

ANNUAL REPORT 2024/25



Advancing Knowledge. Transforming Lives. Inspiring a Nation.



science, technology
& innovation

Department:
Science, Technology and Innovation
REPUBLIC OF SOUTH AFRICA



National
Research
Foundation

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PART A:

GENERAL INFORMATION



1. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME: National Research Foundation

REGISTRATION NUMBER (if applicable): N/A

PHYSICAL ADDRESS: Meiring Naude Road

Brummeria

Pretoria

0002

POSTAL ADDRESS: PO Box 2600

Pretoria

0001

TELEPHONE NUMBER/S: 012 481 4000

EMAIL ADDRESS: info@nrf.ac.za

WEBSITE ADDRESS: www.nrf.ac.za

EXTERNAL AUDITORS: Auditor-General South Africa

BANKERS: Corporate and Investment Banking, CIB

1st Floor, Lourie Place

Hillcrest Office Park

177 Dyer Road

Hillcrest

0183

COMPANY/ BOARD SECRETARY: Cassandra Mfana

2. LIST OF ABBREVIATIONS/ACRONYMS

AfAS	African Astronomical Society
AFS	Annual Financial Statements
AGSA	Auditor-General South Africa
AOSP	Africa Open Science Platform
AMS	Accelerator Mass Spectrometry
APP	Annual Performance Plan
ATS	Accelerator Technical Support
BBBEE	Broad-Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIKS	Centre in Indigenous Knowledge Systems
CREST	Centre for Research on Evaluation, Science and Technology
CUT	Central University of Technology
DHET	Department of Higher Education and Training
DFFE	Department of Forestry, Fisheries and the Environment
DSTI	Department of Science Technology and Innovation
EOC	Engineering Operations Centre
ERM	Enterprise Risk Management
FCS	Full-Cost Support
GRC	Global Research Council
HCD	Human Capital Development
IAU	International Astronomical Union
IIASA	International Institute for Applied Systems Analysis
IKS	Indigenous Knowledge Systems
IP	Intellectual Property
IWMI	International Water Management Institute
JIF	Journals with an Impact Factor
MTEF	Medium-Term Expenditure Framework
NDP	National Development Plan
NEETs	Young Persons Not Engaged in Education, Employment or Training
NEP	National Equipment Programme
NIPMO	National Intellectual Property Management Office
NRF	National Research Foundation
NRIP	National Research Infrastructure Platform
NRC	National Research Council
NSF	National Skills Fund
NSI	National System of Innovation
NSW	National Science Week
NSF	National Skills Fund

NWU	North-West University
PCS	Partial-Cost Support
PFMA	Public Finance Management Act
PPA	Public Procurement Act
PSU	Power Supply Unit
PRIME	PRime-focus Infrared Microlensing Experiment
RIPs	Research Infrastructure Platforms
RIISA	Research, Innovation, Impact Support and Advancement
SAAO	South African Astronomical Observatory
SAASTA	South African Agency for Science and Technology Advancement
SAEON	South African Environmental Observation Network
SAIAB	South African Institute for Aquatic Biodiversity
SARAO	South African Radio Astronomy Observatory
SAIF	South African Isotopes Facility
SCM	Supply Chain Management
SARIR	South African Research Infrastructure Roadmap
SKAO	Square Kilometre Array Observatory
STEM	Science, Technology, Engineering, and Mathematics
TR	Treasury Regulations
TVET	Technical and Vocational Education and Training
UFH	University of Fort Hare
WoS	Web of Science



3. FOREWORD BY THE CHAIRPERSON

Prof Mosa Moshabela

Dear Reader,

It is my honour to share with you the Annual Report of the National Research Foundation (NRF) for the 2024/25 financial year. As the Board of the NRF, we carry a deep sense of responsibility in stewarding South Africa's research and innovation system. At the heart of our work is a commitment to advancing knowledge that uplifts society and builds a more inclusive and resilient future.

This past year has reminded us once again of the critical role that science plays in confronting persistent and emerging challenges, whether it be securing sustainable energy, responding to health crises, or addressing climate change, inequality, and educational disparities. In facing these complexities, the NRF has remained steadfast. Through strategic investments, strong partnerships, and an unwavering focus on excellence, we have continued to empower researchers and institutions with the tools, funding, and infrastructure they need to make meaningful contributions to our country and continent.

At the core of our work is a mission to build human capital and research capacity that is

globally competitive and locally grounded. It is encouraging to see how our collective efforts, those of researchers, students, policymakers, institutional leaders, and communities, are shaping a knowledge-based society with impact. We take great pride in the strides made in strengthening research ecosystems and supporting innovation that is not only academically excellent but socially relevant.

The Board has taken note of the significant progress made against the performance targets outlined in our Annual Performance Plan, and the longer-term ambitions of the NRF Strategic Plan 2025. In the past five years, the NRF has laid a strong foundation for enabling research that contributes directly to a better society. A highlight of the year was the formal implementation of the Research Impact Framework, which provides a structured approach to assessing how our research investments translate into tangible benefits for society.

We were also pleased to introduce the new Societal Impact Award at the 2024 NRF Awards, recognising those researchers whose work delivers exceptional public value. Alongside

this, the Engaged Research Framework has encouraged our National Facilities to collaborate more intentionally with communities by developing policy advice, creating knowledge products, and building intellectual property with real-world applications.

In the year under review, we continued to strengthen our national and international research infrastructure. Guided by the South African Research Infrastructure Roadmap and the STI Decadal Plan, we expanded our platforms to support both established and emerging researchers. A major milestone has been the reorganisation of funding programmes to prioritise early-career scholars, thematic and industry-focused research, institutional development, and strategic investments. These shifts ensure that our research landscape is sustainable, inclusive, and future facing.

Partnerships remain at the heart of how we work. The NRF draws strength from its collaborations across government departments, academia, the private sector, and civil society. By working together, we extend our collective capacity to drive innovation and foster development that is equitable and enduring.

Naturally, this period has not been without its challenges. The Board has grappled with executive leadership vacancies, the difficult prioritisation of resources in the face of MTEF budget constraints, and the need to reposition the NRF within a rapidly evolving global research landscape. Despite this, the Board has remained functional and effective, benefitting from a stable membership, active participation, and ongoing development of its members.

Looking ahead, our strategic priorities are clear. We will continue to invest in human capital, nurturing the next generation of researchers through scholarships and grants. We will

strengthen the research capacity of institutions through infrastructure, collaboration, and targeted funding and we will advance innovation by supporting research that has the potential to transform key sectors of our economy, especially those with high employment potential, including health, agriculture, mining, manufacturing, energy, and ICT.

On behalf of the Board, I extend our sincere appreciation to the Minister of Science, Technology and Innovation, Dr Bonginkosi Nzimande, for the Department's support and partnership. The collaboration between the Department, the NRF Board, and our Executive team has been instrumental in advancing South Africa's national system of innovation.

We are equally grateful to our many stakeholders across the NSI who continue to walk this journey with us. Your insights, collaboration, and commitment help shape a research landscape defined not only by excellence, but also by empathy, inclusion, and impact.

As we navigate the future, the NRF remains committed to being adaptive and forward-looking. The challenges before us require interdisciplinary thinking, open science, and ethical leadership. With integrity, and in service of our country's development, we will continue to pursue knowledge that uplifts and transforms.



Prof Mosa Moshabela

**Chairperson of the NRF Board
National Research Foundation**

Date: 25 August 2025



4. CHIEF EXECUTIVE OFFICER'S OVERVIEW

Dr Fulufhelo Nelwamondo

Financial Overview of the operations of the NRF

The NRF derives its income mainly from the Parliamentary Grant (R941 million), DSTI contracts (R3 525 million), other contact income (R692 million), sales revenue (R144 million) and interest income (R97 million). NRF total income increased by 3%, from R5 265m in 2023/24 to R5 435m in 2024/25.

The NRF expenditure trends largely mirrors the level of income. The increase of 2.5% in total expenditure (including capital expenditure) from R5 227m in 2023/24 to R5 357m in 2024/25, is attributable to an increase in research funding expenditure, salaries and operating expenditure.

Research funding expenditure increased by 13%, from R2 153m to R2 429m, which had a positive contribution to achievement of 2024/25 performance targets. This is attributed to improvement in claims on grants by Higher Education Institutions and increased funding for the DHET Scarce Skills Development Fund.

Salaries increased due to cost-of-living increases, leave encashment and the implementation of the new Service Delivery Model structure. Operating expenditure increased in line with inflation and an increase in SKAO membership fees.

Capital expenditure decreased by R384m in 2024/25 due to the lag time in the completion of the NRF-SARAO dark fibre roll-out and the lead time in design and approval of the suite of SKAO Host Buildings. The key drivers of infrastructure expenditure during the reporting period are attributed to projects such as the MeerKAT extension, the South African Research Infrastructure Roadmap (SARIR) projects at NRF-SAEON and the commencement of SKAO Host Buildings Costs.

Capacity constraints and challenges facing the NRF

The organisation continues to face significant competition in attracting and retaining skilled professionals, particularly in critical areas such as software development, data science, nuclear

science, and various engineering disciplines. Despite efforts to address this issue, the inability to offer remuneration packages that are competitive with those in the private sector and other research-intensive organisations remains a persistent challenge.

Discontinued key activities/activities to be discontinued

No activities were discontinued during the financial year, and none is envisaged for the foreseeable future.

New or proposed key activities

During the MTEF period, the NRF will embark on the following initiatives geared at the improvement of its service offering and better facilitation of its contribution to national development:

- The development and implementation of NRF Innovation Strategy for research and human capital development funding and research performed by the National Research Facilities.
- The ramping up of the University Development Programme to improve research and teaching capacity in a manner that partly addresses challenges of academics without PhDs, shortages in strategic disciplines, and impending natural attrition of researchers in the NSI.
- Embed engaged research and research impact as critical criteria in decision-making for awarding grants for funding and access to research infrastructure to better enhance the realisation of developmental impact.
- Implement a revamped bi-and multilateral partnership strategy to respond to an evolving geopolitical and economic realignments and to rationalise the current relationships.

Requests for roll over of funds

The NRF ended the year with unspent funds amounting to R5 million against an overall income of R5.4 billion. These funds are fully committed against purchase orders issued before 31 March 2025.

Supply chain management

The 2024/25 Procurement Plan had a total of 168 planned bids for an amount of R724 million. One hundred and forty-one (141) bids were awarded to the amount of R654 million, equivalent to 84% achievement. The National Treasury has enhanced the e-Tender platform with the functionality to receive bid submissions (referred to as e-Submission) from prospective suppliers or bidders. This reduces the administrative burden when bids are received and ensures greater security measures during the bid advertisement process. The NRF is piloting the project to investigate the functionality and user experience for the online bid submission (e-Submission) process on the e-Tender platform.

All concluded unsolicited bid proposals for the year under review

The SCM Policy provides clear guidelines and processes to be followed when procuring unsolicited bids. No unsolicited bids were concluded during the year under review.

Whether SCM processes and systems are in place

No material challenges were identified for the year under review. Adequate policy, processes and systems are in place to facilitate procurement. No cases of irregular or fruitless and wasteful expenditure were identified in the audit for the 2024/2025 financial year.

Challenges experienced and how resolved

None.

Audit report matters in the previous year and how would be addressed

The Auditor-General (AG) has concluded their audit and have issued the NRF with an unqualified clean audit outcome. There were no audit report matters from the prior year.

Outlook/Plans for the future to address financial challenges

Despite the current South African economic outlook and significant budget cuts imposed over the next MTEF period, the NRF is committed to ensuring maximisation of resources available through the Parliamentary Grant, the DSTI Contracts and other income to drive innovation and STI for the future. In this regard, various national and international partnerships and agreements will be leveraged to drive national development priorities within the Science, Technology and Innovation landscape where NRF is able to make a meaningful contribution.

Events after the reporting date

There were no events identified after the reporting date.

Economic Viability

The NRF generated positive cash flows of R242 million during the 2024/25 period. The working capital ratio is 1:1, hence the liquidity of the NRF is considered healthy. Total assets of the NRF exceeds its total liabilities 2.6:1. The NRF is considered to be in a strong financial position and is a going concern.

Acknowledgement/s or Appreciation

We are grateful for the unwavering support and leadership of the NRF Board; the commitment and hard work of the Executive Management and all staff of the NRF; the oversight administrative leadership and continued support of the Department of Science, Technology and Innovation; as well as the research and academic community without whom, the NRF would not be able to deliver on its mandate.

Other information that needs to be communicated to the users of the AFS

None



Dr Fulufhelo Nelwamondo

Chief Executive Officer

National Research Foundation

Date: 25 August 2025

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by the Auditor-General of South Africa (AGSA).

The Annual Report is complete, accurate and free from any omissions. The Annual Report has been prepared in accordance with the guidelines on the Annual Report as issued by National Treasury.

The Annual Financial Statements (Part F) have been prepared in accordance with the Generally Recognised Accounting Practice (GRAP) accounting standards applicable to the National Research Foundation.

Although the Accounting Authority is primarily responsible for the affairs of the NRF, it is supported by the NRF's Audit and Risk Committee. The external auditors are responsible for independently reviewing and reporting on the NRF's Predetermined Objectives and the Annual Financial Statements and for the judgements

made in this information. The performance on Predetermined Objectives and Annual Financial Statements have been examined by the entity's external auditors and their report is presented on page 130.

The Annual Financial Statements set out on pages 138 to 207, which have been prepared on the going concern basis, were approved by the Accounting Authority on the 29 July 2025. The Accounting Authority has reviewed the NRF's budgets and cashflow forecast for the year up to 31 March 2026, and is satisfied that the NRF has, or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In our opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the National Research Foundation for the financial year ended 31 March 2025.

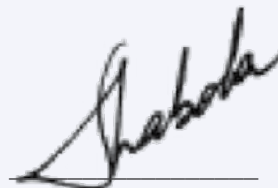
Yours faithfully



Chief Executive Officer

Dr Fulufhelo Nelwamondo

Date: 25 August 2025



Chairperson of the Board

Mosa Moshabela

Date: 25 August 2025

6. STRATEGIC OVERVIEW

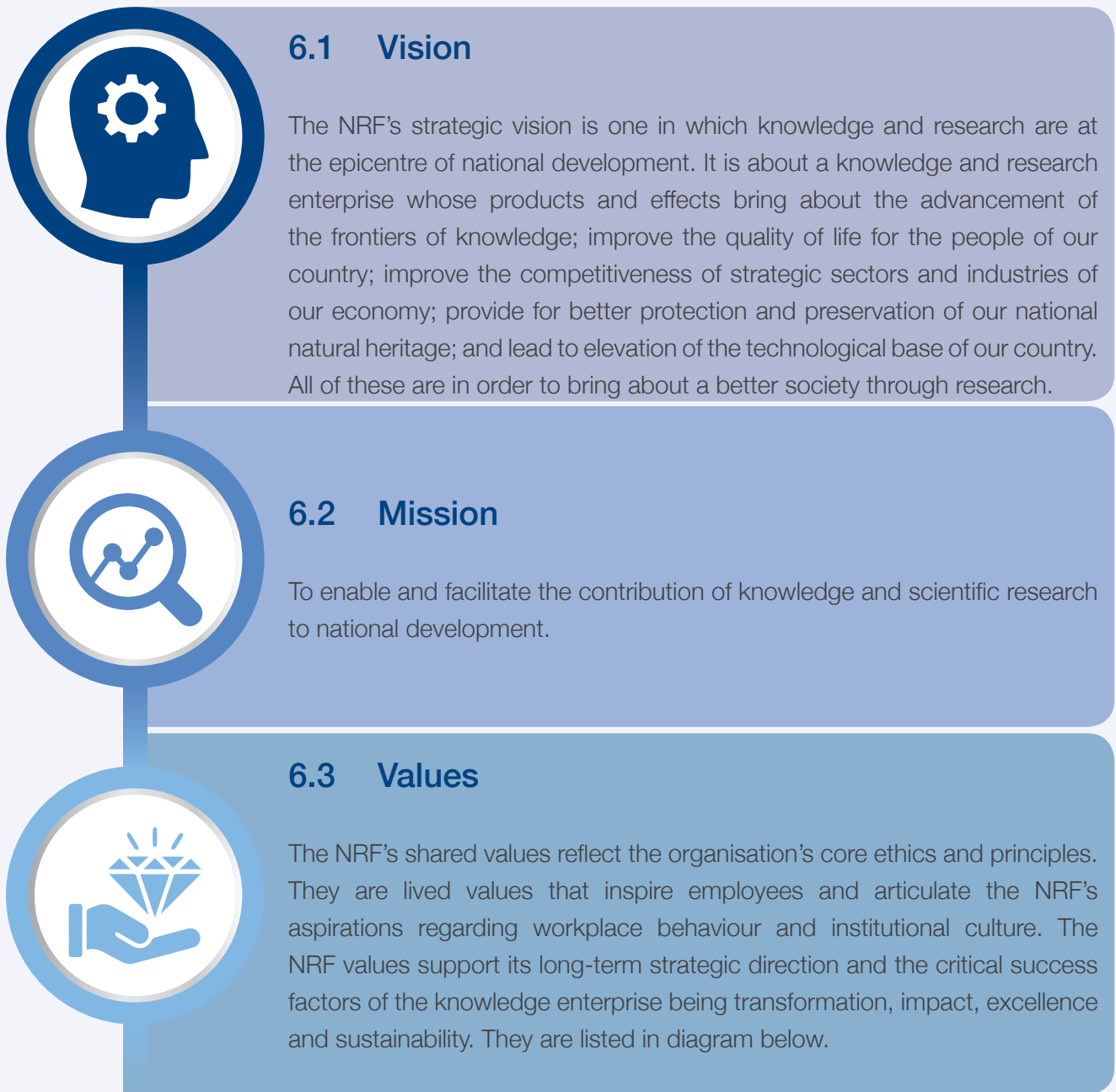


Figure 1: NRF Values



7. LEGISLATIVE AND OTHER MANDATES

The NRF was established in 1998 through the National Research Foundation Act (Act No. 23 of 1998, as amended) as a schedule 3A Public Entity in terms of the PFMA. The context within which the NRF functions is informed by various strategic frameworks, legislation, policies, and plans. Among them are those that outline developmental priorities for the nation, and in particular for the Higher Education, Science and Innovation sector in the medium to long-term. The objectives and priorities relevant to the NRF's mandate, planning and priorities are discussed below.

7.1 Legislative Mandates

NRF Founding Legislation

The National Research Foundation Act (Act No. 23 of 1998, as amended) established the NRF, and prescribes the primary mandate of the NRF as “to contribute to national development by”:

- a) Supporting, promoting and advancing research and human capacity development through funding and the provision of the necessary research infrastructure to facilitate the creation of knowledge, innovation and development in all fields of science and technology, including humanities, social sciences and indigenous knowledge.
- b) Developing, supporting and maintaining National Research Facilities.
- c) Supporting and promoting public awareness of, and engagement with science.
- d) Promoting the development and maintenance of the National Science System, and support of government priorities.

Astronomy Geographic Advantage Act, 2007

Provides for the preservation and protection of areas in South Africa uniquely suited to optical and radio astronomy, and for intergovernmental cooperation and public consultation on matters concerning such areas.

7.2 Policy Mandates

The National Development Plan 2030

The National Development Plan (NDP) is a long-term development plan that provides a strategic framework for development planning across Government. It addresses the triple challenges of poverty, inequality and unemployment.

Medium-Term Development Plan 2024 to 2030

The Medium-Term Developmental Plan (MTDP) 2024 to 2029 identifies three Key Strategic Priorities for the 7th Administration. The MTDP time horizon corresponds with the period of a five-year electoral cycle and political administration of the State. The MTDP is the implementation plan for period of the 7th Administration and sets the pace for the achievement of the National Development Plan (NDP) Vision 2030 targets.

White Paper on Science, Technology and Innovation, 2019

The White Paper on Science Technology and Innovation (WP STI) places STI at the centre of South Africa's development agenda. It recognises rapid international technological advances and the need for South Africa to position itself to respond to such developments.

Science, Technology and Innovation Decadal Plan, 2021 to 2031

The STI Decadal Plan serves as an implementation plan for the 2019 STI White Paper. The period of the Decadal Plan (2022-2032) largely coincides with the last phase of the NDP 2030. The Decadal Plan sets out the STI priorities and thematic focus areas for the next decade to support the achievement of the NDP outcomes.

White Paper on Post-School Education and Training, 2013

The White Paper for Post-School Education and Training (WP PSET) advances priorities in the post-school education sector, including expansion of the variety and number of post-school opportunities available to youth.

White Paper 3: A Programme for the Transformation of Higher Education, 1997

White Paper 3 emphasises a holistic approach to transformation, balancing the transformation imperative with the need for expansion and development. It advances a higher education and research sector that is responsive to the needs of a democratic society and an inclusive economy. In addition, White Paper 3 recognises the importance of countering the isolation of the university sector during the apartheid period through international partnerships and internationalisation.

