUTH AFRICA  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010  
BALANCE SHEET**

Figures in Rand	Notes	2010	2009
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Office equipment	1	-	553
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	383 809	440 350
Equities held		403	402
Investment accounts		1 531 831	1 384 450
Money market account		382 764	357 640
		2 298 807	2 182 842
<b>Total Assets</b>		<b>2 298 807</b>	<b>2 183 395</b>
<b>FUNDS AND LIABILITIES</b>			
Funds		1 982 939	1 818 176
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
The South African Journal of Economics	7	271 636	315 946
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	24 505	29 546
Capital endowment fund	2	19 727	19 727
		44 232	49 273
<b>Total Funds and Liabilities</b>		<b>2 298 807</b>	<b>2 183 395</b>

**THE ECONOMIC SOCIETY OF SOUTH AFRICA  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011  
INCOME STATEMENT**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2010</b>	<b>2009</b>
<b>INCOME</b>			
Conference registration fees		-	495 262
Exhibition income		-	5 000
Fair value adjustment on investments - MTN shares		1	76
Functions and meeting income		-	42 600
Investment income		172 790	117 951
Members' dues received		319 210	304 378
Prize entry fees		3 251	6 150
Sponsorships		-	101 000
Transportation income		-	15 900
		<b>495 252</b>	<b>1 088 317</b>
<b>EXPENSES</b>			
Auditors' remuneration	3	5 500	5 000
Bank charges		2 683	10 689
Branch activities - Eastern Cape		7 910	6 565
Branch activities - Limpopo		-	7 130
Branch activities - North West		3 200	-
Branch activities - Johannesburg		5 000	-
Communication expenses		-	6 790
Courier services		2 201	1 517
Depreciation	1	553	4 494
Employee costs - JDP admin		-	8 507
Employee costs - Honorariums		24 000	-
Entertainment and refreshments		12 206	7 988
Equipment rental		-	136 800
Fair value adjustment on investments - MTN shares		-	-
Fees paid		-	205 344
Functions and meetings expenses		-	43 761
Gifts		-	3 593
Prize adjudications		2 250	5 000
Prizes awarded		510	1 096
Publication costs		-	46 719
Stationery, printing and postage		6 550	50 367
The South African Journal of Economics		255 368	243 503
Travel and accommodation		2 558	21 835
Venue rental		-	195 872
		<b>(330 489)</b>	<b>(1 012 569)</b>
Surplus at the beginning of the year		1 818 176	1 742 428
<b>Surplus for the year</b>		<b>164 764</b>	<b>75 748</b>
Surplus at the end of the year		1 982 939	1 818 176

**THE ECONOMIC SOCIETY OF SOUTH AFRICA  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011  
BALANCE SHEET - SOUTH AFRICAN JOURNAL OF ECONOMICS**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2010</b>	<b>2009</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	128 416	121 763
The Economic Society of South Africa	7	271 636	315 946
		<b>400 052</b>	<b>437 709</b>
<b>Total Assets</b>		<b>400 052</b>	<b>437 709</b>
<b>FUNDS AND LIABILITIES</b>			
Funds		285 918	310 151
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	114 134	127 558
<b>Total Funds and Liabilities</b>		<b>400 052</b>	<b>437 709</b>

**THE ECONOMIC SOCIETY OF SOUTH AFRICA  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010  
INCOME STATEMENT - SOUTH AFRICAN JOURNAL OF ECONOMICS**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2010</b>	<b>2009</b>
<b>INCOME</b>			
Blackwell Publishing revenue		79 788	98 892
Dalro income		3 795	25 767
Membership revenue		255 368	243 503
Profit on exchange differences		1 817	1 336
Submission fees		10 397	30 940
		<b>351 166</b>	<b>400 439</b>
<b>EXPENSES</b>			
Auditors' remuneration	4	4 400	4 000
Bank charges		3 587	5 362
Communication costs		4 774	5 747
Employee costs		263 328	234 480
Printing and stationery		1 583	2 068
Publication costs		95 602	102 821
Travel and accommodation		2 125	4 194
		<b>(375 399)</b>	<b>(358 671)</b>
Surplus / (Deficit) at the beginning of the year		310 151	268 383
<b>Surplus / (Deficit) for the year</b>		<b>(24 233)</b>	<b>41 768</b>
Surplus / (Deficit) at the end of the year		285 918	310 151

**THE ECONOMIC SOCIETY OF SOUTH AFRICA  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

Figures in Rand 2010 2009

**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 year.

**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%

	2010			2009		
	Cost	Accumulated Depreciation	Book Value	Cost	Accumulated Depreciation	Book Value
Office equipment - ESSA	13 483	(13 483)	-	13 483	(12 930)	553
Office equipment - SAJE	12 206	(12 206)	-	12 206	(12 206)	-
	<u>25 689</u>	<u>(25 689)</u>	<u>-</u>	<u>25 689</u>	<u>(20 642)</u>	<u>553</u>

**Reconciliation of Fixed Assets - 2010**

	Opening Balance	Depreciation	Total
Office equipment - ESSA	553	(553)	-
Office equipment - SAJE	-	-	-
	<u>553</u>	<u>(553)</u>	<u>-</u>

**2.) CAPITAL ENDOWMENT FUND - ESSA**

Balance as at 31 December 19 727 19 727

**3.) AUDITORS' REMUNERATION - ESSA**

Audit fee - 2009 financial year - 5 000  
 Audit fee - 2010 financial year 5 500 5 000

**4.) AUDITORS' REMUNERATION - SAJE**

Audit fee - 2009 financial year - 4 000  
 Audit fee - 2010 financial year 4 400 4 000

**5.) CASH AND CASH EQUIVALENTS - ESSA**

First National Bank 383 809 421 404  
 Nedbank Limited - 18 946

**6.) CASH AND CASH EQUIVALENTS - SAJE**

First National Bank 128 416 121 763

**THE ECONOMIC SOCIETY OF SOUTH AFRICA  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

<b>Figures in Rand</b>	<b>2010</b>	<b>2009</b>
<b>7.) TRADE AND OTHER PAYABLES - ESSA</b>		
H. Gordon & Partners Incorporated	5 500	5 000
Membership revenue received in advance	16 005	24 546
Salaries unpaid	3 000	-
The South African Journal of Economics	271 636	315 946
	<b>296 140</b>	<b>345 492</b>
<b>8.) TRADE AND OTHER PAYABLES - SAJE</b>		
H. Gordon & Partners Incorporated	4 400	4 000
John Wiley & Sons Ltd publishing expenses	23 771	25 374
Salaries unpaid	21 944	-
Membership revenue received in advance	64 018	98 184
	<b>114 134</b>	<b>127 558</b>