Other STI Policies

In addition to the above policies, the NRF also implements the following macro-STI policies of the Government to advance STI and human-capacity development:

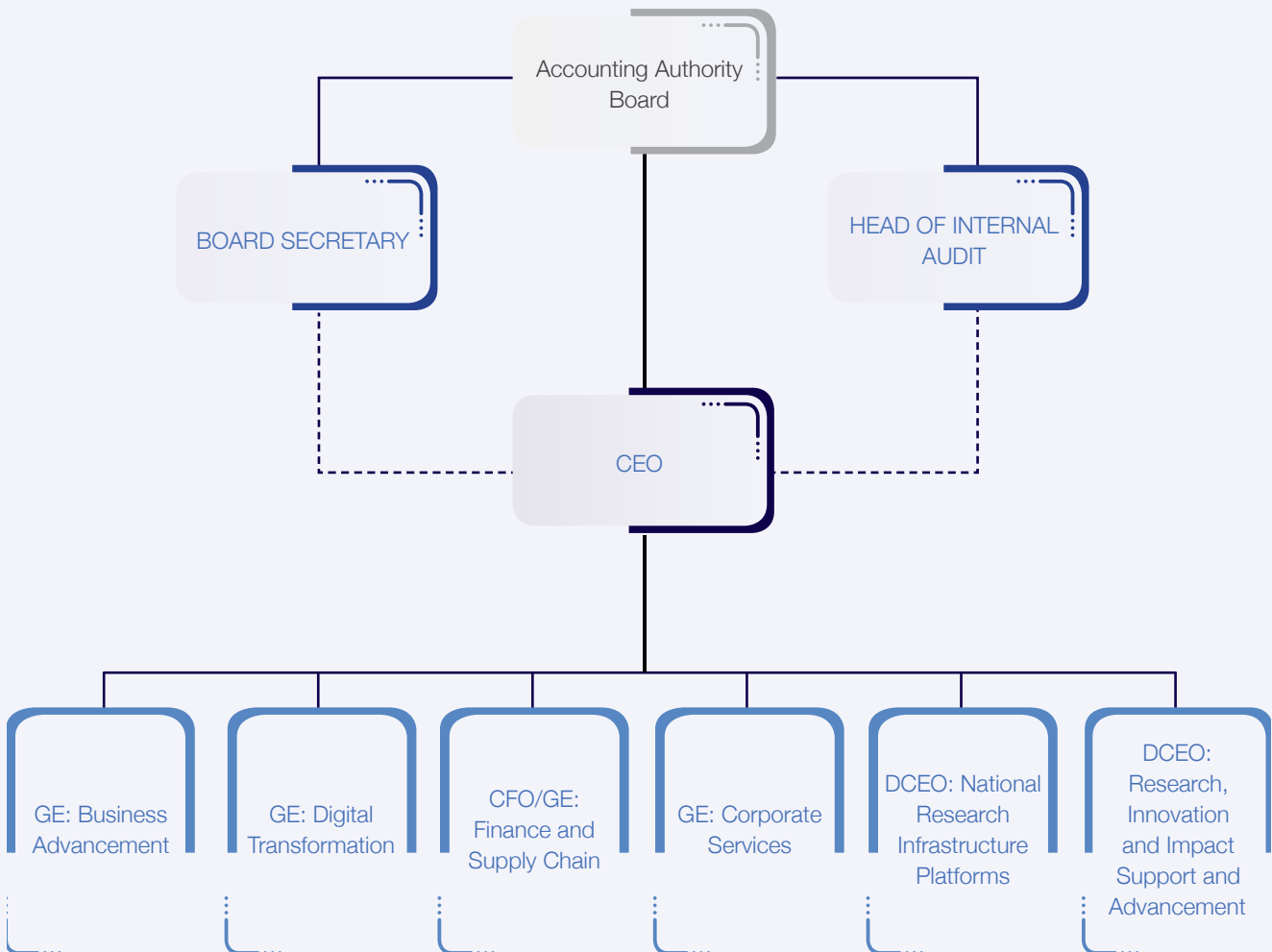
- The Strategy for Human-Capacity Development for Research, Innovation and Scholarships.
- The Staffing South Africa's Universities Framework.
- The Science Engagement Strategy.
- The Research Outputs Policy.
- The South African Research Infrastructure Roadmap (SARIR).
- Strategic Policy Framework on Disability for the Post-School Education and Training (PSET) System.
- DSI-NRF Postgraduate Funding Policy.
- Discipline-specific strategies and plans include Astronomy, Marine Biology, Biotechnology, Palaeosciences and Nanotechnology.

8. ORGANISATIONAL STRUCTURE

The NRF is organised into four programmes, namely; Administration (Programme 1), Science Engagement (Programme 2), Research and Innovation Support and Advancement (Programme 3) and National Research Infrastructure Platforms (Programme 4). The programmes are aligned with the core functions of the organisation. The NRF's

organisational structure work in a matrix fashion to lead and manage service delivery across its four budget programmes. Figure 2 below gives an outline of the NRF's organisational structure up to the divisional level and includes the governing body.

Figure 2: High-level Organisational Structure



8.1 The NRF Board Profiles

Prof Matlagolo Mosa Moshabela

Chairperson of the Board



Prof Moshabela is a Professor of Public Health and the Vice-Chancellor of the University of Cape Town. He holds a MBChB; a MMed in Family Medicine; MSc in Demography and Health; and PhD in Public Health. He leads the Quality Health Systems and Transformation (QuEST) Centre in South Africa. His contribution has primarily been in the improvement of access and quality healthcare to combat infectious diseases, in relation to HIV and TB, and in the areas of health systems, services and policy research.

He held a Welcomed Trust Fellowship from 2015 to 2018, and was awarded a Ministerial Special Covid-19 Award for COVID-19 Science Communication and Public Engagement.

Prof Glenda Gray

Board Member



Prof Gray is currently the Chief Scientific Officer at the South African Medical Research Council (SAMRC), and has been instrumental in conducting research into mother-to-child HIV transmission. Professor Gray also serves as a Distinguished Professor (Senior Scientific Advisor) at the Infectious Diseases and Oncology Research Institute of Wits University. She co-founded the Perinatal HIV Research Unit at Chris Hani Baragwanath Hospital. She achieved an NRF A-rating twice. She received the Nelson Mandela Health and Human Rights Award and, in 2013, was awarded the Order of Mapungubwe Silver. She was awarded an Honorary Doctorate in Laws (LLD) (hc). She studied medicine at the University of the Witwatersrand and holds an Honorary Doctorate from Simon Fraser University in Canada. She is a Fellow of the American Academy of Microbiology and a member of the Academy of Science of South Africa.

Ms Lahlane Hellen Malema

Chairperson of Board Procurement Committee



Ms Malema is a practising attorney with LLB and B.Proc degrees, and a director at own law firm Malema Attorneys. She also presides over Water Tribunal and Appeals Authority at Ekurhuleni Metro Municipality, and Chairs the Disciplinary Committees of the Legal Practice Council (LPC). She previously practised at the State Attorney's offices in Pretoria and Johannesburg, before taking up employment roles as Executive Manager at the Trans Caledon Tunnel Authority (TCTA), Company Secretary and Senior Legal Advisor at the Agricultural Research Council (ARC) and the Medical Schemes for Correctional Services (MEDCOR).

She has been involved in litigation, presiding roles, non-executive director roles, legal advisory, compliance, corporate governance, corporate secretariat and administration of justice. Attorneys.

Dr Len Konar

Board Member

Chairperson of the Audit & Risk Committee



Dr Konar is a Chartered Accountant and a member of the Financial Reporting Standards Council of the Department of Trade, Industry and Competition. He served as Executive Director at the Independent Development Trust. He was Professor and Head of the Department of Accountancy at the University of Durban-Westville. He is a past independent non-executive director of several listed, unlisted and State-owned entities. presenter on the MBA programmes at WBS and Executive Leadership Programmes at GIBS, WBS and Duke University Corporate Education. He was a member of the King Committee on Corporate Governance, the Corporate Governance Forum, the Institute of Directors and the National Association of Corporate Directors (USA).

He completed BCom degree, Master's in Accounting Science and his PhD in Accounting.

Dr Mabatho Ntomb'zikhona Mutshekwane (Ntombi)

Board Member



Dr Mutshekwane is the founder of the Mutsh Group of companies, which is comprised of Dr Mutshekwane Incorporated; Mutsh Medical International; and Mutsh Training Institute. She maintains a wealth of experience in the fields of emergency medicine, healthcare technologies, digital transformation in healthcare, and SMME development. She is qualified as a Medical Doctor, completed a Master's in Business Leadership as well as a postgraduate diploma in Health Technology Management. She also previously held the position of Marketing and Clinical Advocacy Executive at Meditech South Africa. She was appointed Healthcare Lead at Boxfusion Healthcare (Pty) Ltd. In addition, she is currently the Chairperson of the SMME subcommittee of the Black Business Council and is a Visiting Lecturer at the University of Cape Town where she lectures in e-Health.

Prof Nadine Petersen

Board Member



Prof Petersen is the Executive Dean of the Faculty of Education at the University of Johannesburg (UJ). She is a National Research Foundation C2-rated researcher and an acknowledged scholar of service learning and teacher education. She has Higher Education Diploma, a BA in Education, Honours and Master's degrees in Adult and Community Education and a PhD in Teacher Education. She collaborated with international partners such as the University of Helsinki and the University of Hong Kong. She served as Vice Dean for Teaching and Learning in the Faculty of Education and as Head of Department for Childhood Education at UJ during the establishment of the University of Johannesburg's laboratory/teaching school, Funda UJabule.

Prof Pamela Maseko

Chairperson of Research and Development Committee



Prof Maseko is the Executive Dean of the Faculty of Humanities at Nelson Mandela University. She has over 25 years work experience at various higher education institutions in South Africa, and as a research Fellow both locally and abroad. She has a Bachelor and Honours degrees, Master's, PhD and a PG Dip HE. She held tenure at the University of Cape Town, Rhodes University, University of the Western Cape, and at North-West University as Executive Dean of the Faculty of Humanities. She is also the current President of the South African Humanities Deans' Association (SAHUDA) and holds Fellowships at universities both locally and internationally.

Prof Pumla Gobodo-Madikizela

Chairperson of Research and Development Committee



Prof Gobodo-Madikizela is a Professor in the Faculty of Arts and Social Sciences at Stellenbosch University. She holds the DSI-NRF Research Chair in Violent Histories and Transgenerational Trauma and is Director of the Centre for the Study of the Afterlife of Violence and the Reparative Quest. She obtained her Bachelors and Honours degrees in Social Work and Psychology; a Master's in Clinical Psychology and a PhD in Psychology. She served as Chair of the Human Rights Violation Committee of the South African Truth and Reconciliation Commission. She had a number of Fellowships at Harvard University and the University of Michigan, and held a part-time co-teaching position on the Politics of Trauma and Memory at Wellesley College, Radcliffe College and Brandeis University in the USA.

Prof Refilwe Phaswana-Mafuya

Board Member



Prof Phaswana-Mafuya is the Director of the newly established South African Medical Research Council/University of Johannesburg Pan African Centre for Epidemics Research (PACER) Extramural Unit and a Professor of Epidemiology and Public Health, Faculty of Health Sciences, University of Johannesburg. She is also a MSc Reproductive Biology and Reproductive Health MSc Lecturer (Epidemiology) at the Pan African University of Life and Earth Sciences Institute, African Union. She serves as a mentor for the DHET Future Professors Programme, Phase II.

She has a PhD, PGD (Epi), MSc (Epi), is an Epidemiologist and Public health scientist; and is an NRF-rated scientist. She was coronated as the Queen Mother of Research and Development by the A beadze Traditional Council of the A beadze State, Ghana. She was the Deputy Vice-Chancellor Research and Innovation at the North-West University, and Editor-in-Chief and Executive Editor of the SAHARA Journal. She chaired the 9th SA AIDS Conference in 2019.

Prof Teboho Audrey Moja

Chairperson of Remuneration & HR Committee



Prof Moja is a Professor of Higher Education at New York University, an Extraordinary Professor at the University of the Western Cape, and a Visiting Research Fellow at the Centre for the Advancement of Scholarship at the University of Pretoria. She obtained her Master's degree in Education and Doctorate in Educational and Instructional Technology.

She joined the National Education Policy Initiative (NEPI), a project of the Mass Democratic Movement, as a member of both its management and research team. Her research focus has been on higher education policy. She served as a Special Advisor to two Ministers of Education and was appointed Executive Director and Commissioner of the National Commission on Higher Education. In 2019 she received the NRF Lifetime Achiever Award at the annual NRF Awards.

Dr Mathetha Thabo Mokonyama

Board Member



Dr Mokonyama has professional experience in research and development at the CSIR and has worked in local government as an engineering consultant, advising in areas of development planning, sustainable mobility, service design, infrastructure economics, and modelling of policy choices. He has a PhD in Engineering in the field of transportation. He is a registered professional engineer with the Engineering Council of South Africa in the civil engineering. He served as a Member of the African Policy, Research & Advisory Group on Science, Technology and Innovation with the United Nations Economic Commission for Africa; Chairperson of the Southern African Transport Conference; journal editorial board; and national contact point for international research collaboration between South Africa and the European Union. He continues to support various universities through post-graduate student supervision.

Mr Mavuso Martin Shabalala

Board Member



Mr Shabalala is a seasoned HR Professional, who holds a Bachelor of Social Sciences, a Master's of Business Leadership (MBL) degree, and Global Remuneration Professional (GRP) certification. He is currently an independent consultant in the fields of HR, organisational design, development and effectiveness. He has more than 25 years of operational and strategic level experience as a Human Resources Executive, acquired mainly in the private, public and international NGO sectors. Fifteen (15) of which he spent as a senior manager and has spent a number of years working both in Africa and overseas. His broad skillsets include HR, sales, management consulting, governance, operations and general management. He also has a number of years of board-level (Non-Executive Director) experience, as well as in REMSEC and serving on Risk & Audit Committees.

Ms Funeka Nomasondu Khumalo

Board Member



Ms Kumalo is a co-founder of Kevali Chemical Group and currently serves as the Executive Director. She holds a B.Sc. in Chemistry, Diploma in Brewing, a Master of Business Administration. She is a certified Project Management Professional (PMI) and is a Certified Director (IoDSA). She also completed an International Executive Development Programme. Funeka is trained as Duly Authorised Person (DAP) at Springfield Fuel, Westinghouse Nuclear, UK. Ms Khumalo serves on the NRF Board, as the appointee of the National Advisory Council on Innovation, which is responsible for advising the Minister of Science, Technology and Innovation on the role and contribution of science, mathematics, innovation and technology, including indigenous technologies, in promoting and achieving national objectives.

Mr Mark Brits

Board Member



Mr Brits has more than 40 years of experience in the financial sector covering a broad spectrum, of areas from banking and investment to economics and business management. He holds a BCom in Economics from the University of South Africa and a MSc degree in Banking and Finance from the University of London. He has spent the past 20 years at the Banking Association of South Africa (BASA), first as a General Manager: Financial Markets and currently Senior General Manager. Prior to joining BASA, he was vice president and head of money markets in the treasury of ING Barings, trading in financial markets and managing financial portfolios. He also held management positions at the New Republic Bank and worked for NBS Bank, the South African Reserve Bank and the Liberty Group South Africa.

Dr Fulufhelo Nelwamondo

Chief Executive Officer



Dr Nelwamondo is the CEO of the National Research Foundation. He holds a PhD in Electrical Engineering, with specialisation in Computational Intelligence. He was a Postdoctoral Fellow at the Graduate School of Arts and Sciences at Harvard University. He is a registered Professional Engineer, a Senior Member of the Institute of Electronic and Electrical Engineers (IEEE), a senior member of the Association of Computing Machinery (ACM), amongst others.

He held executive positions at the Council for Scientific and Industrial Research and was a visiting Professor at UJ. He served in several Boards, Councils, Ministerial Task Teams and Advisory committees. In 2017, he was awarded the Order of Mapungubwe in Silver, the highest civilian honour bestowed by the President of the Republic of South Africa. Fulufhelo has worked in areas of advanced modelling, information security, data science, and artificial intelligence.

8.2 The NRF Corporate Executive Profiles

Dr Angus Paterson

Deputy CEO: National Research Infrastructure Platforms



Dr Paterson is the Deputy CEO: National Research Infrastructure Platforms (NRIP) at the National Research Foundation. He has an extensive track record with the NRF as he also served as Managing Director for the South African Institute for Aquatic Biodiversity (NRF-SAIAB), a position he held since 2011 until his appointment as Deputy CEO:NRIP.

He holds a BSc (Zoology), a BSc (Hons) in Ichthyology, and a PhD in Estuarine Ecology, all from Rhodes University. He has served on several Committees and Boards of research institutions, including the University of Cape Town MARE Institute; the Rhodes University Institute for Water Research; Stellenbosch University Centre for Invasion Biology (CIB); and Nelson Mandela University Institute for Coastal and Marine Research. He also served on the Board of the National Science Festival, among others.

Mr Bishen Singh

Group Executive: Finance and Supply Chain



Mr Singh is the Group Executive: Finance and Supply Chain at the National Research Foundation and is responsible for the strategic management and leadership of the Finance and Supply Chain Functions. He serves on various key corporate executive structures of the NRF, is an invited member of the Square Kilometre Array (SKA) Steering Committee, member of DSTI CFO Forum, member of the SKA International Board Finance Sub-Committee and Council member of Durban University of Technology (DUT).

His qualifications include: BCom (Accounting and Industrial Psychology), BCom Honours (Accounting) from UNISA, Advanced Credit Diploma and Certified Associate in Banking (CAIB) from the Institute of Bankers, MBA (University of Pretoria) and the International Executive Development Programme (IEDP) from WITS.

Mr Kedirang Oagile

Group Executive: Corporate Services



Mr Oagile is the Group Executive: Corporate Services at the National Research Foundation. His responsibilities extend across the People and Culture, Corporate Communications and Estate Management units.

He has more than 25 years of experience in both Generalist as well as Specialist Human Resources roles and has held various senior management roles in government, state entities as well as academic institutions, such as North-West University and the University of South Africa. He also spent seven years, responsible for HR services and later policy development and regulatory compliance at the CSIR.

He holds an Honours degree in Industrial Psychology as well as an LLB degree. He has certificates in Advanced Organisational Development as well as in Executive HR Leadership.

Dr Gugu Moche

Group Executive: Digital Transformation Acting Deputy CEO:
Research, Innovation, Impact Support and Advancement



Dr Moche is the Group Executive: Digital Transformation; Acting Deputy CEO: Research, Innovation, Impact Support and Advancement. She brings to this portfolio a wealth of leadership and management skills, having spent more than 20 years in Higher Education Institutions both nationally and internationally.

She holds a PhD from Howard University in Washington DC, USA, in Pure Mathematics focusing on Topological Semigroups, and is a member of the South African Mathematical Society as well as the American Mathematical Society. She came to the NRF in 2020 with a long history of academic leadership. Previous positions held include serving as an Executive Dean of the Faculty of Science and Deputy Vice Chancellor for Teaching and Learning. She has led and implemented several strategic initiatives intended to transform organisational cultures.

Dr Thandi Mgwebi

Group Executive: Business Advancement



Dr Mgwebi is the Group Executive: Business Advancement at the National Research Foundation. Prior to her current role, she served as the Deputy Vice-Chancellor: Research, Innovation, and Internationalisation at Nelson Mandela University (NMU) and the Tshwane University of Technology (TUT). Through these strategic roles, she has gained extensive experience and is an internationally recognised leader in higher education.

She completed her postdoctoral research in Virology at the University of Cape Town and holds a PhD (Medicine) in Cell and Developmental Biology from UCT; Tertiary Educational Management degree in Higher Education Management from the University of Melbourne, Australia; and Management Development Programme certificate from the University of Stellenbosch Business School.



PART B:

PERFORMANCE INFORMATION



9. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The Auditor General of South Africa (AGSA) currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with

material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 130 of the Report of the Auditors, published as Part F: Financial Information.

10. OVERVIEW OF PERFORMANCE

The performance of the organisation against the planned targets committed in the 2024/25 Annual Performance Plan stands at the achievement of 16 out of 20. This constitutes an 80% percentage achievement of planned annual targets.

10.1 Service Delivery Environment

The National Research Foundation (NRF) service delivery environment was relatively stable during the 2024/25 financial year. In the external environment, there has been further reduction in public funding across the public sector. This situation is currently exacerbated by rising geopolitical tensions and diminishing international development funding outlook. The total estimated value of the affected projects with income from the US stands at R35million, which equates to about 0.6% of the NRF annual budget. However, the full impact of US withdrawal extends far beyond funding. The greatest risk relates to researchers, who are likely to be enticed to take up positions in countries where there is better funding of research. Internally the organisation continues to be negatively affected by higher frequency of unplanned breakdown of research infrastructure for nuclear sciences and aquatic biodiversity due to maintenance backlog caused by inadequate funding

The key aspects of the NRF's service delivery environment include:

Mobilisation of resources: NRF derives most of its funding from Parliament through the direct Parliamentary Grant and indirectly through transfers of Parliamentary Grant allocated to the Department of Science, Technology and Innovation. The organisation mobilises additional resources by leveraging its resources through partnerships with international and private sector partners, and delivery of services on commercial basis.

Globally competitive research workforce: The NRF's strategic plan for 2025 emphasises contributing to national development through impactful research and the development of a cohesive National System of Innovation (NSI). This involves a focus on transforming the research workforce, aligning supported areas of research with national STI priorities, translating research into innovation, and leveraging new technologies to improve the research enterprise's productivity. The implementation of the DSTI-NRF Postgraduate Funding Policy is in its 5th year, whereby the organisation gained considerable experience and valuable feedback from stakeholders. Adjustments to requirements to address age limit of applicants, will be made to better contribute to

transformation priorities. The adjusted approach for postgraduate funding will include division of funding into 80% of available funds being applied with age restriction and 20% with relaxed age criteria. This change will be applied in the calls for applications going out in 2025/26 for studies in 2026.

Cutting-edge research

The organisation's innovative initiatives and collaborations significantly advance the relevance and impact of research by advancing research areas that are aligned with national priorities and stakeholder expectations. The NRF seeks to translate research into innovation and contribute to the reorganisation of the economy towards a knowledge and innovation-driven economy. The integration of diverse data sets, active participation in international committees, and partnerships with governmental and conservation entities enhance sustainable management and conservation efforts.

During the period under review the organisation began with the pilot of implementing the Research Impact Framework and the Engaged Research Framework to improve the reviews and evaluations of supported research and thereby enhance the developmental impact.

10.2 Organisational environment

Technology (Information Technology)

Digital transformation within various sectors is transforming the manner in which research, development and innovation is evolving and how its applied and conducted. The NRF seeks to stay abreast of technological enhancements that may benefit how research is conducted and how it can enhance its research infrastructure to stay competitive through technological advancements. The NRF continues to build its technological

capabilities by expanding the available functionality of its ERP and the NRF Connect, improving the capability for supporting the decision making by stakeholders and management. The new research infrastructure platforms are fitted with AI enabled technology for self-directed operations and generation of intelligence for decision making.

NRF Operations

The supply of radioisotopes produced by accelerators constitutes one of the key outputs through which the services of NRF-iThemba LABS has a direct impact to the public for societal benefit. For the current reporting period, the facility recorded a relatively lower number of total patient doses (192 233) that were generated from radioisotopes produced using the two accelerator platforms, namely 11 MeV and 200 MeV cyclotrons. The generated patient doses are supplied to the medical sector where they are administered to patients for diagnosis of various forms of cancer. The availability of a reliable beam of charged particles supplied by the Separated Sector Cyclotron (SSC) and the 11 MeV Cyclotron has a direct impact on the number of patient doses generated from the radioisotopes. The return of Eskom-related loadshedding negatively impacted the SSC and Tandetron availability during the reporting period.

The organisation completed its restructuring and earnestly begun the process of beefing up capacity in new key strategy critical areas of resources mobilisation and digital transformation.

10.3 Key policy developments and legislative changes

The NRF continued to implement its legislative mandate, which has not seen any changes to policies or legislation during the 2024/25 financial year.

10.4 Progress towards achievement of institutional Impacts and Outcomes

The impact statement of the NRF as outlined in its Strategic Plan 2025, is “National development enabled through advancing, promoting and supporting research”. To achieve this impact, the organisation has identified four strategic outcomes and these are discussed below.

Outcome 1: A transformed (internationally competitive and sustainable) research workforce

Profile of NRF-funded postgraduate students who have completed their studies

The performance status for Students who have completed their studies is at 83% Black against the 5-year target of 80% and 61% achievement for Women, against a target of 55%. This overachievement is as a result of the implementation of the DSTI-NRF Postgraduate Student Funding Policy which seeks to transform the research workforce by addressing the needs of the postgraduate students from previously disadvantaged communities and families. The continuing partnership with NSFAS, established in 2021/22 financial year, is valuable for increasing access to funding opportunities for postgraduate students and improve efficiency of processing applications.

Profile of NRF-funded researchers producing research outputs

NRF Strategy 2025 sets outcome performance targets for a profile of funded researchers producing research outputs for Black at 48% and for Women at 42%. The achievement for these indicators stands at 53% for Black and

42% for Women. The NRF implemented funding programmes such as, Thuthuka and nGAP and Black Academics Advancement Programme (BAAP) which are reserved for South African citizens who are Black and Women. To further improve the transformation of the research workforce, the NRF developed and implemented the Equity, Diversity and Inclusion (EDI) Framework and the Leading Researchers and Scholars Programme (LRSP).

Outcome 2: Enhanced impact of the research enterprise

Entrenchment of knowledge and societal impacts in excellent research supported by the NRF

The NRF’s legislated aim is to contribute to national development. Its services and their delivery are foregrounded in the national transformation policy framework, with its own specific framework that includes Research Impact Framework and DSTI-NRF Postgraduate Funding Policy. Over the period of the Strategic Plan 2025, the NRF developed and began to implement its RIF to improve guidance and ex-ante assessment of impact in applications for funding and introduce ex-post evaluations of the knowledge and societal impact of funded research.

The target set in NRF Strategic Plan 2025 is to have an established portfolio of excellent research supported by the NRF justified with sound ex-ante and ex-post knowledge and societal impact. For the first time, the organisation introduced a Societal Impact Award at the NRF Awards ceremony held on 22 August 2024. The NRF has also developed a Research Impact Framework, which defines impact within the context of the NRF and outlining pathways to impact and assessment. Ex-ante impact framework is being

piloted through the Thuthuka programme and the 2024 funding call was issued during the year, which required the submission of an impact statement to allow for ex-ante assessment. These ex-post case studies of societal impact have been used to launch a new NRF Impact Report during 2024/25 on the NRF website. The introduction of the ex-post evaluation of impact through the case studies and the NRF Award ensures that future investment decisions will be supported by evidence of potential knowledge and societal impact that can be achieved.

Inclusive support of all domains of science

It is important that NRF as a key national institution for supporting the development and maintenance of the national science system, considers the full scope of domains of science and ensures that it supports a portfolio of domains that optimise the developmental and knowledge impact of the NSI. Over the period of the Strategic Plan 2025, the NRF continued to expand the country research infrastructure through partnerships for construction to built new or extent existing infrastructure platforms, maintaining access to international infrastructure platforms, join new networks that enhance support of social sciences and humanities domains. The research infrastructure portfolio aligns with South African Research Infrastructure Roadmap (SARIR), and it is calibrated to support the priorities of the STI Decadal Plan. During the reporting period the NRF explored the development of an NRF research agenda, which evolved into the NRF research priorities. The research priorities for research funding functions of the NRF will be implemented through the thematically aligned funding modalities.

Evidence-based decision making to enhance the impact of the research enterprise

The RDIP was enhanced through the implementation of Business Intelligence (BI) Architecture providing three levels of access, specifically focusing on NRF Staff, External Research Institutions and the general public. The platform facilitates reporting and analysis of data emanating from the NRFs business processes as well as external datasets. Achievements over the strategy period are as follows:

- BI Reporting capability was developed in line with the implementation of the NRF ERP system.
- Reporting and Analysis capability on HEMIS Staff and Student datasets were maintained and enhanced.
- Implemented Reporting and Analysis capability on DHET Research Output Subsidy allocation dataset.
- Implemented Reporting and Analysis capability on DHET Teaching Input as well as Teaching Output Subsidy allocation datasets.
- Institutional Dashboard (external reporting) developed, demonstrated, and expanded to include performance monitoring on institutional uptake and expenditure on NRF grants.

Outcome 3: Enhanced impact of Science Engagement (SE)

Engaged science entrenched in the research enterprise

In embedding engaged research within the research enterprise, the engaged research framework was developed to guide the support for collaborative research and is currently being implemented. NRF-SAATA has funded six (6) universities in the phase 1 of the science shop implementation

programme. These are projects through which universities work with communities to co-design solutions to their problems through research. The results of phase 1 will be disseminated through appropriate channels. The HSRC, together with the NRF are working on a project to define requirements for engaged research funding. One of the outputs of the project is the engaged research conference that will take place in October 2025, to bring together researchers in engaged research to share their experiences. 2023 academic year saw the first intake of the postgraduate diploma in science communication at the University of Limpopo. This programme seeks to equip science communicators with the necessary skills to communicate science to different publics. The NRF also funds two research Chairs in science communication at Stellenbosch and Rhodes University. Both these undertake research in science communication and engaged research.

Outcome 4: A transformed organisation that lives its culture and values

Representation of designated groups in leadership, management, supervisory (P1-7) occupational levels

The Employment Equity Plan is at the core of the NRF's commitment to implementing employment equity and transforming the representativity in all occupation levels and categories of its workforce. The plan affects the NRF Employment Equity and Redress Policy adopted by the Board. It sets out measures to ensure legal compliance with the Employment Equity Act of 1998. Furthermore, it includes the objectives, activities, numerical goals, and targets to progressively achieve the representativity of the designated groups across the organisational structure. The NRF's workforce continues to move towards being demographically representative of the country

the organisation operate in. Year five (5) of the 5-year Employment Equity Plan commenced on the 1st of October 2024. During the period, it is noted that the organisation is tracking well towards achieving the 5-year EE Plan targets. The NRF has performed well in achieving the target for Black employees, however, there are still challenges in Women representation at P1-7. The organisation is currently at 31.5% compared to a target of 38%.

Inclusive, enabling and learning organisation

The organisation has taken measures to retain staff successfully, these include:

- Implementation of mechanisms such as performance-based incentives and the national employee recognition awards, to celebrate and motivate high-performing staff.
- Flexible working arrangements, hybrid or remote work options, and wellness support programs enable staff to manage personal and professional commitments effectively.
- Regular benchmarking ensures salaries and benefits remain market aligned.
- Leadership development for further support upward mobility.
- Integrating coaching programs enhances traditional training by offering personalised support and reinforcing learning.

A co-created culture enhancing high performance and service excellence

The NRF conducted an organisational culture survey in 2021/22 financial year, which established the baseline status of the state of its culture. A number of initiatives were designed and implemented to improve critical elements of the culture that were deemed to be contributing negatively to the overall culture. The initiatives included:

- Leadership development programme
- Upgrade of the employee wellness programmes
- Equal pay for equal work
- Reintroduction of performance incentives
- Employees sessions with the CEO
- Employee recognition awards
- These initiatives are expected to improve the overall culture of the organisation.



10.5 NRF Employment Initiatives contributing to government-wide skills development

In the quest to promote the primary mandate of the NRF of contributing to national development, the NRF supports, promotes and advances research and human capacity development through funding and the provision of the necessary research infrastructure to facilitate the creation of knowledge, innovation and development in all fields of science and technology, including humanities, social sciences and Indigenous knowledge. The organisation contributes to the 2024-2029 Medium-Term Development Plan (MTDP) Strategic Priority 1: Driving inclusive growth and job creation. The table below shows the employment opportunities created through various learning and development initiatives.

Table 1 : Employment Initiatives

Name of skills development/ employment initiative	Description and purpose of the skills dev/ employment initiative	State the number of jobs to be created/ enabled	State the number of jobs achieved	Budget amount	Actual spent	How many month is the training/ employment	Start to End Period (of the current cycle being implemented)
Science Journalism Community Services	The Science and Technology Youth Journalism Programme aims to communicate science and technology stories in all the South African indigenous languages and to promote interest in science and technology amongst the disadvantaged youth.	18	18	Included in NYS Budget	Included in NYS actual spent	12 months	April 2024-March 2025
The National Youth Service Programme	The National Youth Service (NYS) is a government-led initiative, which seeks to contribute to the enhancement of the youth as the current and future social capital of the country.	165	165	R24 072 321,65	R12 433 074,89	12 months	April 2024-March 2025

Name of skills development/ employment initiative	Description and purpose of the skills dev/ employment initiative	State the number of jobs to be created/ enabled	State the number of jobs achieved	Budget amount	Actual spent	How many month is the training/ employment	Start to End Period (of the current cycle being implemented)
Youth Employment Service (YES)	Youth Employment Service is a government initiative aimed to reduce youth unemployment in the country.	31	31	Included in NYS Budget	Included in NYS actual spent	12 months	April 2024-March 2025
Postdocs training	Postgraduate Post-doctoral Fellows are hosted by the NRF/SAEON and are given access to use the SAEON research platforms (research equipments, vehicles and research sites)	5	5	R6 000 000,00	R1 899 997,00	3 years	Dates vary
Graduate in Training Internship	Gives graduates workplace experience or an opportunity to practice the work skills.	4	4	R94 500,00	R94 500,00	(3) Interns 5 months (1) intern 11 months	01 Aug 2024-31 Dec 2024 26 Feb 2024 – 31 Jan 2025
Postgraduate students placed at NFs	Developing Industry-Relevant Skills	32	32	R4 809 481,86	R4 809 481,86	12 months	1 March 2024-28 February 2025
Postdocs training	Developing the Next Generation of Researchers	9	9	R3 639 520,00	R3 639 520,00	12 months	1 June 2024 - 31 May 2025
Internship (SARAO)	To provide unemployed graduates with valuable work experience	4	4	R274 958.83	R274 958.83	12 months	Dates vary
Graduate in Training (SARAO)	To provide unemployed graduates with valuable work experience	39	39	R12 034 852,74	12034852,74	36 Months	Dates vary

Name of skills development/ employment initiative	Description and purpose of the skills dev/ employment initiative	State the number of jobs to be created/ enabled	State the number of jobs achieved	Budget amount	Actual spent	How many month is the training/ employment	Start to End Period (of the current cycle being implemented)
Apprenticeship Programme	To provide unemployed youth with practical, hands-on training, allowing individuals to gain real-world experience in their chosen profession and enhancing technical capabilities of SARAO within the chosen skills set.	24	24	R2 443 616,00	R2 443 616,00	36 Months	Dates vary
SAIAB Internships	To provide unemployed graduates with valuable work experience	2	2	R33,24	R33,24	3 months	January – March 2025
Diplomics Internships	To provide unemployed graduates with valuable work experience	2	2	R91,06	R91,06	3 months	January – March 2025
Participation in the DSI-HSRC Internship Programme	To provide unemployed graduates with valuable work experience	2	2	R21,830.56	R21,830.56	8 months	August 2024 - March 2025
PDP Postdoctoral Fellowships funded through NRF GMS	Provide opportunities to young graduates to fulfil the primary mandate of the NRF to contribute to national development	11	11	R8,186.46	R8,19	3 months	January 2025 - March 2025
Postdoctoral Fellowships - SAIAB funded	Provide opportunities to young graduates to fulfil the primary mandate of the NRF to contribute to national development	3	3	R3,162,853.53	R3,162,853.53	36 months	April 2024 - March 2027
				R637 499,95	R637 499,95	12 months	April 2024 - March 2025

Name of skills development/ employment initiative	Description and purpose of the skills dev/ employment initiative	State the number of jobs to be created/ enabled	State the number of jobs achieved	Budget amount	Actual spent	How many month is the training/ employment	Start to End Period (of the current cycle being implemented)
SAIAB Bursaries for Supervised Students	Provide opportunities to young graduates to fulfil the primary mandate of the NRF to contribute to national development	6	6	R395 650,08	R395 650,08	12 months	April 2024 - March 2025

11. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

11.1 Overview of the NRF Budget Programme

11.1.1 Programme 1: Administration

a) Purpose

Programme 1 comprises of support services functions and systemic, enterprise-wide coordination capabilities to achieve synergies; share services; forge economies of scale; and provide strategic direction, performance, risk and compliance frameworks. The cost-effective, yet optimal and efficient, design of this programme is necessary, especially in this phase of the national economic cycle where resources are scarce and needs exceed available resources. Programme 1 comprises four divisions as listed in the subsection below.

b) Functions

Finance and Supply Chain

The Finance and Supply Chain (FSC) division largely draws its mandate from the Public Finance Management Act (PFMA, Act 1 of 1999, as amended) Preferential Procurement Policy Framework Act, 2000 (PPPFA), and various applicable laws, National Treasury regulations and prescripts to ensure that the NRF has and maintains effective, efficient, and transparent systems of financial management and procurement with proper internal controls that warrant the most economical and transparent use of resources. The FSC division provides cross-cutting shared services across the NRF.

Business Advancement

The Business Advancement division provides an overarching custodianship role for national, regional and global collaborations and partnerships that cut across the NRF and the NSI; conceptualises new partnerships and programmes with non-traditional partners of the NRF; provides an overarching leadership and support mechanism for commercialisation and new business development that emanates from research conducted within the NRF; and advances those partnerships that seek to profile, enhance the visibility and position the NRF as an intellectual organisation and partner of choice.

The division builds on the NRF's strong regional and global influence and position to mutually leverage additional resources for collaborative large-scale, multidisciplinary, impact-focused research of national, regional, and global relevance. The mandate of the division is delivered through its three sub-units namely:

- Business Development,
- Strategic Partnerships and Networks, and
- Partnerships for impact.

Digital Transformation

The Digital Transformation (DT) division provides support services functions and systemic enterprise-wide coordination of acquisition and management of technologies, systems, governance infrastructure and business intelligence required to enhance organisational capabilities to deliver on its mandate and strategic direction. The division aims to transform the

organisation by adopting interoperable digital platforms and applications to achieve service delivery excellence underpinned by evidence-led strategic decision-making supported by a robust organisational performance management system.

Corporate Services

The Corporate Services division constitutes the People and Culture (Human Capital), Corporate Communications and Facilities Management units. The division provides critical business enablement services of people management; a supportive, conducive and transforming organisational culture and people relations; internal and external communication; branding; media; stakeholder and public relations; NRF estate management and maintenance; and occupational health, safety and environment.

The division drives organisational success by aligning people and culture strategies with business goals, fostering a positive work environment, and ensuring the organisation adapts and thrives in a changing business landscape. Below are the key services and outputs of the unit:

- Talent Acquisition
- Organisational Culture
- Talent and Succession Management/ Development:
- Employee Engagement and Retention
- Change Management
- Compliance and Risk Management
- Performance Management
- Diversity, Equity, and Inclusion (DEI)
- Employee Well-being

Programme 1 contributes mainly to Outcome 4: A transformed organisation that lives its culture and values as well as Outcome 2: Enhanced impact of the research enterprise.

11.1.2 Programme 2: Science Engagement

a) Purpose

The purpose of Programme 2 is to create and support platforms for stakeholders in the National System of Innovation (NSI) and the broader society to engage with each other on science-related issues that influence society. These engagements are an opportunity to promote science and generate diverse knowledge between scientists and society. This will be achieved through the national coordination of science engagement and the implementation of focused interventions. Thus, harnessing the relationship between science and society to gradually develop an institutional culture where all parties embrace engagement on science topics.

b) Functions

Programme 2 focuses on science engagement with the primary function of leading and coordinating the discourse on science with and for society. This is in support of the national imperative of developing a scientifically literate society and strengthening the relationship between science and society as aligned with the NRF Strategy 2025 and Vision 2030, which focus on “Research that works for Society” to improve the quality of life for all South Africans through advancing research, science, technology and innovation.

Programme 2 predominantly responds to high-level Strategic Outcome 3: Enhanced impact of science engagement - and the following high-level outputs over the MTEF period are identified to ensure alignment with NRF Strategy 2025:

- Public engagements with and in science interventions.
- Supporting the development of skills for the future of work.
- Building science engagement capacity across the NSI.

Public engagements with and in science interventions

Public interventions focused on STEM play a vital role in engaging the public, creating awareness, and fostering a deeper appreciation for the world of science and its practical applications. These events provide scientists, researchers, educators, and enthusiasts a platform to display their work, share their knowledge, and interact with a diverse audience. Public events such as science fairs, exhibitions, conferences, and workshops offer unique opportunities for individuals of all ages to explore STEM concepts, participate in hands-on activities, and witness cutting-edge innovations. By making STEM accessible and engaging, these events inspire curiosity, spark interest, and ignite a passion for scientific exploration among participants. Furthermore, public STEM events promote collaboration, networking, and exchanging ideas, contributing to the advancement of scientific knowledge and fostering a culture of innovation. Through public events, STEM is made tangible, relatable, and exciting, shaping a future where science and technology are embraced, understood, and harnessed for the betterment of society.

Support for the development of skills for the future of work

Developing STEM skills for the future of work is crucial in preparing learners and students for the rapidly changing job landscape. Various

interventions, workshops, Olympiads and competitions, educational material development, career guidance and role modelling campaigns are implemented to foster the growth of STEM skills among learners and educators. These initiatives aim to enhance critical thinking, problem-solving, and collaboration abilities in STEM. Educator and learner workshops provide education support and development opportunities while equipping educators with effective instructional strategies and resources to engage students in STEM-related subjects. Olympiads and competitions in sciences and astronomy offer platforms for students to display their knowledge, skills, and innovative thinking. Meanwhile, educational material development ensures the availability of complementary resources to support STEM learning. Finally, career guidance and role modelling campaigns inspire and guide learners toward STEM career paths, connecting them with professionals who serve as mentors and role models. These multifaceted approaches empower individuals to develop the necessary STEM skills, explore their passions, and become equipped for the future workforce in a rapidly advancing technological era.

Building science engagement capacity across the NSI

Interventions to build science engagement capacity across the NSI are crucial for fostering a scientifically informed and engaged society. These interventions seek to enhance the ability of individuals, organisations, and institutions within the NSI to communicate and engage with the public about science effectively. By developing science engagement capacity, SAASTA can bridge the gap between scientific knowledge and society, promoting public understanding, trust, and support for scientific advancements. This, in turn, leads to a range of benefits, including

increased public participation in scientific decision-making, improved science literacy, and the nurturing of a new generation of scientists and innovators. Ultimately, interventions that build science engagement capacity across the NSI contribute to a more inclusive, informed, and scientifically aware society that recognises the value and impact of science in addressing societal challenges and driving progress.

11.1.3 Programme 3: Research and Innovation Support and Advancement

a) Purpose

The core purpose of Research and Innovation Support and Advancement (RISA) is to support, promote, and advance research and human capacity development, through funding to facilitate the creation of knowledge, innovation and development in all fields of science and technology, including humanities, social sciences and indigenous knowledge.

b) Functions

The NRF, as the enabler of the NSI, provides funding for HCD programmes, provision of necessary research infrastructure, and strategic research through Programme 3 in fulfilment of its statutory mandate. The account of the functions performed by Programme 3 is organised in two parts per the NRF mandate and NRF Strategy 2025:

Supporting, promoting, and advancing Human Capacity Development (people) to facilitate knowledge creation, innovation and contribution to development.

The NRF funds human capacity development to increase the supply of high-end skills required for knowledge creation, lead innovation and contribute to developmental impact.

Support the development and maintenance of the national science system and support government priorities by enabling locally relevant and globally competitive research and innovation.

The NRF supports the development and maintenance of the NSI by enabling South African public universities, national research facilities, and science councils to collectively attract and retain excellent researchers and scientists and establish multi-disciplinary and multi-institutional research capacity. The programme has three main focus areas, namely:

- Institutional capacity development.
- Research infrastructure funding.
- Multidisciplinary and trans-disciplinary collaborations and partnerships.

The current institutional capacity investment interventions include:

- South African Research Chairs Initiative (SARChI).
- Centres of Excellence (CoE).
- Strategic Research Equipment (SRE).
- National Equipment Programme (NEP).
- Access to local and global research infrastructure.
- National institutes.
- Funding for competitive research programmes/projects.
- Evaluation and rating of researchers.

Programme 3 interventions and activities are designed and implemented to contribute to Strategic Outcome 1: A transformed (internationally competitive and sustainable) research workforce.

11.1.4 Programme 4: National Research Infrastructure Platforms

a) Purpose

The purpose of Programme 4 is to provide leading-edge research infrastructure platforms to support the production of world-class knowledge and innovation outputs and facilitate human capacity development and science engagement. This is done to ensure that the national research enterprise has the requisite infrastructure to undertake globally competitive research and innovation, train the next generation of researchers, support engagement with science by and with the public, and promote innovation that has a positive social, environmental, and economic impact. Programme 4 executes its mandate through the following functions:

- Management of the National Research Facilities.
- Management of multilateral research infrastructure platforms located in South Africa and in which South Africa has a stake.
- Support of research infrastructure platforms not formally declared as National Research Facilities.
- Advancing Science Engagement.
- Human Capacity Development.
- Institutional Capacity Development.

b) Functions

Programme 4 is implemented through five (5) Business Units which are the National Research Facilities in the Nuclear, Material and Radiation Physics Sciences (NRF-iThemba LABS), the Biodiversity and Environmental Sciences (NRF-SAIAB and NRF-SAEON) and the Astronomy and Geodetic Sciences (NRF-SAAO and NRF-SARAO). Instrumentation research and

development are underpinning these core science disciplines. These NFs provide unique and cutting-edge research platforms through a network of distributed institutions. They support research of strategic importance and give national and international researchers access to “big science” infrastructure.

These National Research Infrastructure Platforms (NRIPs) and the role they play in the NSI are summarised below:

NRF-iThemba LABS is a multidisciplinary research facility that develops, operates, and uses particle accelerators and related research equipment. The beam time from the main accelerator, the Separated Sector Cyclotron (SSC), for example, is used for basic nuclear and hadron physics research, radioisotope research and development as well as their supply to the medical sector; radiobiology research related to particle therapy; and applications such as radiation hardness testing of electronic components used in satellites and detector calibrations. National and international researchers utilise the facilities for basic science research and several applied research areas such as ion beam analysis, nanotechnology studies, atomic mass spectroscopy for dating ancient artefacts, radiobiology, nuclear medicine, and environmental studies.

NRF-SAEON is a comprehensive, sustained, coordinated, and responsive national network of in situ environmental observatories that delivers reliable long-term data for scientific research and postgraduate student training. NRF-SAEON has actively explored diverse methodologies to generate environmental data and advance research outputs across various environmental domains, ranging from organismal ecology to Earth system science. It has a distributed nodal structure covering all of South Africa’s biomes

spread over five provinces, with geographically dispersed observation landscapes along different ecosystems such as Arid Lands, Bushveld, Fynbos, Grasslands, Forests, Wetlands, Coastal Areas, and Offshore Marine.

NRF-SAIAB has developed several cutting-edge marine and freshwater research platforms unique to South Africa. These platforms aim to provide those within the NSI with the required infrastructure to undertake research and innovation projects to drive sustainable development of the Blue Economy. Research infrastructure unique to NRF-SAIAB is outlined below. A key aspect of NRF-SAIAB is the deep integration and complementarity of NRF-SAIAB's research platforms with those of the DSI SARIR programme.

NRF-SARAO's mission is to establish South Africa as a global leader in radio astronomy and associated technologies and disciplines by successfully hosting and participating in the design and construction of the SKA telescope and other radio astronomy and geodesy facilities. NRF-SARAO is primarily an enabler of scientific research through the provision of world-class research platforms to an externalised research community – this includes the design, construction and hosting of the MeerKAT, MeerKAT Extension and the Square Kilometre Array radio telescopes in collaboration with international partners including the SKA Observatory.

NRF-SAAO is the national facility for optical and infrared astronomy in South Africa. Its primary function is to conduct and enable fundamental research in astronomy and astrophysics. NRF-SAAO operates several telescopes, including the Southern African Large Telescope (SALT). The latter is owned by the SALT Foundation, formed by an international consortium of institutions, with the NRF as the major shareholder on behalf

of South Africa. NRF-SAAO's research and engineering expertise and outputs are strong, with the Sutherland-based research facilities being the backbone of this success, with SALT as the flagship. The Sutherland site capabilities are world-class, leveraging international solid connections and collaborations.

11.2 Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

In this section, an account is given of the outputs linked to output performance indicators and the mandate of the NRF. This account is provided per programme.

11.2.1 Programme 1: Administration

Maintaining a sound system of internal control

During the period under review, the Auditor-General South Africa (AGSA) finalised its Audit Report on 2023/24 audit in August 2024. The organisation maintained its clean audit award for the previous reporting period. The NRF, together with the AGSA, commenced the process to prepare for the 2024/25 annual audit. The business processes for the 2024/25 performance planning and monitoring were updated and shared with the AGSA for audit planning. The audit officially begins in April 2025. Prescribed accountability plans and reports that were due for submission to relevant authorities were submitted in accordance with applicable statutes. These include the NRF Strategy 2025/26 to 2029/30 and 2025/26 Annual Performance Plan and the 2024/25 Quarterly Performance Reports and Financial reports to the DSTI, Department of Planning, Monitoring and Evaluation (DPME), as well as the National Treasury.

Evidence-based decision making to enhance the impact of the research enterprise

The Research and Development Information Platform (RDIP) is being implemented with the aim to harvesting data required to inform the landscape in the following priority areas:

- Human Capacity Development (HCD) -Transformed and Expanded capabilities.
- Research Impact
- Internationalisation
- Increased Funding for the NSI

The RDIP was enhanced through the implementation of a Business Intelligence (BI) Architecture providing three levels of access, specifically focusing on NRF Staff, External Research Institutions and the general public.

Data-led decision making is evident in the preparation of an annual Performance Analysis Report (PAR) for the NRF Board, Executive and management. The data-based PAR reflects on the NRF's delivery across all mandate areas, highlighting both achievements and challenges, and identifying possible corrective action where required. Growing data provision has allowed for the expansion of the PAR. This has included an NRF cohort study, which shows quicker and higher throughput for NRF-funded students; Sustainable Development Goal (SDG) analysis; and international comparisons. Data availability and reliability has also led to the introduction of the NRF Insights series where these data, with analysis, are shared publicly through the NRF website. Six editions of NRF Insights were prepared in 2024/25, covering publications and SDG analysis, international comparisons, support for postgraduate students, support for young and emerging researchers, support for all research and researchers, and analysis of rated researchers.

Representation of designated groups at Peromnes 1-7

The 2024/25 actual performance is at 70.4% versus the target of 67%. The positive variance is due to measures taken to retain staff, these include:

- Implementation of mechanisms such as performance-based incentives and the national employee recognition awards, to celebrate and motivate high-performing staff.
- Flexible working arrangements, hybrid or remote work options, and wellness support programs enable staff to manage personal and professional commitments effectively.
- Regular benchmarking ensures salaries and benefits remain market aligned.
- Leadership development for further support of upward mobility.
- Integrating coaching programs enhances traditional training by offering personalised support and reinforcing learning.

11.2.2 Programme 2: Science Engagement

During the reporting period, the NRF celebrated 25 Years with the Business Units and executed various initiatives across multiple categories, including public festivals, career exhibitions, and mass participation in Science, Technology, Engineering, and Mathematics (STEM) events. These efforts aimed to bridge the gap between scientific knowledge and society to foster public understanding, trust, and support for scientific advancements. Furthermore, it made substantial progress in building science engagement capacity across the NSI, through targeted training programmes; support for science centres; and strategic partnerships. Programme

2 has empowered stakeholders to communicate scientific concepts effectively to promote a culture of scientific literacy nationwide. A summary of these interventions is presented in Figure 3 below.

Public engagement with and in science

OneNRF collaborations played an important role in public mass participation STEM events. This event showcased contributions from NRF-SARAO, NRF-SAEON, and other business units, focusing on youth engagement and interactive exhibitions. SARAO featured MeerKAT developments, while NRF-SAEON presented environmental data, demonstrating the significance of long-term monitoring. NRF-SAIAB hosted a panel discussion on marine research, emphasising the impact of the Joint Marine Laboratories Programme. The SA Agulhas Open Day in Gqeberha allowed NRF-SARAO, NRF-SAEON, and SAPRI to engage learners and the public with marine science and oceanography. Furthermore, the Presidential Imbizo in Tsakane featured contributions from NRF-SAASTA and NRF-SAEON, highlighting STEM education's importance and showcasing data collection methods. NRF-SAASTA also engaged communities in the Kuruman Imbizo and North West's Government Exhibition Day, fostering public interest in STEM fields and technological advancements. These events collectively advanced public understanding of STEM, promoting direct engagement and inspiring future scientific careers.

The national events continued to highlight the collaborative efforts of OneNRF in advancing science literacy and public engagement. The Science Forum South Africa (SFSA) showcased innovative contributions from NRF-SAEON and EFTEON, with interactive exhibitions such as a LEGO ship model and virtual reality experiences emphasising marine research and environmental

monitoring. The National Science Week (NSW) 2024 event that was launched at the Central University of Technology in Bloemfontein drew 2,688 participants, featuring exhibitions from over 80 organisations and inspiring presentations on STEM innovation, including learner-led projects. NRF-SAAO participated in the Rocklands Highline Festival in Cederberg and astrophysics PhD candidate Hannes Breytenbach led a stargazing session and engaged 39 participants on the significance of dark skies and astronomy.

NRF-SAAO and NRF-SARAO participated in the African Astronomical Society (AfAS) Conference, where they presented on rural outreach, indigenous knowledge, and community engagement in astronomy. NRF-SAIAB hosted its annual Student Symposium themed Safeguarding Africa's Aquatic Future, with 35 research presentations focused on climate change, pollution, and conservation. The inaugural NSI Transformation Summit, led by the DSTI, brought together stakeholders to evaluate equity and inclusivity in South Africa's innovation system. Additionally, NRF-iThemba LABS celebrated the 15th anniversary of the SA-CERN Programme which reflected on the country's contributions to global physics and collaborative science.

The international events included the IAU General Assembly, the CAP 2024 Conference in France, Science Forum South Africa (SFSA), and the SA-CERN 15-Year Celebration, each drawing diverse global audiences. Regional platforms such as the African Astronomical Society (AfAS) Conference, SAASTEC Conference, and the NSI Transformation Summit demonstrated the NRF's continental leadership in science outreach and policy. National events engaged local institutions, researchers, and communities across multiple provinces. NRF-SAAO and NRF-SAASTA contributed to the NRF Symposium for Young Researchers, and NRF-SAIAB and NRF-SAEON

co-hosted a Science for Society lecture during the SASAS Annual Conference, highlighting research impact through cross-disciplinary collaboration.

Interventions supporting the development of skills for the future of work

NRF-SAASTA implemented the AstroQuiz® and the National Science Olympiads®, both of which recorded increased school and learner participation, particularly in Mpumalanga and Limpopo. These initiatives emphasised inclusivity, with notable enrolments from Quintile 1–3 schools and learners with disabilities and included participation from neighbouring countries. NRF-SARAO hosted the World Robot Olympiad Northern Cape provincial competition in Carnarvon. The event, themed “Earth Allies,” encouraged innovation and teamwork in robotics, with learners competing in age-based categories under the guidance of local stakeholders. NRF-SAEON participated in the 44th International Science Fair by adjudicating entries and awarding learners from no-fee and under-resourced schools for their research excellence.

STEM content workshops and camps continued to provide learners with valuable educational experiences. NRF-SAEON contributed by hosting a Science Engagement and Career Awareness Day in Kempton Park, targeting science and geography learners with hands-on activities and career advice related to environmental science. Additionally, NRF-iThemba LABS participated in the Cape Career Exhibition Association Career Fair, engaging high school learners and educators through interactive exhibits that showcased nuclear science and career opportunities in this field.

NRF-SARAO continued its Robotics Schools Programme, benefitting 105 learners through weekly robotics classes and daily training in the SKA footprint area. These efforts led to three teams from Carnarvon advancing to the FLL Nationals, with the Sharpshooters team earning third place in Robot Performance. NRF-SAIAB’s Green Spring School in Hamburg engaged 16 learners from the Keiskamma Music Academy in activities that integrated science, indigenous knowledge, and the arts, promoting sustainable environmental practices and capacity building. The iPASS Programme culminated in the iPASS Elements Explored Exhibition at NRF-iThemba LABS, where 50 learners showcased their research on elements of the periodic table. Additionally, over 3,800 learners and educators engaged in motivational outreach activities, further strengthening the culture of STEM in schools.

Building science engagement capacity across the NSI

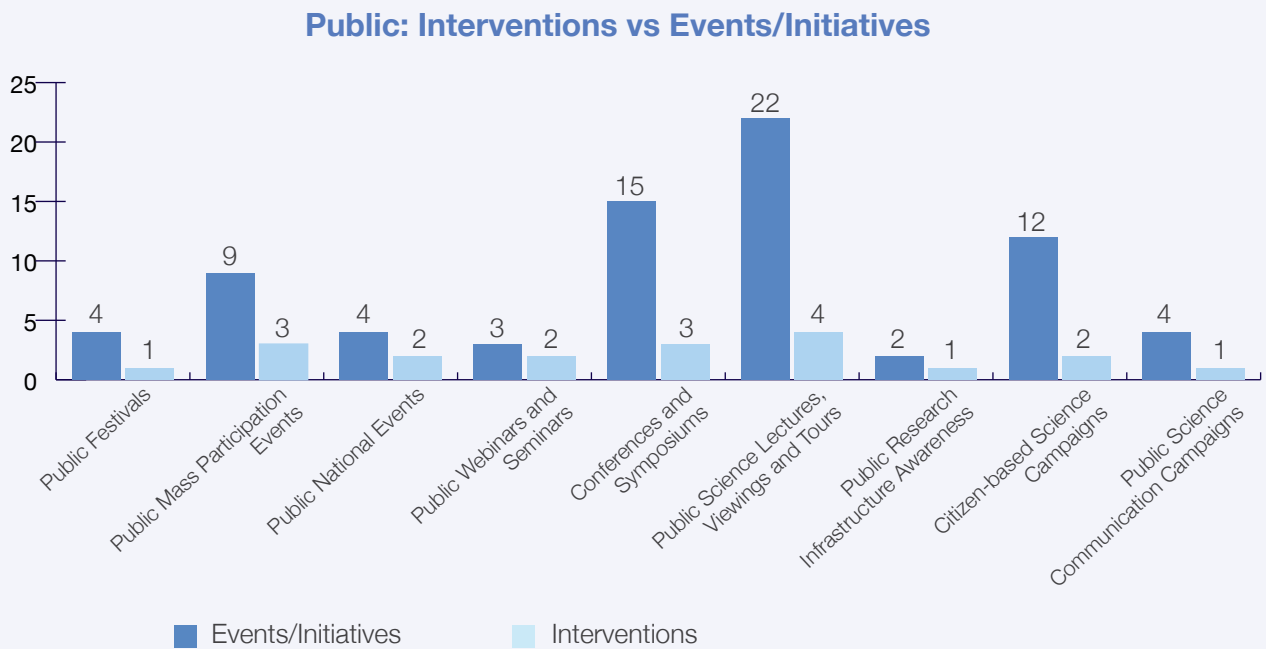
Interventions to build science engagement capacity across the NSI are crucial for fostering a scientifically informed and engaged society. A regional science journalism workshop and data journalism training were delivered in partnership with the DSTI, UNESCO, and others, which reached 52 participants. The PGDip programme, launched by NRF-SAASTA and the DSTI at the University of Limpopo in 2024 academic year, was concluded with a strategic planning session and the confirmation of a cohort of 50 students for the 2025 intake. NRF-SAIAB hosted a science communication workshop for Honours students from the University of Fort Hare, focused on audience engagement, messaging, and relevance. The PGDip SciComm and CDIO programmes concluded their respective annual cycles with final assessments and strategic planning.

Science engagement capacity development programme was held at the Albertina Sisulu Science Centre in Cofimvaba, Eastern Cape. This initiative addressed the centre's challenge of its remote location from primary research facilities in Astronomy and Space Science. NRF-iThemba LABS launched its Information Centre in partnership with the Joint Institute for Nuclear Research (JINR). The launch marked a significant milestone in international science collaboration. The National Youth Service (NYS) Programme increased its total to 298 active volunteers, with additional training in sexual harassment awareness and a national feedback session for mentors. In addition, gaining practical workplace experience

in administrative, facilitation, and technical roles.

NRF-iThemba LABS launched its Information Centre in partnership with the Joint Institute for Nuclear Research (JINR), bringing together delegates from South Africa, Russia, and Kazakhstan. As part of the national accreditation and quality assurance process for Science Centres, peer evaluations were completed for UJ Soweto, ANSSC, and Sci-Edu Science Centres, with accreditation status awarded to UJ Soweto and recommendations for ANSSC and Sci-Edu submitted to the DSTI. This will increase the number of accredited science centres to 25.

Figure 4: categories of public intervention



11.2.3 Programme 3: Research and Innovation Support and Advancement

Building a transformed Human Capital Development (HCD) pipeline

Funding of Postgraduate Studies

During the reporting period, the NRF-funded postgraduate students has increased to 5 936 where 5 101 (86%) are Black and 3 564 (60%) are female South African citizens and permanent residents. This indicated that funded postgraduate student targets were exceeded by 357 (6%). Postgraduate student proportion KPI targets were exceeded by 2% for Blacks and 16% for females. The high take-up rate is due to active awarding in line with the DSI-NRF Postgraduate

Student Funding Policy and APP targets as well as the over-allocation of new awards. In addition, the positive variance is due to effective grant management and additional and replacement awards made to compensate for the cancellation of provisional awards not taken up by the deadline. The target for students with disability was missed by 61%.

Table 2 below provides a breakdown of funded postgraduate students per level of study, race, gender and nationality.

Table 3 provides total number of funded students by level and the number designated groups for South African citizens and permanent residents. Target for students with disability for 2024/25 of 1% was exceeded by 0.5% points with actual achievement of 1.5%.


Table 2: Breakdown of NRF- funded postgraduate students per level of study, race, gender and nationality

		South African Citizen and Permanent Resident							
Study level	Study level	A	C	I	W	Grand Total	Total B	Total F	Total D
		Honours	1 731	121	56	88	1 996	1 908	1283
Masters	1 499	176	121	229	2 025	1 796	1270	46	
Doctoral	1 159	119	119	264	1 661	1 397	1011	25	
Sub-total	4 389	416	296	581	5 682	5 101	3 564	90	

		International Students							
Study level	Study level	A	C	I	W	Grand Total	Total B	Total F	Total D
		Honours	0	0	0	0	0	0	0
Masters	66	2	2	3	73	70	36	0	
Doctoral	155	7	14	5	181	176	89	0	
Sub-total	221	9	16	8	254	246	125	0	

A = African; C = Coloured; I = Indian; W = White; D = Disability; B = Black; F = Female

Table 3: Total number of students funded with totals for SA citizens designated groups

		Total Number of Students Funded						
 Study level	A	C	I	W	Grand Total	Total B	Total F	Total D
	Honours	1 731	121	56	88	1 996	1 908	1 283
Masters	1 565	178	123	232	2 098	2 025	1 270	46
Doctoral	1 314	126	133	269	1 842	1 661	1 011	25
Total	4 610	425	312	589	5 936	5 594	3 564	90

A = African; C = Coloured; I = Indian; W = White; D = SA Disability; B = SA Black; F = SA Female

Emerging/Early Career Researchers

Emerging researchers consist of postdoctoral Fellows and early career researchers who occupy research or academic positions. Some of the early career researchers are knowledge workers who have not yet obtained a Doctoral qualification. To advance equity in the South African research workforce, the NRFs' investment in emerging researchers focuses on Black female researchers who are South African citizens. Only South African citizens and permanent residents are eligible for funding under the Thuthuka and the New Generation of Academics Programme (nGAP) research development grants. However, the Black Academics Advancement Programme (BAAP) is reserved for South African citizens only.

In 2024/25FY, there were 1 621 active grant-holders comprised mainly of postdoctoral Fellowships, Thuthuka, BAAP, n-GAP grants and Y-rated awardees (Table 4). The higher grants uptake varied from quarter to quarter during the 2024/25FY due to the increase in grant releases as well as active follow-up with institutions and grant-holders to ensure an increase in grant uptake and the claiming of awards thereof. NRF also initiated engagement with various higher learning institutions to strengthen collaboration between the NRF and these institutions, which is crucial for accelerating the uptake of grants.

Table 4 below provides the breakdown on the profile of early/emerging researchers funded during the year under review.

Table 4: Profile of NRF-funded early/emerging researchers for the 2024/25 FY

		NRF funded emerging researchers						
	A	C	I	W	Total F	Total B	Total D	Total funded
Non-SA	171	3	40	26	89	214	0	240
Perm Res	228	4	16	13	86	248	1	261
SA	590	111	108	311	711	809	10	1 120
Grant Total	989	118	164	350	886	1271	11	1 621

A = African; C = Coloured; I = Indian; W = White; D = Disability; B = Black; F = Female

Funding research towards knowledge and developmental impact

Established researchers are researchers who have moved beyond the early stages of their research career, have considerable international recognition and are transitioning to become international leaders in their fields.

Funded Researchers

The NRF has funded a total of 3 212 researchers during the reporting period. This performance exceeds the target of 2 594 by 24% (618). The percentage for both Black and female researchers were also exceeded by 7% (58%) and 1% (49%) respectively, and disability target was missed by 1% (2%). The positive variance can be attributed to active follow-up with institutions and grant-holders to ensure an increase in grant uptake and the claiming of awards thereof. The missed target is expected to be met in the next financial year.

One of the sources for funding research is the

Incentive Funding for Rated Researchers (IFRR). However, the awards and claims for IFRR depend on the completion of the evaluation process of rating applications. The rating process for applications received in 2022/23 is 99% complete.

To date, the NRF has 4 655 rated researchers of which 123 are A-rated, 732 B-rated, 2 907 C-rated, 13 P-rated and 880 Y-Rated. 52% of rated researchers are White. For the 2024 applications, 68% (724 of 1 065 submissions) have been concluded. The delay in the rating process is due to the two main factors identified as: (i) More usable review reports requested per application by panellists, and (ii) Availability of the panellists for the final deliberation and recommendations. This target was missed by 286 (6%).

Table 5 shows the 3 212 researchers supported in 2024/25FY, including emerging researchers. South African citizens claimed 89% of the grants, where 65% were Black, 50% female, and 1% of researchers live with a disability.

Table 5: Profile of all NRF-funded Researchers for the 2024/25 financial year

All NRF funded researchers								
	A	C	I	W	Total F	Total B	Total D	Total funded
Non-SA	222	6	50	75	121	278	0	353
Perm Res	431	14	42	125	194	487	6	612
SA	842	225	240	940	1295	1 307	25	2 247
Grant Total	1 495	245	332	1 140	1 610	2 072	31	3 212

A = African; C = Coloured; I = Indian; W = White; D = Disability; B = Black; F = Female

Research Infrastructure

The National Equipment Programme (NEP), through a competitive process, makes funds available for the acquisition, upgrade, or development of state-of-the-art research equipment for South African public research institutions. Of the 21 National Equipment

Programme (NEP) grants made against the 2021/22 NEP budget allocation, 18 have been fully commissioned across South Africa. One additional equipment was commissioned during the 2024/25 financial year. Therefore, there are two equipment which remain to be installed in the next financial year.

From the 2022/23 NEP call for applications, 23 grant awards were approved to the value of R135 042 922 against the 2023/24 NEP budget. The grants were awarded to eight Black males, six Black females, five White males and four White females. All 23 NEP grant awardees initiated the procurement process in the 2023/24 financial year and submitted documentation for the initial release of 80% of the awarded amount. Of these awards, a total amount of R58 003 333.39 was carried over to the grant year 2024, where only R52 650 355.00 (91%) was additionally released and made available for expenditure by institutions. 99.72%, which equates to R52 503 019.67 of the released funds, were claimed by institutions and paid to the institutions by the NRF. A total of 14 state-of-the-art equipment were commissioned around the country in this financial year.

Strategic Research Equipment

The Strategic Research Equipment (SRE) bridges the gap between NEP investments and the investment areas proposed in the South African Research Infrastructure Roadmap (SARIR) and supports the acquisition, or development of large research infrastructure that facilitates internationally competitive research.

Hydrogen Intensity and Real-time Analysis Experiment (HIRAX)

In 2019, the NRF awarded the second SRE grant of R35 million to the consortium led by the University of KwaZulu-Natal (UKZN) for the Hydrogen Intensity and Real-time Analysis Experiment (HIRAX) telescope. The acquisition of the Telescope Mechanical Assembly (TMA) was delayed due to the failed tender process. In 2022, the HIRAX team concluded the process of changing their sourcing strategy from an open tender to a partnership agreement with the National Research Council (NRC) of Canada and

a local manufacturer. Of the awarded amount R25 548 403.56 remains available for expenditure. The tender process for the commissioning of the equipment was approved in the 2024/25 financial year and is still in process.

Leveraging Strategic partnerships and networks for STI advancement

A crucial function of the organisation is to foster effective support systems to advance and grow the NRF's impact and contribution to the NSI by enabling national and international research and innovation funding opportunities; increasing research impact through the promotion of joint research between academia and industry; and support and facilitation of South Africa's engagement in the global science system. During the reporting period, the organisation embarked on the following initiatives and activities:

NRF-Sasol Ltd and Foundation Scholarship Programme

Sasol Foundation approved the extension of the NRF-Sasol Foundation contract for an additional three years (2025 to 2027). The Sasol Foundation's contribution will be R26 million, distributed over the three academic years. Sasol Ltd, Sasol Foundation and NRF hosted a Steering Committee which agreed that an impact assessment should be conducted to evaluate the outcomes of the existing programmes and inform the design of new, impactful funding models aligned with shared strategic objectives.

The Presidential PhD Programme

A funding proposal of R10 million to support the PhD programme has been submitted to the European Union (EU), with the backing of the DSTI. The following activities were completed towards the development of the programme:

- Funding proposal was submitted to the National Skills Fund (NSF) to initiate the release of funding for the programme.
- Established an internal NRF Operational Committee which includes RIISA, DT, Communications and SAASTA.
- Continued engagement with potential partners for additional resource mobilisation – SGCI partners, University of Sussex, Imperial College London, and others.

Enhancing fundraising approaches

The NRF finalised an agreement with DSTI and TIA amounting to R9.5 million to support projects focused on the production of integrated field units that can be applied in the astronomy, medical and remote sensing sector and which have commercial applications.

A draft Standard Operating Procedures (SOPs) framework was developed aimed at the coordination and management of engagements with external partners to ensure alignment across internal teams; efficient use of resources; and consistent communication with partners. Specifically, this document outlines the procedures for the identification, establishment, management and evaluation of partnerships across the various business units of the organisation, as well as with its external stakeholders. It describes the processes and activities necessary to create and manage beneficial and effective partnerships.

The development of a discussion paper on NRF Advancement approaches for fundraising forms the basis for the establishment of the NRF fundraising portfolio. As part of driving long-term financial resilience, the NRF aims to prioritise strengthening its advancement efforts to diversify its income streams through the targeting of the philanthropic community, donors and alumni.

Global Research Council (GRC)

During the 2024/25FY reporting period, the NRF and councils in sub-Saharan Africa continued to further shape the discussions by contributing to the drafting of the GRC Statements of Principles on the two themes that will inform the 2025 Annual Meeting, namely research management in the era of AI, and working in co-creation to solve global challenges.

Science Granting Council Initiative (SGCI)

The DFG and NRF will co-host a learning visit of the SGCs in Bonn, Germany in the new financial year with activities in the reporting period focused on the planning and co-creation of the programme for this activity with councils. Engagements with all SGCI funding partners have continued towards harmonisation of the SGCI-3 programming.

As part of the Sub-Saharan Africa Regional Member Organisation (SSARMO) programmes, the International Institute for Applied Systems Analysis (IIASA) has established a Centre of Excellence (CoE) on African Human Capital and Sustainable Development with an initial investment of R10-15 million. The centre will be led by the Southern Africa Labour and Development Research Unit (SALDRU) in collaboration with selected institutions in SGCI countries.

DSI-NRF Space Sciences Programme to support the Space Infrastructure Hub

The Research Accelerator Fund for Space Innovation (RASI) dedicated to supporting TVETs and universities of technology to enhance their space science capacity. A briefing session on the fund was held during March 2025 and funds were transferred to NRF-RIISA's IGP to assume monitoring and evaluation of the NRF's Space Infrastructure Hub programmes.

G20 South Africa 2025

Cabinet approved the overarching theme for South Africa's G20 Presidency as Solidarity, Equality, Sustainability. The theme will guide the priorities of the Working Groups in both the Sherpa and Finance Tracks and inform the high-level deliverables of South Africa's G20 Presidency across all Working Groups. The Research and Innovation Working Group (RIWG) theme, Equity in Science and Innovation-based Approaches to Sustainable Development, is currently under revision.

Joint Institute of Nuclear Research

Fifteen applications were approved in late December 2023 for the total amount of R5.1 million for funding from 2024 to 2026. The grant awards were made as follows: nine for Black males, two for females, and four for White male applicants. The total allocation for 2024 was R1.6 million, of which 100% of the funds were released. The claim of 66% with rand value of R1.1 million was achieved. A further R1.5 million was awarded for the SA-JINR Summer School and International Student Practice Workshop.

Equipment-Related Travel and Training grants

The Equipment-Related Travel and Training (ERTTG) grants aim to support world-class research, enhance research collaborations nationally and internationally, and support the development of specialised skills required to sustainably manage and operate state-of-the-art research equipment. An ERTTG call was opened on 15 February 2025 and closed on 31 March 2025.

Institutional Grants

The Centres of Excellence (CoE) core researchers are responsible for the implementation of the CoE's research agenda and projects and may be located at either the host, co-host, or collaborating institutions attached to the CoE. There are currently 8 DSTI-NRF Centres of Excellence (CoEs), including the DSTI-NRF Centre in Indigenous Knowledge Systems (CIKS) which has recently been upgraded to a fully-fledged CoE and the two national institutes supported, the National Institute for Theoretical and Computational Sciences (NITheCS) and the Institute for the Preparedness and Prevention of Pandemics (IP3). With respect to DSTI-NRF flagships, the flagship at Tshwane University of Technology (TUT) remains the only active flagship of the three initially supported. The demographics of the 11 active directors plus two co-directors are five females (all White) and eight males (three Black and five White). All 13 directors and co-directors are South African citizens and permanent residents. A total of R95 689 538 was allocated to CoEs and R91 335 939 to National Institutes in 2024/25, of which all was expensed.

Since the launch of SARChI, a total of 288 Research Chairs have been awarded to 23 universities and national research facilities across various scientific disciplines. As of the end of 2024/25, 199 of these Chairs have been filled by institutions, and 197 are fully operational. A total of 89 Chairs have exited the system, with five rescinded and 84 phased out or concluding their funding periods of 10 and 15 years respectively. The demographics of the Chairholders at end of 2024/25 are provided in Table .

As at end of 2024/25, the distribution of operational Chairs was 77 (39%) Black and 102 (51%) White South African Chairholders. Additionally, the number of female Chairholders increased slightly from 99 to 102 (51%), which remains higher than the 95 (48%) male Chairholders. This continues to be a significant achievement since the inception of SARChI. This proportion is expected to rise slightly as the two new awards become operational.

Through the intentional and targeted implementation of interventions designed to accelerate transformation within SARChI, notable progress has been made, especially in increasing the number of female Chairholders. SARChI continues to make meaningful contributions to the transformation of the broader National System of Innovation.

Table 6: Demographic breakdown of SARChI holders

Description	No. of SARChI holders	Percentage (%) of awarded/ operational SARChI holders
Statistics on Awarded Chairs (n=288)		
Cumulative total number of awarded SARChI Chairs	288	100
Total number of operational SARChI Chairs	197	68.40
Total Number not operational	2	0.69
Total number of SARChI Chairs phased out/ended their funding cycle	84	29.17
Description	No. of SARChI holders	Percentage (%) of awarded/operational SARChI holders
Total number of rescinded SARChI Chairs	5	1.74
Statistics on Operational Chairs (n=197)		
Operational SARChI Chairs recruited from SA Universities	179	90.86
Operational SARChI Chairs recruited from industry or abroad	18	9.13
Tier 1 operational SARChI Chairs	134	68.02
Female	60	30.45
Male	74	37.56
Tier 2 operational SARChI Chairs	63	31.97
Female	42	21.31
Male	21	10.65
SARChI Chairs held by women (operational)	102	51.77
SARChI Chairs held by men (operational)	95	48.22
Black (African; Coloured; Indian; Asian) SARChI Chairholders (operational)	77 (41; 10.25; 1)	39.1 (21; 5.2; 12.4;0.5)
White SARChI Chairholders (operational)	102	51.77
Foreign or International SARChI Chairholders (operational)	18	9.13

11.2.4 Programme 4: National Research Infrastructure Platforms

Programme 4 aims to provide leading-edge research infrastructure platforms in support of the production of world-class knowledge and innovation outputs and, in the process, facilitate human capacity development and science engagement. This ensures that the national research enterprise has the requisite infrastructure to undertake globally competitive discovery science; train the next generation of researchers; support the public engagement with and in science; and promote innovation that has a positive social, environmental, and economic impact. The National Facilities' commitment towards the support of a research enterprise remained steadfast. This commitment was delivered in the form of the provision of research infrastructure platforms which contribute to knowledge generation through various knowledge products and student supervision geared towards human capital development.

Research infrastructure development and availability

South African Isotopes Facility

NRF-iThemba LABS has finalised target validation test processes using the newly commissioned C70 MeV cyclotron and associated facilities of SAIF. All three of the planned Rb-targets have been produced for the customer to perform process validation tests. The first Rb-target was successfully bombarded with 70 MeV protons at 200 μ A for 7400 μ Ah to produce a 1000 mCi target. This target was delivered to the customer in September 2024 for validation testing. The second Rb-target was also successfully bombarded with 70 MeV protons at 200 μ A for

16000 μ Ah to produce a 2000 mCi target and subsequently shipped to the customer. The third Rb-target was bombarded during the second week of November 2024 for a cumulative period of 178 hours at 200 μ A to produce a 4000 mCi target, and also subsequently shipped to the customer for validation. NRF-iThemba LABS performed two more rubidium bombardments for further validation of production processes of the newly commissioned C70 MeV cyclotron and associated facilities of SAIF. A total of five Rb-targets have been produced for the customer to perform process validation tests, with two targets produced at 4 000 millicuries; two produced in 2 000 millicuries; and one at 1 000 millicuries. The customer validation for rubidium targets is a critical step for technical compliance purposes as it paves the way for the commencement of routine bombardment of rubidium targets on the new 70 MeV Cyclotron as a precursor step to produce strontium-82 radiopharmaceuticals.

Radio Astronomy

MeerKAT operations are being maintained despite the increased impact of SKA-MID construction. The major MeerKAT extension infrastructure project is almost complete furthermore; the delivery of major infrastructure projects has started with the Engineering Operations Centre in Klerefontein already under construction and the contracts for the science processing centre and fencing of the MeerKAT national park has been awarded. The NRF-SARAO team is also delivering on the various work packages as part of the SKA-MID construction efforts. Efforts are still underway to develop a VLBI strategy and a business case for the Science Regional Centre.

Optical Astronomy Telescopes

Both the SALT and NRF-SAAO steerable telescopes maintain high operational uptime, meet

target levels, and support a vibrant scientific user community both nationally and internationally. The Operations and Maintenance agreement between SALT and NRF has been finalised and goes into effect on 01 April 2025. The PRime focus Infrared Microlensing Experiment (PRIME) telescope was launched in Sutherland on 31 January 2025. The launch event followed the 27th International Microlensing conference focused on the theme of Synergy between Space and Ground Microlensing Surveys, hosted by the NRF-SAAO. More than 90 scientists participated, either in person or online. Microlensing is a technique that detects objects such as planets or stars by observing the gravitational lensing effect. This effect causes a very slight increase in light from a distant star as another object passes in front of it, briefly magnifying its brightness. It is a particularly promising method for the discovery of small, earth-like planets around distant stars.

Research translation for societal benefit and impact

One of the pathways to impact creation through science is the translation of science into tangible, usable products and systems that beneficiaries within society can engage with and apply to improve the quality of their lives. The NFs, individually and collectively, possess great potential for translating their knowledge products into beneficial societal applications.

At the end of 2024/25 financial year, the NFs achieved a total of 27 intellectual property products in its IP development pipeline. These IP products have advanced to different stages of technology readiness development; however, none have been commercialised yet. Some of the technology developments are currently underway, with some having received Technology Innovation Agency (TIA) seed funding.

The supply of radioisotopes produced by accelerators constitutes one of the key outputs through which the services of NRF has a direct public impact for societal benefit. For the current reporting period, the facility recorded a relatively lower number of patient doses (192 233) generated from radioisotopes produced using the two accelerator platforms, namely 11 MeV and 200 MeV cyclotrons. The generated patient doses are supplied to the medical sector where they are administered to patients for diagnosis of various forms of cancer.

Availability of the Research Infrastructure Platforms (RIPs) enables research activities that directly contribute to knowledge generation for societal benefit. The National Facilities measure this based on Web of Science (WoS) publication output, the proportion of NRF journal articles in Journals with an Impact Factor (JIF) ≥ 3 , as well as the category normalised citation impact which is an accepted indication for quality. Annually, the NRF also measures the proportion of peer-reviewed publications produced by NRF supported researchers relative to the number of peer-reviewed publications produced by all researchers in the NSI. Performance by the National Facilities on these key research outputs is shown in the table below:

Table 7: Publications by the NFs

Annual output on knowledge products	Actual 2021/22	Actual 2022/23	Actual 2023/24	Actual 2024/25
Number of recognised publications by NFs (Web of Science)	689	638	767	721
Proportion of peer-reviewed publications produced by NRF supported researchers relative to the number of peer-reviewed publications produced by all researchers in the National System of Innovation (NSI)	2.5%	2.5%	3.1%	2.8%
Proportion of NRF JOURNAL Articles in Journals with an Impact Factor (JIF) ≥ 3	68.1%	76.7%	73.5%	70.4%
Citation impact of National Research Facility outputs	1.46	1.51	1.43	1.64

Human capacity development

The NFs undertake intensive human capacity development through designated student support programmes mainly implemented with and through NRF Programme 3. The HCD activities during the period under review are outlined below:

- NRF-SARAO successfully hosted its 5th Big Data Africa School at the Sun Square Hotel in Cape Town from 10-15 March 2025. A total of 26 students participated, with half of the participants being South African and the other being from African partner countries. The theme of the 5th Big Data Africa School focused on the application of machine and deep learning techniques to Earth observation data in addressing African challenges brought about by a change in weather, climate and environment.
- Notable resurgence of uptake and utilisation of beamtime allocated for experimental research projects on major accelerator platforms is also a key highlight for the facility. In this respect, the first successful beam-test conducted on the K600 spectrometer in September 2024 was an important achievement, especially given the fact that experimental measurements had not been performed on K600 over a period of two years. Students from the University of Botswana (UNIBO) and Botswana International

University of Science and Technology (BIUST) also participated in the K600 experiments as part of ongoing training for human capacity development.

- As part of strengthening links and partnerships with the higher education institutions, NRF-iThemba LABS hosted 12 Honours students from CPUT who visited the facility on 22 August 2024, and 12 students from the University of Venda who visited the facility during the period 22 - 24 July 2024.
- The SAINTS Physics Summer School was held at NRF-iThemba LABS from 13-31 January 2025. A total of 29 undergraduate students participated from across 10 universities in South Africa. The student profile ranged from undergraduate to PhD level. A wide range of topics were covered at the school, such as basic nuclear physics, materials science, radiation biology and high-energy physics.
- NRF-SAIAB initiated a mentorship programme for early-career researchers from under-represented groups to create equitable opportunities and develop a new generation of aquatic science experts. This is done to increase retention and the development of young scientists and contributes to long-term transformation in the sector.

- NRF-SAIAB provided Category R Skipper training to six NRF-SAIAB students and interns. This training not only equipped young and upcoming researchers with essential maritime skills but also broadened the talent pool for future research expeditions to foster a more skilled and diverse workforce. By promoting the development of marine research skills, this initiative supports workforce transformation and capacity-building investment in the next generation of researchers, enhancing research capabilities, and increasing diversity within the team. Ultimately, this ensures that NRF-SAIAB remains competitive and effective in its marine research and conservation efforts.
- NRF-SAIAB and the Food and Agriculture Organisation of the United Nations (FAO) launched a research initiative to develop local talent and leadership for fish species preservation in Africa. They hosted the EAF-Nansen Programme Post-Survey Workshop on Fish Taxonomy Research, using NRF-SAIAB's unique infrastructure, the National Collections Facility and Aquatics Genomics Research Platform (AGRP), to conduct DNA barcoding in the laboratory. The workshop gathered ten scientists from Mozambique, Kenya, and Tanzania for advanced training, supported by trainers from SAIAB, FAO, Iziko South African Museum, and the University of Cape Town. The collaboration aimed to enhance taxonomic expertise essential for implementing fisheries management and biodiversity programs across Africa.

Research Infrastructure Platforms availability and resilience

Based on the total possible operational hours of the MeerKAT telescope, NRF-SARAO achieved an annual average operational availability factor of 96.9% (vs target of 90%) of the MeerKAT telescope. This achievement ensures that the MeerKAT telescope is ready to meet scientific observations on demand. The ongoing success

of MeerKAT has resulted in increased demand for telescope time as evidenced by the increased number of applications received for the Open Time Call.

SALT, which is managed by NRF-SAAO, continues to run well with an availability factor of 94.2% (vs target of 94%) for the reporting period. The average uptime for the 1.9m and 1.0m telescopes was 98.7% and 96.4%, respectively, for the reporting period. The reduced uptime on the 1.0m telescope was due to the dome encoder failing which resulted in three lost observing nights. There are a number of projects underway within the Instrumentation Division, some of which have the potential for development towards commercialisation.

Across a total of four accelerator platforms, NRF-iThemba LABS delivered an annual total of 60.3% (vs target of 78.4%) of operationally available beamtime which was utilised for both radioisotope production and experimental research measurements. The subdued average performance across the four accelerator platforms is a consequence of a combination of unplanned technical breakdowns which were exacerbated by recent spate of ESKOM-related loadshedding episodes during the months of February and March 2025. The need for recapitalisation is becoming more evident on the older equipment and NRF is in discussions with the DSTI.

NRF-SAEON maintains a sustained network of long-term ecological research infrastructure platforms (LTER) distributed across most of South Africa's ecosystems. These research platforms are equipped with instrumentation able to capture real time data, and these data are processed, archived and made available to the public through the NRF-SAEON open data platform. The Terrestrial Observation Monitor (<https://observationsmonitor.saeon.ac.za/>) was launched to provide an overview of station status and data availability in near real time. The development of this new portal has drawn together the technicians

across NRF-SAEON and the three Research Infrastructures (SMCRI, EFTEON, and SAPRI) to ensure standard data pipelines and processes across the organisation.



Progress against Outcomes, Output Indicators and Targets in the 2024/25 Annual Performance Plan

Table 8 below provides an account of performance against the predetermined objectives for the 2024/25 financial year. The table includes output indicators and targets for the four NRF Programmes.

Table 8: Outcomes, Output Indicators and Targets for 2024/25

Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual Achievement 2024/25	Deviation from planned target to Actual Achievement 2024/25	Reasons for Deviation
PROGRAMME 1: ADMINISTRATION								
A Transformed Organisation that Lives its Culture and Values	Compliance to PFMA	Outcome of annual audit by AGSA	Clean audit	Clean audit	Unqualified	Clean audit achieved	N/A	N/A
	Financial sustainability	Prudent financial management	New	New	Break-even financial position	Break-even financial position	-	Target met. Accumulated surplus as a % of total expenditure = 0.1%
	A transformed leadership and management cohort	Proportion of employees from designated groups at Peromnes levels 1-7	65%	69%	67%	70.4%	3.4%	Target exceeded by 3.4% points. Enhanced awareness and commitment among executives and managers to support equity and transformation objectives during talent acquisition (recruitment) and promotion processes.

Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual Achievement 2024/25	Deviation from planned target to Actual Achievement 2024/25	Reasons for Deviation
	Resources mobilised from non-governmental sources	Revenue obtained from private and international partners (excl. SKA and isotope sales) (R million).	New	New	120	95	-25	Target missed by 20%. Fondation Botnar funding of R47.5mil for 2024/25, which was expected to be received by 30 November 2024, was delayed and received on 25 April 2025.
PROGRAMME 2: SCIENCE ENGAGEMENT								
Enhanced Impact of Science Engagement (SE)	Science engagement interventions	Number of public engagements with and in science interventions	17	16	14	17	3	Target exceeded by 21% There are instances where an intervention is not planned, but the opportunity presents itself to either facilitate or collaborate. NRF capitalise on these opportunities, resulting in overperformance.
			26	20	18	19	1	Target exceeded by 6% There are instances where an intervention is not planned, but the opportunity presents itself to either facilitate or collaborate. NRF capitalise on these opportunities, resulting in overperformance.

Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual Achievement 2024/25	Deviation from planned target to Actual Achievement 2024/25	Reasons for Deviation
		Number of interventions to build SE capacity across the NSI	New	8	5	8	3	Target exceeded by 60% When the targets were set for this deliverable, the DSTI operational plan had not yet been approved, and uncertainty remained regarding the approach in associated projects.
PROGRAMME 3: RESEARCH AND INNOVATION SUPPORT AND ADVANCEMENT								
A Transformed Research Workforce (internationally competitive and sustainable)	NRF-funded postgraduate students	Number of NRF-funded postgraduate students	6 697	6 179	5 579	5 936	357	Target exceeded by 6% Positive variance is due to better acceptance of awards and claim rates among funded students due improved efficiency in reallocations and claims processes.

Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual Achievement 2024/25	Deviation from planned target to Actual Achievement 2024/25	Reasons for Deviation
	NRF-funded researchers	Number of NRF-funded researchers	3 323	3 261	2 594	3 212	618	Target exceeded by 24% This is due to NRF actively working to increase the claim rates by optimising the use of appropriate technology tools. This included enhanced communication and support to encourage faster acceptance and utilisation of awards, in line with prudent financial management principles.
	NRF-rated researchers	Number of NRF-rated researchers	New	4 590	4 952	4 655	-297	Target missed by 6%. NRF Rating of researchers is demand-based and dependent on applicants. Whereas the number is higher than the previous year's actual, the growth in applications was less than anticipated.

Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual Achievement 2024/25	Deviation from planned target to Actual Achievement 2024/25	Reasons for Deviation
	Research information to support NSI decision-making.	Number of external datasets incorporated into the NRF Research and Development Information Platform.	New	New	5	5	-	Target met.
PROGRAMME 4: NATIONAL RESEARCH INFRASTRUCTURE PLATFORMS								
Enhanced impact of the research enterprise	Socio-economic contribution of NFs	Foreign income (Rand million) derived from NFs activities/operations	R152	R240	R273.5	R306.3	R32.8	Target exceeded by 12%. Improved management of the timing of recoveries in terms of SKAO/NRF-SARAO partnership agreements, as well as above budgeted income from the National Institute for Astrophysics (INAF) received by NRF-SARAO.

Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual Achievement 2024/25	Deviation from planned target to Actual Achievement 2024/25	Reasons for Deviation
Enhanced impact of the research enterprise	Knowledge translation for societal benefit	Number of patient doses generated from radioisotopes produced by NRF-iThemba LABS	164 433	224 000	253 000	192 233	-60 767	Target missed by 24%. Accelerator Technical Support (ATS) Department challenges in 2024/25: Vertical Beam Target Station (VBTS) was down from March until April 2024 Water leak on the power supply of the RF and a power failure on the main UPS in April 2024. Water leaks on the bending magnet and a RF amplifier; vacuum leak on the J-Line Buncher experienced by SSC in Q3 and in Q4 Loadshedding and power dips in Q4 contributed to the loss of beam time.
		Number of technical and policy briefs produced or published by NFs in the reporting period.	28	24	23	27	4	Target exceeded by 17%. Briefs are both supply and demand dependent. Several concurrent projects with international partners across several NRF-SAEON nodes contributed to more briefs being developed.

Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual Achievement 2024/25	Deviation from planned target to Actual Achievement 2024/25	Reasons for Deviation
		Number of active intellectual property products produced or completed (registered or not) at the end of the relevant reporting period.	14	16	14	27	13	Target exceeded by 93%. An increase in the number of new IP projects that progressed to recognised stage.

Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual Achievement 2024/25	Deviation from planned target to Actual Achievement 2024/25	Reasons for Deviation
Enhanced impact of the research enterprise	Operational availability NFs	Percentage (%) operationally available beam time (in hours) of accelerator platforms – NRF-iThemba LABS.	New	New	78% (13763/17556)	60% (10 595/17 556)	-18%	Target missed by 18% points. Due to the following: Tandem accelerator was negatively impacted by 860A source failures in Q1 and Q2, as well as by failures of AMS inflection magnet PSU, with the latter two both resolved in Q3. Scheduled maintenance work on the Tandetron accelerator exceeded the planned periods for the year. The return of Eskom-related load curtailment further negatively impacted the SSC and Tandetron availability in Q4.
		Percentage (%) research fleet days (in days) at sea (ACEP) – NRF-SAIAB	New	New	34% (80/236)	36% (84/236)	2%	Target exceeded by 2% points. This is due to the operational impact of the newly appointed skipper based at the Durban node and favourable operating conditions.

Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual Achievement 2024/25	Deviation from planned target to Actual Achievement 2024/25	Reasons for Deviation
Enhanced impact of the research enterprise	Operational availability NFs	Operational availability of near real-time research infrastructure platform data – NRF-SAEON.	New	New	85% (260/306)	90% (275/306)	5%	Target exceeded by 5% points. Technicians have responded within reasonable time to ensure the network remains functional for most of the year despite downtime challenges experienced.
		Percentage (%) operational time (in hours) availability of SALT – NRF-SAAO	New	New	94% (3077 /3273)	94% (3083 /3273)	0%	Target achieved. Favourable performance for the year is attributable to relatively lower technical downtime.
		Percentage (%) operational time (in hours) availability of 64 MeerKAT receptors -NRF-SARAO.	New	New	90% (493517/ 548352)	97% (531347/ 548352)	7%	Target exceeded 7% points. High operational time availability is due to effective and regular maintenance measures in place.

Linking performance with budgets

Table 9: Expenditure Trends per Programme 2024/25

Programme	2023/2024			2024/2025		
	Estimate	Actual Expenditure	(Over)/Under	Estimate	Actual Expenditure	(Over)/Under
	R'000	R'000	R'000	R'000	R'000	R'000
Programme 1	168 228	426 697	(258 469)	193 703	220 371	(26 668)
Programme 2	145 909	125 472	20 437	121 388	126 580	(5 192)
Programme 3	2 938 390	2 521 990	416 400	2 543 049	2 607 416	(64 367)
Programme 4	2 815 781	2 720 356	95 425	3 025 899	2 607 662	418 237
Total	6 068 309	5 794 515	273 794	5 884 039	5 562 029	322 010

Strategy to overcome areas of under performance

Revenue obtained from private and international partners

NRF has established a new Division to lead its mobilisation of additional funds to carry out its legislated mandate. Funds are realised in two ways, directly whereby funds are deposited with the NRF to issue it out as grants or indirectly where each party retains own funds but collectively support research and human capacity development programmes.

NRF will introduce a shorter interval tracker on the inflow of revenue to enable corrective action to ensure that funds are realised in time.

NRF-rated Researchers

A comprehensive evaluation of the rating process will be conducted to better understand the demand for rating; the resources and systems requirements; and the identification of areas for improvement and transformation. This will ensure that the rating system is efficient, inclusive, equitable, and supports researchers from diverse

backgrounds, leading to enhanced performance and opportunities for all.

Production and Operational availability of a fleet of nuclear accelerators

The technical glitches related to the failure of the PSU magnet unit at the Tandem Accelerator at TAMS have been resolved through the purchase of a new AMS inflection magnet. Technical failures on the 860A ion source were also successfully addressed, which bodes well for a more positive outlook for improvement in the delivery of quality beam at the Tandem Accelerator for both AMS and IBA experimental measurements.

- As mitigating measures, the overall ageing research infrastructure, in particular the 200 MeV SSC complex, requires major upgrades, starting with the replacement of the aged UPS unit with a modern solution and technical upgrading of the SSC and its associated detector infrastructure. Ultimately, the migration of radioisotope production to the newly commissioned 70 MeV cyclotron remains the long-term solution towards unlocking growth in radioisotope sales and income while availing much needed time to perform comprehensive

technical service of the SSC complex as a precursor towards achieving more beam time for experimental research in subatomic physics.

- A proposal has been developed for the infrastructure upgrade with a focus on the replacement of the UPS with modern solutions to mitigate against power interruptions.

12. REVENUE COLLECTION

The NRF total income is lower than budget by R305million in 2024/25 mainly due to contract funding revenue aligned to deliverables with corresponding expenditure accounted for in the respective year in which the expenditure is incurred. NRF income is largely dominated by contract funding (78% in 2024/25), which fluctuates year-on-year depending on the level of activity and is not entirely within the control of NRF as it is largely dependent on State appropriations and contract sponsors. The Parliamentary grant and DSTI contract income decreased with a total of R447million mainly due to a budget cut imposed by the DSTI over the MTEF, impacting 2024/25 by R 353million. DSTI contract income also decreased due to unspent infrastructure funding for the SKAO buildings to be contracted from 2025/26, resulting in the related contract income not recognised in 2024/25. Other contract

income increased because of the increase in grant expenditure funded from the DHET Scarce Skills Development Fund income.

The key area where revenue collection is managed by the NRF is on non-core revenue pertaining to sales revenue from isotopes, interest received and other sundry income. Sales on isotopes decreased at NRF-iThemba LABS due to unscheduled breakdowns of the SSC Cyclotron. Higher interest income from investments is due to higher funds on hand from grant funding carry forward and capital projects in progress, specifically within NRF-SARAO. Other income increased due to registration fees on the Deep Inelastic Scattering and Related Subjects (DIS2025) and the 2nd International African Symposium on Exotic Nuclei (IASEN-2024) conferences at NRF-iThemba LABS as well as compensating events receipts from a supplier at SARAO-SKA.

Table 10: Revenue Collection 2024/25

Sources of revenue	2023/2024			2024/2025		
	Estimate	Actual Amount Collected	Over/ (Under) Collection	Estimate	Actual Amount Collected	Over/ (Under) Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Parliamentary grant	1 001 295	991 295	(10 000)	985 793	941 446	(44 347)
DSTI contract income	4 263 246	3 291 507	(971 739)	3 927 196	3 524 968	(402 228)
Other contract income	539 131	662 992	123 861	619 195	691 876	72 682
Sales revenue	110 749	142 777	32 028	149 579	143 447	(6 132)
Interest received	23 705	110 457	86 752	53 501	96 503	43 002
Other Income	6 301	65 550	59 249	4 838	36 810	31 972
Total Income	5 944 427	5 264 578	(679 849)	5 740 102	5 435 050	(305 052)

13. CAPITAL INVESTMENT

Table 11: Infrastructure Projects Expenditure 2024/25

Project Name	Total Estimated Cost (Original)		Total Estimated Cost (Latest)		2023/24			2024/25		
	R'000		R'000		Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
					R'000	R'000	R'000	R'000	R'000	R'000
NRF-iThemba LABS: SAIF Project	550 000	592 233	-	50 778	(50 778)	1 750	1 739	11		
NRF-iThemba LABS: TIP Phase 2	20 000	20 000	17 500	17 797	(297)	460	454	6		
NRF-SAIAB: 1000m ROV	12 000	15 000	7 689	10 689	(3 000)	-	-	-		
NRF-SAIAB: Phuhlisa HDIs JML	18 000	18 000	4 035	4 035	-	-	-	-		
NRF-SAIAB: Aqualab	10 000	9 000	-	-	-	-	-	-		
NRF-SAIAB: Technical Hub	5 000	5 000	5 000	4 950	50	-	-	-		
NRF-SAEON: SMCRI	635 500	635 500	30 711	50 240	(19 529)	43 215	40 475	2 740		
NRF-SAEON: EFTEON	509 500	509 500	22 429	20 488	1 941	23 262	26 520	(3 258)		
NRF-SAEON: SAPRI	75 000	159 566	25 000	37 339	(12 339)	26 825	31 320	(4 495)		
NRF-SARAO: MeerKAT Extension	545 000	555 000	125 000	86 695	38 305	17 100	17 047	53		
NRF-SARAO: SKA Dark Fibre	128 000	128 179	-	-	-	-	-	-		
NRF-SARAO: SKA Northern Cape Visitor's Science Centre	32 000	31 000	-	2 573	(2 573)	4 000	3 928	72		
NRF-SARAO: SKA Regional Centre (SRC-ZA)	25 000	25 000	-	-	-	-	-	-		
NRF-SARAO: SKA Engineering Operations Centre (EOC)	142 000	363 000	-	-	-	36 000	35 800	200		
NRF-SARAO: SKA Science Operating Centre (SOC)	450 000	450 000	-	-	-	2 100	2 000	100		
NRF-SARAO: SKA Science Processing Centre (SPC)	607 000	607 000	-	-	-	4 950	4 874	76		

Project Name	Total Estimated Cost		2023/24			2024/25		
	Estimated Cost (Original)	Total Estimated Cost (Latest)	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
NRF-SARAO: National Park Game Fence	60 000	76 000	-	-	-	-	-	-
TOTAL	3 824 000	4 198 978	237 365	285 586	(48 221)	159 662	164 157	(4 495)



The South African Isotope Facility (SAIF) project comprises of three (3) subcategories namely: SAIF infrastructure - Construction of new infrastructure and services for the 70 MeV cyclotron; SAIF accelerator equipment - Procurement of the new 70 MeV cyclotron and beam line equipment, and SAIF Targetry - Development and manufacturing of new target stations and targetry infrastructure for the 70 MeV cyclotron.

As of the end of the 2024/25 financial year progress on the project was as follows:

- **SAIF Infrastructure:** Practical completion achieved, and the building handed over in 2024/25. Minor snags are currently being addressed and expected to be fully completed in 2025.
- **SAIF accelerator equipment:** Project completed, and C70 MeV cyclotron commissioned and fully certified by the end of 2023/24.
- **SAIF Targetry:** Target stations delivered, commissioned, and fully certified by end of 2023/24.

The investment in the (NRF - iThemba LABS) Technology Innovation Platform (TIP) project is in respect of construction of laboratories and offices for the technology and innovation platform facility (TIP Phase 1) and installation of its associated instrumentation and IT infrastructure (TIP Phase 2). TIP Phase 1 completed end of March 2023, and the TIP building was handed over to NRF-iThemba LABS in 2022/23. TIP Phase 2 commenced in 2023/24. IT/audio visual infrastructure of the TIP Building was installed during Q1 of 2024/25. Instrumentation commissioned at the end of 2024/25 FY. Procurement and specification processes for the remainder of the project will resume in 2025/26 once the Instrumentation Scientist position (currently vacant) has been filled.

The Shallow Marine and Coastal Research Infrastructure (SMCRI) is one of three South African Research Infrastructure Roadmap (SARIR) projects hosted by the NRF-SAEON, the other two being the EFTEON and SAPRI. The aim of the project is to develop cutting-edge instruments, physical research platforms and data covering three oceans. The project's key activities are: 1) Effective management, governance, and coordination of the infrastructure-built project; 2) To develop, integrate, commission, manage and maintain 15 coastal research platforms; and 3) To encourage, manage, and track stakeholder involvement to ensure use and acknowledgement of Research Infrastructure (RI) platforms.

During 2024/25 the SMCRI completed 231 research field trips, analysed 11,467 samples in state-of-the-art biogeochemistry laboratories, completed 484 hyperbaric chamber dives, conducted airborne remote sensing surveys of flood damaged municipalities and key coastal ecosystems in CapeNature, SANParks and iSimangaliso Wetland Park managed areas, rolled out the first real-time Metcean moorings around the coast, and reached 1,258 learners, 24 educators and 252 members of the public.

Expanded Freshwater and Terrestrial Environmental Observation Network (EFTEON)

EFTEON is a modular, highly networked infrastructure to support research on coupled ecological-social terrestrial systems in South Africa. It is largely modelled on the NRF-SAEON's well-established network of terrestrial nodes and LTER sites and seeks to expand that with the addition of six well-instrumented EFTEON nodes. The project's key activities are: 1) Effective management, governance, and coordination of the EFTEON Project. 2) To develop, integrate, commission, manage and

maintain six (6) Terrestrial research landscapes with long-term sites and infrastructure focusing on biogeochemical exchanges between the land surface and atmosphere, the availability and quality of water in the landscape, long-term observations biodiversity and productivity and social ecological interactions, especially those related to the provision, management and use of ecosystem services. 3) To encourage, manage, and track stakeholder involvement to ensure use and acknowledgement of RI platforms.

During 2024/25 FY the EFTEON RI received delivery of the Gasmeter GT5000 gas analysers and Ecosense soil respiration sensors, which will be deployed to the landscapes and will allow measurement of the soil respiration flux, which will support our understanding of the terrestrial carbon cycle in South African ecosystems.

The South African Polar Research Infrastructure (SAPRI) is one of 13 large Research Infrastructures (RIs) developed by the Department of Science, Technology and Innovation (DSTI) as part of the South African Research Infrastructure Roadmap (SARIR). The ultimate objective of SAPRI is to enable balanced research growth across the polar disciplines, and to maintain and further expand the world-class long-term observational datasets already established. The SAPRI is designed as a consortium hosted at the NRF-SAEON and is divided into four Integrated Facilities (IFs): 1) Data, Products and Society (DPS); 2) Long-term Observations on Land (LTO-Land); 3) Long-term Observations of the Ocean (LTO-Ocean); 4) Polar Lab. Its activities and outputs are to establish the SAPRI Management system, undertake the

setup of collaborative working arrangements and agreements which govern the IFs relationships and put into place the necessary oversight committees for the successful running of the SAPRI.

A number of SAPRI activities were concluded successfully during the reporting period, these include procurement of infrastructure, placement of overwinter team members on Marion Island and the medical evacuation insurance for that team, along with the collaborative working relationship between DSTI and DFFE. The DPS team has been working with consultants to assemble 3D photography equipment of the SA Agulhas II vessel in preparation for the next research cruise. SAPRI was also engaged in a number of outreach activities throughout the year, which included collaboration by the Egagasini Biodiversity Team with external stakeholders in showcasing the OceanX's OceanQuest Around Africa Expedition that took place in 2024/25FY.

The **MeerKAT+ Extension project** (NRF-SARAO) encompasses the extension of MeerKAT through international Investment, with installation of 20 dishes as the key milestone. Various tenders were issued during 2024/25, and the project progressed well during the current financial year. The major MeerKAT extension infrastructure project is now nearing completion. This includes progress with the Back End Digitiser and Correlator as well as Computer Server Infrastructure in support of the MeerKAT extension project.

Dish installation (German/Chinese contract) has been slower than planned in the past financial

year. The Concor Contract (subject to final issues being resolved) is expected to be concluded during 2025. By the end of the reporting period, 93% of the total estimated project cost has been spent.

NRF-SARAO's Dark Fibre project encompasses installation of a Fibre Link from Northern Cape to Cape Town – SKA Science Processing Centre (SPC). The project was delayed due to SANREN (the Agent appointed to manage the acquisition) concluding the contract with a 3rd party later than planned. The infrastructure is critical to ensure that the vast quantity of data from the MeerKAT Antennae's is transported to the Science Processing Centre and Other Computing Hubs. No costs have been incurred to date as the contract is to be managed via SKAO, contract deliverables are yet to be finalised.

The total estimated cost for the SKA Northern Cape Visitor's Science Centre project was initially estimated at R62m. DSTI/SARAO 50% share of total cost is R31m; balance to be funded by the Department of Tourism. A tender was awarded in 2023/24 for the Design of the Building. Architects are progressing with the Design is progressing well. The total cost for the Project implementation is R150m (including Design), this is subject to Additional Funding from the DSTI to cover the shortfall.

Prior to 2022/23 National Treasury (NT) indicated that no funds were available for the **SKA Engineering Operations Centre (EOC), SKA Science Operating Centre (SOC) and SKA Science Processing Centre (SPC) projects.**

SARAO was advised in consultation with DSTI to seek alternative funding via Development Agencies (DFI's) and Presidential Infrastructure Agencies. Budget Facility for Infrastructure (BFI) funding was approved for the projects by the end of 2022/23. Tender processes for the projects commenced in 2023/24 after budget approval.

- The tender for the **SKA Engineering Operations Centre (EOC)** project was awarded in June 2024, with an estimated 24-30 months to contract completion. Work on the project is progressing well.
- SARAO used a phased procurement approach for the **SKA Science Operating Centre (SOC) and SKA Science Processing Centre (SPC) projects:** Detailed Design, Professional Services Contract to Manage the Contracts, and Construction. The tender for Professional Services for Design and Construction of SKA Host Buildings in Cape Town was awarded in Sept 2024. Work is now in progress. Once this is completed the next phase of procurement and implementation will commence.

The **National Park Game Fence (MeerKAT Boundary Fence) project.** The contract award was finalised 2024/25. Work will commence in 2025 and estimated for 12-18 months to complete.

The **SKA Regional Centre project (SRC) project** is at Planning Phase – Development of requirements and specifications for assets to be acquired is under way. Execution of the project is planned for future years.



PART C:

GOVERNANCE



14. INTRODUCTION

The NRF is a schedule 3A public entity established through the NRF Act (Act 23 of 1998, as amended), and its governance structures consist of systems and processes which assist the NRF to be directed, controlled, and held accountable. Legislation such as the Public Finance Management Act (Act 1 of 1999, as amended) and the South African Companies Act (No. 71 of 2008) contribute to the compliance requirements of the entity, as do the various national and departmental frameworks, instructions and policies. In addition, the NRF

also applies leading governance practices by adhering to the requirements in the King Report on Corporate Governance for South Africa (King IV). The NRF is accountable to Parliament through the Parliamentary

Portfolio Committee (PPC) on Higher Education, Science and Innovation. The Minister of Higher Education, Science and Innovation is the Executive Authority in terms of the PFMA, and the Accounting Authority is the NRF Board.

15. PORTFOLIO COMMITTEES

The Parliamentary Portfolio Committee (PPC) on Higher Education, Science and Innovation of the National Assembly processes legislation and conducts oversight pertaining to the work of the NRF. During the 2024/25 financial year, the NRF Board and the NRF Corporate Executive Committee interacted with the PPC on HEST to allow the PPC to exercise its oversight into the planning and performance of the organisation through the following:

- NRF Annual Report (AR) 2023/24 was tabled in Parliament in September 2024 by the Minister and presented to the PPC by the NRF Board in October 2024.
- NRF Strategic Plan 2025/26 – 2029/30 and Annual Performance Plan (APP) 2025/26 was tabled in Parliament in April 2025 by the

Minister and presented by the NRF Board.

- PPC Briefing by the NRF-SAASTA on the programme and initiatives around the Science Engagement Strategy held on 10 September 2024.
- As part of its ongoing oversight programme, the Parliamentary Portfolio Committee (PPC) on Science, Technology and Innovation, in collaboration with the Department of Science, Technology, and Innovation (DSTI), recently conducted site visits NRF-SAAO in Sutherland and the NRF-SARAO in Carnarvon between 24 and 28 February 2025.
- The organisation also responded to one parliamentary question during this financial year.

16. EXECUTIVE AUTHORITY

The Executive Authority requires the NRF to submit plans and reports on the prescribed dates as required by the PFMA and associated Treasury Regulations. Below is the list of reports and plans

submitted to the Executive Authority during the 2024/25 financial year. There were no issues raised by the Executive Authority.

Accounting Reports or Plans	Date of Submission
Annual Report 2023/24	21 August 2024
Tabling of NRF Annual Report 2023/24	26 September 2024
NRF Strategic Plan 2025/26 -2029/30	25 February 2025
Tabling of NRF Strategic Plan 2025/26 -2029/30	04 April 2025
Fourth Quarterly Report 2023/24	19 April 2024
First Quarterly Report 2024/25	22 July 2024
Second Quarterly Report 2024/25	21 October 2024
Third Quarterly Report 2024/25	20 January 2025

17. THE ACCOUNTING AUTHORITY / BOARD

Introduction

The NRF Board is appointed by the Minister of Higher Education, Science and Technology in terms of Section 6 of the National Research Foundation (NRF) Act (Act 23 of 1998 as amended). The role of the Board is to govern the organisation through the discharge of its fiduciary responsibilities in relation to strategy, policy approval, oversight and accountability such that the good governance outcomes of an ethical culture, good performance, effective control and legitimacy with stakeholders are achieved by the organisation in line with the NRF mandate.

Board's responsibilities and that it is accountable for the public entity's performance and strategic direction.

The NRF Board exercises its roles in terms of section 50 of the Public Finance Management Act

(PFMA) (Act 1 of 1999 as amended), whereby the accounting authority of a public entity must:

- a) Exercise the duty of utmost care to ensure reasonable protection of the assets and records of the public entity.
- b) Act with fidelity, honesty, integrity and in the best interest of the public entity in managing the financial affairs of the public entity.
- c) On request, disclose to the executive authority (the Department of Science and Innovation) (DSI) responsible for that public entity, all material facts including those reasonably discoverable, which in any way may influence the decisions or actions of the executive authority of that legislature; and seek within the sphere of influence of that accounting authority, to prevent any prejudice to the financial interests of the state.

The role of the Board

Within the functions, and powers conferred on the Board, and its committees by the NRF Act, the PFMA and the Companies Act, the Board is required to:

- a) Retain full and effective control and provide effective and ethical leadership in the best interest of the NRF.
- b) Inform and set the strategic direction of the NRF and ensure that strategy, risk, performance and sustainability considerations are effectively integrated and appropriately balanced.
- c) Determine and set the tone and support the NRF values in order to ensure the principles of an ethical culture, and the requirements of being a responsible corporate citizen.
- d) Bring independent, informed and effective judgment to bear on material decisions of the NRF including material policies, the framework for the delegation of authorities, the framework of Corporate Governance, and the appointment of the Chief Executive Officer [CEO] and Corporate Executive Committee members.
- e) Satisfy itself that the NRF is governed effectively in accordance with corporate governance best practices, appropriate and relevant non-binding rules, codes and standards and internal control systems to:
 - i. Maximise returns.
 - ii. Increase sustainability.
 - iii. Safeguard the people, assets and reputation of the NRF.
 - iv. Ensure an effective control environment and compliance with applicable laws and regulations.
- f) Ensure robust and effective oversight through:
 - i. The appropriate constitution of Board committees.
 - ii. The relationship and discourse with executive management in implementing the strategies, decisions, values and policies; and
 - iii. The effective approach to governance, integrated reporting, risk management and combined assurance.
- g) Ensure that the organisation has appropriately constituted and effective Board committees as required by the PFMA, the Companies Act, and recommended best corporate governance practice.
- h) Ensure that there is an effective risk-based internal audit.
- i) Ensure the integrity of the statutory reports developed in line with the PFMA which includes reporting on the effectiveness of the system of internal controls.
- j) Through the NRF executive management, acting in accordance with the powers determined by the Board, the Board will:
 - i. Give effect to the mandate, objectives and purpose of the NRF with regard to the resources and instruments available.
 - ii. Assess the extent to which the mandate and objectives of the NRF are met by the operational activities of the organisation paying attention to the effectiveness, efficiency and success of the strategies and operations pursued by the NRF in meeting its mandate and objectives.
 - iii. Determine the strategy to achieve the NRF's purpose and implement NRF values.

- iv. Retain full and effective control over the NRF and monitor and evaluate management in their implementation of Board-approved plans, policies, business plans, management performance criteria and strategies.
- v. Define levels of materiality, reserving specific power to itself and delegating other matters with necessary written authority to management. These matters should be monitored and evaluated by the Board on a regular basis.
- vi. Approve the NRF Annual Financial Statements (AFS).
- vii. Approve the NRF Annual Performance Report (APR) and the related Key Performance Indicators before submission to the Department of Science, Technology and Innovation (DSTI).
- viii. Review the updated NRF strategic risk register on an annual basis.
- ix. Approve comprehensive NRF human resource development strategies and plans.
- x. Approve the NRF plans for information and communication technology and systems. As Information and Communication Technologies (ICTs) play an integral part of the business of the NRF, the Board is responsible for the governance of these ICTs. More specifically, the Board should ensure that ICT is aligned with the performance and sustainability objectives of the NRF and therefore should monitor ICT investment and expenditure.
- xi. Ensure that the independent institutional review of the NRF, using a method approved by the DSTI and the NRF Board, takes place in a published cycle of

every five years unless agreed otherwise by the DSTI.

- xii. In line with section 72(4) of the Companies Act, read together with regulation 43 of the Companies Regulations, the NRF Board must ensure the implementation of the legal requirements and prevailing codes of best practice and standards with regard to social and ethical responsibilities.

Board Charter

The NRF Board has developed and approved a Board Charter which is intended to provide a concise overview of:

- The delineation of the roles, functions, responsibilities and powers of the Board.
- The delegation of authority to the various board committees of the NRF.
- The matters reserved for final decision-making or pre-approval by the Board.
- The policies and rules of procedures of the board in respect of matters such as corporate governance, declarations and conflicts of interest, board meetings documentation, induction, training, and evaluation of directors and members of Board committees.

The Charter is reviewed annually in March to ensure its ongoing relevance and to have an updated guiding Charter in place at the commencement of the new financial year annually on 01 April. The Board is compliant in respect of alignment with the NRF Board Charter.

Composition of the Board

Table 12: Board members as of 01 April 2024 to 31 March 2025

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
Prof Matlagolo Mosa Moshabela	Chairperson of NRF Board	01 December 2022	Active	<ol style="list-style-type: none"> 1. MBChB, UKZN 2. Diploma HIV (SA), Colleges of Medicine of South Africa. 3. Masters in Family Medicine, University of Limpopo (MEDUNSA). 4. PhD: Public Health, University of the Witwatersrand. 5. MSc: Demography and Health, London School of Hygiene and Tropical Medicine. 	Public and Global Health	<ol style="list-style-type: none"> 1. Director – Africa Research Institute 2. Vice Chancellor – University of Cape Town 3. National Chairperson, the Rural Doctors Association of South Africa (RuDASA). 4. Board member for the Centre for Rural Health, University of KwaZulu-Natal. 	None	Eight

Name	Designation of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
Prof Glenda Gray	Board Member and ARC Member	01 October 2018 Second term 01 December 2022	Active	<ol style="list-style-type: none"> 1. MBBCH - University of Witwatersrand. 2. FCPAED (SA) - College of Medicine, South Africa. 3. DSc (honoris causa, SFU). 4. Doctor of Law (honoris causa, Rhodes University) 	Medical Science, HIV vaccinology, Paediatric infections and clinical research, and Clinical product development	<ol style="list-style-type: none"> 1. Access to Advanced Health Institute (AAHI) Board. 2. African Potential Trust 3. Centre for Educational Research and Innovation (CEIR) Board. 4. HCRISA 5. Caready 	WHO STAG for TB.	Eighteen
Ms Lahlane Hellen Malema		01 December 2022	Active	<ol style="list-style-type: none"> 1. LLB, University of Limpopo 2. B. PROC University of Limpopo 	Admitted Attorney of High Court - Law, Corporate Governance and Risk	<ol style="list-style-type: none"> 1. SAFCOL [South African Forestry Company Ltd] 2. SHRA [Social Housing Regulatory Authority]. 3. Weskoppies Psychiatric Hospital. 	None	Twenty five

Name	Designation of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
Dr Len Konar		01 December 2022	Active	<ol style="list-style-type: none"> 1. BCom, University of Durban 2. PGD in Accounting, University of Durban. 3. Chartered Accountant (South Africa). 4. Certificate in Tax Law, UNISA. 5. Certificate in Electricity Tariffs, University of Stellenbosch. 6. Master of Accounting Sciences, University of Illinois. 7. Doctor of Commerce, UNISA. 8. Certification in Risk Management Assurance, USA. 	None	<ol style="list-style-type: none"> 1. Independent Non-Executive Director – AIDC 2. Independent Non-Executive Director – HSRC 3. Independent Non-Executive Director – OBP 	None	Twenty one

Name	Designation of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
Dr Mabatho Ntomb'zikhona Mutshekwane (Ntombi)		01 December 2022	Active	<ol style="list-style-type: none"> 1. Entrepreneurship in Emerging Economies 2. HarvardX. 3. PGD in Health Technology 4. Management PG Dipl HTM, UCT. 5. MBL, UNISA (SBL). 6. MBCHB Sefako Makgatho University (MEDUNSA) 7. Bachelor of Medicine and Surgery 	Emergency medicine, healthcare technologies, digital transformation in healthcare, and SMME development	<ol style="list-style-type: none"> 1. Mutsh Medical International (Pty) Ltd (MutshMed). 2. Blue Sands CC 731 CC. 3. Maatho Projects (Pty) Ltd. 4. Blue Sands Trading CC. 5. Fourth Digital (Pty) Ltd 6. Dr Mutshekwane Inc. 7. Sizekhaya (Pty) Ltd 8. Dikento Property (Pty) Ltd 	None	Sixteen
Mr Mark Brits		01 December 2022	Active	<ol style="list-style-type: none"> 1. MSc in Financial Management University of London 2. BCom, UNISA 	None	<ol style="list-style-type: none"> 1. Executive Director – Centre of Excellence in Financial Services 	None	Thirteen

Name	Designation of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
Prof Nadine Petersen		01 October 2018 Second term 01 December 2022	Active	<ul style="list-style-type: none"> 1. Higher Diploma in Education, Rand College of Education. 2. B.A. Education University of South Africa. 3. B. Ed Honours Rand Afrikaans University. 4. M. Ed Rand Afrikaans University. 5. PhD University of Johannesburg. 	Teacher education, higher education management and adult and community education	None	None	Fifteen

Name	Designation of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
Prof Pamela Maseko		01 December 2022	Active	<ol style="list-style-type: none"> 1. PGDip in Higher Education Rhodes University, 2017. 2. Doctor of Philosophy Rhodes University 2011 Sociolinguistics. 3. Certificate in Assessor's Course Rhodes University 2010 Assessment in HE. 4. Master of Arts Rhodes University 2007 Language Policy Studies. 5. Bachelor of Arts (Hons) UWC 1994 Sociology of Language, Literary Studies. 	Sociolinguistics and Language Policy	None	None	Fifteen

Name	Designation of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
Prof Pumla Gobodo-Madikizela		01 December 2022	Active	<ol style="list-style-type: none"> 1. PhD in Psychology, UCT, 2000. 2. Master's in clinical psychology, Rhodes University, 1984. 3. Honours in Psychology, Fort Hare University, 1978. 4. BA in Social Work, 1977. 	Psychology	<ol style="list-style-type: none"> 1. Board Member – Institute of Justice 2. Board member – Hilary & Dorothy Champion Trust 	None	Six
Prof Refilwe Phaswana-Mafuya		01 April 2019 Second term 01 December 2022	Active	<ol style="list-style-type: none"> 1. PhD, UNIN, 1999-2002. 2. MSc (Epi), LSHTM, 2016, University of Londo. 3. PG Diploma (Epi), LSHTM, University of London, 2013. 4. MA(SW), 1998 University of the North (UNIN1997-1998). 5. BA(SW), 1995, University of the North (UNIN), 1991-1994. 	Epidemiology, Public Health and Behavioural Sciences, Higher Education Management and Governance.	None	None	Five

Name	Designation of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
Prof Teboho Audrey Moja		01 December 2022	Active	<ol style="list-style-type: none"> 1. Ph.D., University of Wisconsin, 1985. 2. M.Ed., University of Witwatersrand, 1982. 3. B.Ed., University of the North, 1979. 4. B.A., University of the North, (With Distinction), 1977. 	Education and Policy	None	None	Thirteen
Dr Mathetha Thabo Mokonyama		01 July 2024	Active	<ol style="list-style-type: none"> 1. PhD Engineering, University of Pretoria, 2015. 2. Master of Engineering – Transportation Engineering, University of Pretoria, 2005. 3. Bachelor of Science in Civil Engineering University of Witwatersrand, 1999. 	<p>Sustainable development</p> <p>Transport planning</p> <p>Decision support</p> <p>Operations modelling</p> <p>Service design</p> <p>Experimental design</p>	<ol style="list-style-type: none"> 1. Ayota Infratech Solution 	None	Nineteen

Name	Designation of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
Mr Mavuso Martin Shabalala		01 July 2024	Active	<ol style="list-style-type: none"> Bachelor of Social Sciences Degree. Master of Business Leadership (MBL) Degree. Global Remuneration Professional (GRP) certification. 	HR Professional	<ol style="list-style-type: none"> Eaglet Advisory Coaching Pty Ltd Donga Strategic Capital cc Tibusiso Consolidated Investments cc Cassavac Advisory and Forensics. 	None	Sixteen
Ms Funeka Nomasondu Khumalo		01 July 2024	Active	<ol style="list-style-type: none"> Bachelor of Science, Chemistry, UCT, 1992-1996. Project Management, Project Management Institute (PMI), 2013. MBA GIBS, 2009-2010. 	Science and Chemistry.	None	None	Eighteen

Committees

Table 13: Board Committee meetings 01 April 2024 to 31 March 2025

Committee	No. of meetings held	No. of members	Name of members
NRF Board	6 - Board Meetings 1 - Strategy Workshop (2 days) 2 – Special Board Meetings 5 – Board In Committee Meetings	14 [excluding NRF CEO]	As per “Composition of the Board”
Audit & Risk Committee (ARC)	Seven	Six	1. Dr Len Konar [Chair] 2. Dr Ntombi Mutshekwane 3. Ms Lahlane Malema 4. Prof Glenda Gray 5. Dr Mathetha Mokonyama 6. Ms Funeka Khumalo
Board Procurement Committee	Six	Six	1. Ms Lahlane Malema [Chair] 2. Mr Mark Brits 3. Prof Nadine Petersen 4. Dr Mathetha Mokonyama 5. Ms Funeka Khumalo 6. Mr Mavuso Shabalala
Remuneration & HR Committee	Seven	Five	1. Prof Tebogo Moja [Chair] 2. Prof Pamela Maseko 3. Ms Funeka Khumalo 4. Prof Glenda Gray 5. Mr Mavuso Shabalala
Research Development Committee (RDC)	Five	Six	1. Prof Pamela Maseko [Chair] 2. Prof Tebogo Moja 3. Prof Pumla Gobodo-Madikizela 4. Mr Mark Brits 5. Prof Refilwe Phaswana-Mafuya 6. Dr Ntombi Mutshekwane

Remuneration of Board Members

The NRF Board was classified as an A1 Board by the Minister of Finance in 2013, hence, members of the NRF Board are remunerated in accordance with the guidelines issued annually by National Treasury, based on attendance of Board and sub-committee meetings.

The following members of the NRF Board do not qualify for remuneration from the NRF as they are government employees:

- Prof Glenda Gray [NRF Board member, member of the Audit and Risk and Remuneration and HR Committees]
- Dr Mathetha Thabo Mokonyama [NRF Board member, member of the Audit and Risk and Board Procurement Committee]

All NRF Board related travel expenses are booked and paid for by the NRF. Members of the NRF Board are reimbursed for unexpected travel expenses that may have been incurred while travelling on NRF Board related business.

Table 14: Remuneration of Board members 01 April 2024 to 31 March 2025

Name	Remuneration	Other allowance	Other reimbursements	Total
Prof Matlagolo Mosa Moshabela (Chair)	169 861,90	Nil	Nil	169 861,90
Ms Funeka Nomasondu Khumalo	126 828,00	Nil	Nil	126 828,00
Prof Glenda Gray	Public office bearer hence does not receive remuneration.			
Ms Lahlane Hellen Malema	144 274,00	Nil	Nil	144 274,00
Dr Len Konar	167 945,00	Nil	Nil	167 945,00
Dr Mabatho Ntomb'zikhona Mutshekwane	90 484,00	Nil	Nil	90 484,00
Mr Mark Brits	112 030,00	Nil	Nil	112 030,00
Dr Mathetha Thabo Mokonyama	Public office bearer hence does not receive remuneration.			
Mr Mavuso Martin Shabalala	122 484,00	Nil	Nil	122 484,00
Prof Nadine Petersen	68 676,00	Nil	Nil	68 676,00
Prof Pamela Maseko	108 596,00	Nil	Nil	108 596,00
Prof Pumla Gobodo-Madikizela	41 772,00	Nil	Nil	41 772,00
Prof Refilwe Phaswana-Mafuya	27 848,00	Nil	Nil	27 848,00
Prof Teboho Moja	109 794,00	Nil	Nil	109 794,00

18. RISK MANAGEMENT

The NRF manages risk in accordance with the Public Finance Management Act (PFMA), Act No. 1 of 1999, and the principles of the King IV Report on Corporate Governance. Risk management is guided by a Board-approved Enterprise Risk Management (ERM) Policy and Framework, which is reviewed periodically to ensure continued alignment with evolving business priorities, regulatory developments, and governance responsibilities. Functional responsibility for ERM resides with the Governance, Risk, Legal and Compliance (GRLC) unit in the Office of the CEO.

Our risk management approach draws on internationally recognised frameworks, such as the Committee of Sponsoring Organisations of the Treadway Commission (COSO) and ISO 31000, enabling proactive identification, assessment, and response to both risks and opportunities. This supports informed decision-making under conditions of uncertainty and is consistent with the NRF's articulated risk appetite and tolerance.

The Board of the NRF, through its Audit and Risk Committee, exercises oversight of the risk management process, including the review and monitoring of strategic risks. The Committee independently assesses the effectiveness of the ERM system and provides objective recommendations to the Board. Risk mitigation strategies are evaluated based on residual risk ratings, which reflect the strength and adequacy of control measures implemented.

During the year under review, the Board identified eleven strategic risks through a robust and inclusive risk review process, considering our strategic intent, emerging threats, and the external operating environment. The NRF Risk Profile was also reviewed and updated accordingly. The Risk Appetite and Tolerance Statement was refined to reflect current business realities and stakeholder expectations.

The NRF employs an integrated ERM and Compliance Management System to support both top-down (strategic) and bottom-up (operational) risk assessments. This system enables quarterly updates of operational risk registers by business units, facilitates the tracking of control plans, and ensures timely reporting to management and governance structures.

The ERM Committee, comprising senior executives and risk champions, provides strategic and operational guidance on risk matters. It supports the continuous improvement of the risk management framework and promotes a risk-aware culture throughout the organisation.

Specialist risk areas such as Health and Safety, Asset Protection, Fraud and Corruption, and Cybersecurity receive dedicated attention, including the use of appropriate risk transfer mechanisms (e.g. insurance) as required by the Risk Management Plan. These activities ensure that the NRF remains resilient, compliant, and positioned to achieve its mandate in a complex and dynamic environment.

19. INTERNAL CONTROL UNIT

The NRF does not have an internal control unit. A Combined Assurance Framework and the Implementation Plan was adopted by the NRF Board, which aims at embedding the combined

assurance principles and improving efficiency. Internal control functions are performed by the Internal Audit unit.

20. INTERNAL AUDIT AND AUDIT COMMITTEES

INTERNAL AUDIT

The Audit and Risk Committee was responsible for ensuring that the organisation's internal audit function is independent and has the necessary resources, skills, standing, and authority within the NRF to enable it to discharge its responsibilities effectively. The Internal Audit function has unrestricted access to the Audit and Risk Committee.

The Audit and Risk Committee reviewed and approved the Annual Internal Audit Plan. Internal Audit was responsible for reviewing and providing assurance on the adequacy and effectiveness of the governance, risk and control processes across all of the significant areas of the NRF's operations.

During the financial year, the Internal Audit unit completed the following assurance and advisory reviews per the risk-based annual plan as approved by the Audit and Risk Committee, covering various business units and areas of operations:

- a) Grant Management Audit.
- b) Ethics Review.
- c) Business Continuity Management Audit.
- d) Travel Management Audit.

- e) Grant Management - Institutional Audits.
- f) Talent Management.
- g) NRF Employee Recognition Awards.
- h) Audit of Pre-determined Objectives (Annual Performance Plan and 2030 Strategy).
- i) Financial Audits (Assets; Expenditure and Accounts Payables; Bank, Cash and Investments).
- j) Follow-up Audit on Previous Audit Findings.

Internal audit activities were measured against the approved internal audit plan and the Head: Internal Audit tabled progress reports in this regard to the Audit and Risk Committee on a quarterly basis.

The Internal Audit Function went through an extensive review of its Charter and Methodology to align to the new Global Internal Audit Standards. The Audit and Risk Committee is satisfied that adequate, objective internal audit policies and procedures exist within the NRF, and that the organisation's Internal Audit function has complied with the provisions of its Charter.

The Audit and Risk Committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the organisation.

AUDIT AND RISK COMMITTEE

The Accounting Authority (the NRF Board) must ensure that it has and maintains a system of internal audit under the control and direction of an Audit Committee complying with and operating in accordance with regulations and instructions prescribed in terms of Section 76 of the PFMA.

The Board has resolved to establish a sub-committee, the ARC (the Committee) of the NRF Board, to assist the Board in its performance of duties and operate according to the terms of reference spelt out in this document, which outlines its role, responsibilities, composition and operating guidelines.

The role of the Committee is to provide independent assurance and assistance to the Board with regard to financial management, performance management, internal and external

audit, governance including IT governance, internal controls, and risk management. The Committee does not replace established management's responsibilities and delegations. The Committee will provide the Board with prompt and constructive reports on its findings, especially when issues are identified that could present a material risk to the NRF.

The Committee is accountable to the Board for the exercise of its responsibilities. The Committee will, at all times, recognise that the primary responsibility for management and operations of the NRF rests with the CEO in terms of NRF Act (section 11, NRF Act 23 of 1998) and the Corporate Executive Committee in terms of the NRF Act (section 9, NRF Act 23 of 1998).

The table below discloses the relevant information on the Audit and Risk Committee members

Table 15: Audit committee members as of 01 April 2024 to 31 March 2025

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Dr Len Konar [Chair]	Refer to table 12	External	N/A	01 Dec 2022	Active	Seven
Dr Ntombi Mutshekwane	Refer to table 12	External	N/A	01 Dec 2022	Active	Four
Ms Lahlane Malema	Refer to table 12	External	N/A	01 Dec 2022	Active	Seven
Prof Glenda Gray	Refer to table 12	External	N/A	01 Dec 2022	Active	Five
Dr Mathetha Mokonyama	Refer to table 12	External	N/A	01 July 2024	Active	Five
Ms Funeka Khumalo	Refer to table 12	External	N/A	01 July 2024	Active	Four

21. COMPLIANCE WITH LAWS AND REGULATIONS

The NRF is fully committed to adhering to the PFMA, and other key legislation relevant to its operations. In carrying out its mandate through its core divisions, the NRF operates under several important laws that require authorisations, such as permits, licences, and other approvals, from various issuing authorities across all levels of government.

To ensure effective regulatory compliance with applicable obligations, the NRF has established an independent Ethics and Compliance Function within the GRLC unit. In collaboration with management, this function is responsible for identifying relevant compliance requirements, assessing associated risks, managing those risks, and monitoring and reporting on the organisation's overall compliance status.

Throughout the 2024/25 financial year, the Ethics and Compliance function has implemented initiatives to enhance its compliance efforts in collaboration with other divisions. Some key highlights include:

- Ongoing adherence to National Treasury Regulations through continuous monitoring and updating the PFMA compliance checklist and calendar.
- A comprehensive review of the Compliance Universe, including a risk assessment of relevant national legislation.
- Compliance Awareness sessions conducted across the NRF.

These initiatives reinforce a steadfast commitment to upholding the highest standards of legal and regulatory compliance.

22. FRAUD AND CORRUPTION

The NRF has a zero-tolerance approach to fraud and corruption. The NRF's methodology for addressing these issues involves identifying and reducing risks through annual organisation-wide risk assessments and compliance checks. These processes pinpoint high-risk areas for fraud, corruption, and unethical behaviour, utilising a fraud risk control framework template for self-assessments. The NRF maintains a comprehensive policy and a Fraud Prevention Plan, with management ensuring robust controls to prevent, detect, and mitigate fraud risks in key areas.

The NRF is subscribed to the National Anti-Corruption Hotline (NACH), managed by the Public Service Commission (PSC). In the 2024/25 period, this service was enhanced with the

addition of an independent provider, the Vuvuzela Hotline. Both hotlines operate 24/7, with call centre agents available to assist in all official South African languages. Beyond these hotlines, NRF employees can also report allegations directly to their line manager or the Ethics Office within the GRLC unit, the office ensures confidential handling of all reported cases. Awareness of the new channel is reinforced through email signatures, posters, the intranet, and organisation-wide campaigns. Throughout the reporting period, various fraud awareness communications were shared.

The Fraud and Corruption Prevention Committee (FCPC) is established to ensure that all reports from various channels are thoroughly investigated in accordance with the Fraud and Corruption

Prevention policy. Based on the findings of these investigations and the recommendations of the oversight committee, relevant issues are escalated

to the CEO, the Audit and Risk Committee, and the NRF Board for review and appropriate action.

23. MINIMISING CONFLICT OF INTEREST

The SCM policy addresses the process and levels (e.g., organisational, functional, financial conflict of interest). SCM Practitioners complete annual declaration. Corporate SCM has specific conflict of interest forms that have been designed and are in use. Committee members (Bid Evaluation Committee, Bid Specification Committee, Bid Adjudication Committee, Bid Specification Advisory Committee, Board Procurement Committee and the NRF Board) provide written or verbal declaration (captured in minutes), where appropriate. The system of internal control has checks and balances built in e.g. separation of duties and a multiplicity of approval levels to maximise transparency and to minimise risks. The NRF follows the prescribed regulatory process (e.g. SBD4) and any reported instances of potential conflict of interest are thoroughly investigated.

Members who have a potential conflict of interest are required to recuse themselves from relevant involvement.

In addition, NRF People and Culture have issued a guide on capturing declaration of interest using the online system, Employee Self – Service as part of the organisation’s commitment to upholding the values of integrity and ethical conduct, central to both the Constitution (Section 195) and the King IV Principles of Good Governance. The purpose of the declaration is to proactively identify and manage any actual, potential or perceived conflicts of interest. This promotes a culture of trust and fairness and allows employees to continue conducting business with the highest ethical standards expected of a public institution.

24. CODE OF CONDUCT

The Code of Ethics, Values, and Business Conduct serves as the foundation and guide for NRF employees’ ethical conduct. The Code is mandatory for all NRF employees, regardless of their employment type or duration. Additionally, the Code extends to customers, suppliers, and others who act on behalf of or engage with the NRF. Any violation of the Code, whether it involves misconduct prohibited by NRF policy, the law, or the South African Constitution, or actions that contradict NRF values as outlined in the Code is considered a breach, even if carried out by a non-NRF employee on behalf of an NRF employee.

Any suspected breaches or misconduct trigger an investigation to determine whether a disciplinary inquiry should be initiated under the NRF Disciplinary Code. If management decides that an inquiry is necessary, it is conducted in accordance with the Code, and any employee found guilty will receive a sanction deemed appropriate for the specific misconduct

25. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The NRF is committed to maintaining high standards of health, safety, and environmental (HSE) management, recognising that a strong safety culture enhances employee wellbeing, operational efficiency, and regulatory compliance. The NRF adopt a proactive approach to identifying, assessing, and mitigating health, safety, and environmental risks that may impact our employees, operations, and broader stakeholders.

Health and safety programmes are tailored and implemented at the Business Unit level, aligned to the specific risk profiles and operational environments of each unit. At the Research Infrastructure Platforms (RIPs), dedicated health and safety officers ensure the effective implementation and continuous improvement of safety programmes. These efforts are supported by regular Health and Safety Committee meetings, robust incident management procedures, and periodic independent assessments conducted by qualified third-party assurance providers.

The Safety, Health, Environment and Quality Management Forum (SHEQMF) meets bi-annually to provide institutional oversight of the approved SHEQ policy. The Forum monitors both leading and lagging health and safety indicators and promotes a positive safety culture through focused campaigns and organisational learning initiatives.

To support compliance with the Occupational Health and Safety Act and Construction

Regulations, the NRF engages Professional Registered Health and Safety Construction Agents (PrHSCAs) to oversee safety practices on major construction projects. These agents play a critical role in ensuring safe design, planning, and execution phases, especially at sites with complex infrastructure.

In line with employee value proposition the NRF formalised its flexible, hybrid remote work guidelines this year. General infection prevention measures, including mask usage, social distancing, and hygiene protocols, remain encouraged to manage health risks such as seasonal influenza and other communicable diseases. Site access, staff attendance, travel, and research activities are monitored to ensure continuity of operations within a safe and compliant environment.

An ongoing internal communication campaign ensures that staff remain well-informed on health and wellness topics. Regular updates via email bulletins have proven effective in fostering awareness and reinforcing safe workplace practices across all NRF locations.

In our commitment to environmental stewardship, the NRF continues to promote and adopt environmentally sustainable technologies and practices aimed at reducing our dependence on municipal water and energy sources. These efforts contribute to our broader objective of minimising environmental impact while enabling responsible research and innovation.

26. BOARD SECRETARIAT

The Board Secretariat provides a central source of support and guidance to the Board and the NRF Corporate Executive. The functionary of the Corporate and Board Secretariat is not a director of the organisation but has a direct channel of communication to the Chairperson of the Board. The Corporate and Board Secretariat is accountable to the Board and must:

- Ensure that Board procedures are followed and reviewed regularly;
- Ensure that the applicable rules and regulations for the conduct of the affairs of the Board are complied with;
- Maintain statutory records in accordance with legal requirements;
- Provide the Board as a whole and individual Board members with detailed guidance as to how their responsibilities should be properly discharged in the best interest of the organisation and on good governance;
- Keep abreast of, and inform the Board of current corporate governance thinking and practices;
- Advise the committees on all legal and regulatory matters, including legal frameworks and processes;
- Facilitate the Board induction and training programmes;
- Ensure that the Board Charter and the terms of reference of Board committees are kept up to date;
- Prepare and circulate Board and Board committee papers;
- Elicit responses, input, feedback for Board and Board committee meetings;
- Assist in drafting annual work plans;
- Ensure preparation and circulation of minutes of Board and committee meetings;
- Assist with the preparation and evaluation of the Board, committees and individual directors.

27. SOCIAL RESPONSIBILITY

A well-functioning NSI relies on a society that understands both the value and challenges of science, can critically assess its products, and effectively applies scientific processes. The NRF remains committed to conducting business in a way that addresses current needs while safeguarding opportunities for future generations.

Recognising the impact of its operations on stakeholders, the NRF Board has expanded its terms of reference to incorporate legal requirements and the latest best practices and standards in social and ethical matters. In line with this commitment, a Social and Ethics report

is produced as part of its reporting obligations, showcasing the NRF's efforts in supporting society and upholding ethical responsibility. The NRF's approach to monitoring and social and ethics oversight is guided by the recommendations outlined in Principle 8(68) of King IV. To ensure effective governance, the NRF Board has distributed oversight responsibilities among its various committees.

The key activities subject to monitoring involve compliance with legislation, regulations, and best practice codes related to Social and Ethics across the following five (5) broad areas:

- Social and economic development.
- Good corporate citizenship.
- Environment, health and public safety.
- Stakeholder relations; and
- Labour and employment.

The NRF develops and manages a fleet of RIPs with a geographical footprint in communities across the country. There are particularly large RIPs at NRF-SARAO, NRF iThemba LABS and SAAO sites which can significantly impact the economic development of surrounding communities. The contribution is made through employment and training opportunities associated with large infrastructure-built projects, such as the SKA and SAIF, new business opportunities, such as the astro-tourism and other initiatives aimed at

positively impacting and improving the economic activities of communities due to the presence of the RIPs.

The NRF achieved Level 1 B-BBEE status for the first time with a score of 96.22 for the FY 2023/24 against the target of level 3 (minimum score of 90). Commitment to enterprise and supplier development as well as socioeconomic development are key elements to achieving and maintaining the B-BBEE Level 1.

Diesel expenditure for the entire NRF is a fraction of what it was for the same period in 2023/24 with a substantial saving year-on-year due to installing solar capacity and less loadshedding. The use of renewable energy has increased due to SAIAB's successful solar photovoltaic (PV) installation as well as SAAO increased output from solar.

28. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2025.

Audit and Risk Committee Responsibility

The Audit and Risk Committee was established in line with Sections 51(a)(ii) and 77 of the Public Finance Management Act, 1999, as amended (PFMA).

The Audit and Risk Committee reports that it has complied with its responsibilities arising from Section 77 of the PFMA and Treasury Regulation 27.1. The Audit Committee also reports that it has adopted appropriate formal terms of reference, as outlined in its Audit and Risk Committee Charter, and has regulated its affairs in compliance with this charter, discharging all its responsibilities as contained therein.

Audit and Risk Committee Members and Attendance

The incumbent Committee was appointed on 1 December 2022 and consists of five independent non-executive members, chaired by Dr Len Konar. The Chief Executive Officer, Chief Financial Officer, and Internal and External Auditors have a standing invitation to all Committee meetings and provide the necessary support. A brief profile of each of the Committee Members, as well as their qualifications, can be viewed in the Governance section of the NRF Annual Report, under Members of the Board.

The Chairperson of the Audit and Risk Committee reports to the Board quarterly about the Audit and Risk Committee's deliberations, decisions, recommendations, and approvals per its Terms of Reference.

In terms of Section 77(b) of the PFMA, the Audit and Risk Committee must meet at least twice a year. During the financial year ended 31 March 2025, the Audit and Risk Committee met on four occasions. Attendance and dates of meetings can be viewed in the Governance section of the NRF Annual Report.

Effectiveness of Internal Control Environment and Risk Management

Section 51(1)(a)(i) of the PFMA states that the Accounting Authority must ensure that a public entity has and maintains effective, efficient, and transparent systems of financial and risk management and internal control.

The Audit and Risk Committee was responsible for overseeing risk management and reviewing internal controls. As such, independent reviews of the effectiveness of internal controls were conducted by the internal audit function, covering areas of financial, operational, compliance, and risk management.

The Audit and Risk Committee has reviewed the risk register and the reports from management and is generally satisfied with the maturity of the risk management process.

Based on the results of Internal Audit reviews for the 2024/2025 financial year, in our opinion, the overall environment across the organisation is considered to be "satisfactorily effective" in providing reasonable assurance that the inherent risks are appropriately managed and that the business objectives will be attained and which remained effective throughout the 2024/2025 financial year.

Internal Audit

The Audit and Risk Committee was responsible for ensuring that the organisation's internal audit function is independent and has the necessary resources, skills, standing, and authority within the NRF to enable it to discharge its responsibilities effectively. The Internal Audit function has unrestricted access to the Audit and Risk Committee.

The Audit and Risk Committee reviewed and approved the Internal Audit Plan. Internal Audit was responsible for reviewing and providing assurance on the adequacy and effectiveness of the governance, risk and control processes across all of the significant areas of the NRF's operations. The Internal audit function is currently capacitated through a co-sourced model.

During the financial year, the Internal Audit unit completed the following assurance and advisory reviews per the risk-based annual plan as approved by the Audit and Risk Committee covering various business units and areas of operations:

- Grant Management;
- Ethics Review;
- Business Continuity Management;
- Travel Management;
- Talent Management;
- Employee recognition awards;
- Audit of Pre-determined Objectives;
- Financial Audits (Assets, Expenditure and Accounts Payable, Bank, Cash and Investments).

The Internal Audit function also independently reviewed the draft Annual Financial Statements and concluded that Financial Statements are complete, accurate and in compliance with applicable standards. No errors identified.

Internal audit activities are measured against the approved internal audit plan. The Head of Internal Audit tables progress reports in this regard to the Audit and Risk Committee on a quarterly basis.

The Internal Audit Function went through an extensive review of its Charter and Methodology to align to the new Global Internal Audit Standards. The Audit and Risk Committee is satisfied that adequate, objective internal audit policies and procedures exist within the NRF, and that the organisation's Internal Audit function has complied with the provisions of its Charter.

The Audit and Risk Committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the organisation.

In-Year Management and Quarterly Report

The NRF has reported quarterly to the National Treasury, as is required by the PFMA.

Evaluation of the Annual Financial Statements

During the reporting period, the Audit and Risk Committee reviewed the Annual Financial Statements and is satisfied that the Annual Financial Statements have been prepared in terms of GRAP and the PFMA.

The Annual Financial Statements were reviewed, with the following focus:

- Significant financial reporting judgements and estimates contained in the Annual Financial Statements;
- Clarity and completeness of disclosure and whether disclosures made have been set properly in context, including matters relating to any irregular, fruitless and wasteful expenditure;
- Changes in the Accounting Policies and Practices;
- Significant adjustments resulting from the Audit;
- Compliance with accounting standards and legal requirements;
- Explanation for the accounting treatment adopted;
- Reasons for year-on-year fluctuations;
- Asset valuations; and
- The basis for the going concern assumption.

The review of the Annual Financial Statements and the Annual Report for the 2024/2025 financial year was done at the Audit and Risk Committee's meeting held on 10 July 2025 and recommended to the Board for approval on 16 July 2025.

Programme Performance Information Management

The Audit and Risk Committee is satisfied with the content and quality of management and quarterly reports prepared and issued during the year under review are in compliance with the statutory framework.

During the period under review, quarterly reports and Annual Report were presented by management to enable the Audit and Risk Committee to:

- Review and comment on compliance with statutory requirements and programme performance information best practices and standards.
- Review and comment on the alignment of the annual performance plan, budget, strategic plan, corporate plan, and annual performance plans.
- Review and comment on the relevance of indicators to ensure that they are measurable and relate to services performed by the public entity.
- Review of reported non-compliance with legislation.
- Review of compliance with in-year reporting requirements.
- Assess internal audit reports on reviews carried out on quarterly performance reports.

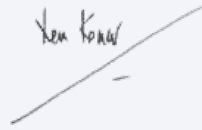
The Audit and Risk Committee reviewed the quarterly and annual reports of the organisation and the organisation's performance against pre-determined objectives.

The Audit and Risk Committee is satisfied that the Annual Performance Report has been prepared in terms of the PFMA, the Treasury Regulations, and any other related regulatory requirements for reporting programme performance information.

Auditor's Report

The Audit and Risk Committee concurs with and accepts the conclusion and audit opinion of the external auditors on the annual financial statements. It is also of the view that the audited financial statements be accepted and read together with the report of the external auditors. The Audit and Risk Committee confirms that it has been actively involved throughout the audit process and has been thoroughly informed of the issues giving rise to the audit opinion.

The external audit function, performed by the Auditor-General South Africa, is independent of the organisation. The Audit and Risk Committee has met with the external auditors to ensure that there are no unresolved issues.



Dr. Len Konar

Chairperson of the Audit and Risk Committee

NATIONAL RESEARCH FOUNDATION

Date: 25 August 2025

29. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the B-BBEE requirements of the B-BBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

Table 16: B-BBEE Compliance

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:

Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	N/A	
Developing and implementing a preferential procurement policy?	YES	The NRF Board approved SCM and Preferential Procurement Policy to align with the new regulations in addition to existing SCM Transformation Strategy & SCM Strategy.
Determining qualification criteria for the sale of state-owned enterprises?	N/A	
Developing criteria for entering into partnerships with the private sector?	N/A	
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	N/A	



PART D:

HUMAN RESOURCE MANAGEMENT



30. INTRODUCTION

Overview of HR matters

In the 2024/25 financial year, the National Research Foundation (NRF) continued to advance its People and Culture (P&C) agenda in alignment with Vision 2030 and its core pillars of Transformation, Impact, Excellence and Sustainability (TIES). The People and Culture function is a strategic enabler across the organisation, facilitating talent-driven initiatives to support the NRF's Mission: "To enable and facilitate the contribution of knowledge and scientific research to national development"

The NRF HR key strategic areas for the period under review are Talent Acquisition and Management, Remuneration and Benefit, Employee Relations, Learning and Development and Organisational Development. The HR support the organisation in attaining an agile, inclusive, and high-performance culture, while managing the constraints posed by budget austerity, staffing moratoriums, and evolving organisational structures.

Key Development and Challenges

Workforce Planning - The NRF adopted an agile approach to workforce planning, prioritising the recruitment of strategically critical roles and efforts were accelerated to improve internal mobility.

Transformation and Employment Equity

- The NRF intensified efforts to increase the representation of black South African women in senior leadership positions and to create inclusive opportunities for persons with disabilities. A stronger focus on transformational hiring and promotion practices were implemented in the reporting period as the organisation entered the final year of its five-year EE Plan.

Learning, Leadership and Organisational Development

- In response to resource constraints, learning and development activities were prioritised to maximise impact and align with the NRF's strategic goals. Initiatives included:

- Finalisation of organisational structure reviews to ensure alignment with Vision 2030.
- Delivery of targeted training programmes tailored to identified skills gaps through Personal Development Plans (PDPs).
- Ongoing development of a Succession Management Framework to support leadership continuity.
- Exploration of assessment tools to guide talent development and leadership pipeline planning.

Employee Relations and Engagement

- The NRF maintained a sound employee relations and reinforced employee well-being through policy compliance and advisory support. Continuous engagement with staff leadership supported a constructive labour environment, even as the organisation navigated change and structural realignment at the Corporate office and some Business Units.

HR priorities for the year under review and the impact of these priorities

During the 2024/2025 financial year, the NRF's People & Culture function advanced several key priorities aligned with the organisation's strategic outcome under Vision 2030. The implementation of these P&C priorities was central to cultivating a high-performing, inclusive, and future-ready organisation:

- **A Transformed Leadership and Management Cohort.** The priority for this area of focus is to strengthen demographic transformation at leadership, management, and supervisory levels. The proportion of employees from designated groups at Peromnes levels 1–7 remained steady at 70.4% in 2024/25, up from 61% in 2021/22. While progress plateaued in the current year, this represents a sustained upward trajectory over the past three years and reflects continued efforts to achieve equity and inclusivity in senior leadership. The NRF will continue to prioritise internal promotions and targeted talent development to further increase representation.
- **Inclusive and Enabling a Learning Organisation.** The priority for this area of focus is to advance implementation of the Career Ladder Strategy for core functions. Foundational work was undertaken to support the phased implementation of the Career Ladder Framework, which is central to promoting structured career progression and internal talent mobility across core operational functions. Key progress included the establishment of the dedicated working committee, development of relevant process frameworks, and drafting of supporting documentation and guidelines. These foundational elements set the stage for a standardised and transparent approach to employee development, role progression, and succession planning. A rollout and operationalisation are planned for the upcoming financial year.
- **A Fit for Purpose Organisation Aligned to People and business Priorities.** The priority for this area of focus is to align human resources to organisational strategy through structural migration. A significant milestone was achieved with 100% of staff migrated to new organisational structures within the Support Function and Corporate office, ensuring alignment between workforce capabilities and strategic business needs. This structural alignment enables improved role clarity, agility, and capacity for cross-functional delivery.
- **Competitive Rewards.** The priority for this area of focus is to transition from Peromnes Grading to the Paterson Grading System. As a process to transition from the Peromnes Grading System to the Paterson Grading System. During the reporting period, a total of 251 job profiles were developed and evaluated, establishing a solid foundation for alignment with the new grading methodology. Significant progress was made within core functions, with 75% of job profiling completed to date. The grading of these roles using the Paterson is currently underway, and full migration will be concluded upon completion of the grading and validation process. This transition is expected to enhance role clarity, pay equity, and organisational consistency in job evaluation.
- **A Transformed Organisation That Lives Its Culture and Values.** Drive organisational culture change through inclusive engagement. The NRF commenced a structured process of cultural integration aligned with the ONENRF Culture Statement, beginning with the support functions as the initial focus, commitment to the desired culture, reinforcing the organisational values and behavioural expectations. This phase established a foundational approach for broader roll-out, with plans to cascade the cultural change process to all remaining business units in the upcoming period. These efforts aim to embed a unified, values-driven culture that supports strategic alignment, collaboration, and employee engagement across the organisation.

Workforce planning framework and key strategies to attract and recruit a skilled and capable workforce

In alignment with the NRF's strategic objectives and the evolving demands of a science and research-driven environment, the following key strategies were implemented during the reporting period:

- Targeted and Inclusive Recruitment.
- Competitive, Fair and Transparent Compensation.
- Inclusive and Competency-Based Selection.
- Onboarding and Retention Integration.

Employee Performance Management Framework

The NRF successfully applied its Employee Performance Management Framework throughout the reviewed year. Every employee complied with performance agreements that were linked to strategic objectives. Mid-year reviews were used for regular monitoring, and where needed, support and remedial measures were implemented. The organisation-wide culture of accountability and ongoing development is still supported by the framework.

Employee Wellness Programmes

Employee wellness and well-being were anchored as key pillars of a productive and healthy workplace. The Employee Wellness Programme offered a range of services, including annual executive wellness medical checks and advisory sessions, as well as comprehensive wellness support for all employees. This included counselling referrals for various needs such as trauma, legal, and financial matters.

Highlight achievements

Leadership and Management Programme: The Executive and Leadership Coaching Programme, implemented in partnership with Experiential Technologies (Experttech), delivered significant value during the 2024/2025 financial year. The programme is part of the NRF's strategic investment in leadership development and organisational excellence. Since its launch, the

programme has generated strong interest and participation across the NRF. During the reporting period, a total of 121 employees participated in coaching interventions, with 58 employees completing their coaching journeys. An additional 50 employees continued their sessions during the year. The total investment in the programme for the year amounted to R3,422,515, underscoring the NRF's commitment to building a high-performing, future-ready leadership cohort.

Employment Equity Compliance and Advancement:

The NRF demonstrated significant progress and a firm commitment to complying with the Employment Equity Amendment Act of 2022, ensuring that its employment practices continue to promote fairness, inclusion, and diversity. During the 2024/2025 financial year, the organisation proactively implemented measures to build internal capacity and ensure readiness for compliance with the updated Employment Equity (EE) regulations. This included the establishment of the Employment Equity Committee across the business, aimed at fostering inclusive engagement and driving alignment with the new legislative requirements. Efforts focused on aligning the NRF's Employment Equity Plan with the sector and subsector numerical targets as set out by the Department of Employment and Labour (DEL). The organisation also engaged key stakeholders to build awareness and promote a shared understanding of the amended EE obligations.

Organisational Restructuring and Placement:

The Support Function and Corporate Office underwent a successful restructuring process as part of the organisation's efforts to enhance operational efficiency and align structure with strategic objectives. The restructuring was implemented following applicable labour legislation and organisational change management protocol. Only three formal appeals were lodged following the placement. All appeals were thoroughly

reviewed and successfully resolved, reflecting the effectiveness and integrity of the restructuring process and the organisation's commitment to employee engagement and fair labour practices.

Challenges faced by the NRF

The organisation continues to face significant competition in attracting and retaining skilled professionals, particularly in critical areas such as software development, data science, nuclear science, and various engineering disciplines. Despite efforts to address this issue, the inability to offer remuneration packages that are competitive with those in the private sector and other research-intensive organisations remains a persistent challenge.

Future HR plans /goals

- Invest in skills development, leadership training, and succession planning.
- Promote employment equity, inclusivity, and support for underrepresented groups.
- Enhance performance management and implement modern reward systems.
- Transition from Peromnes to Paterson Job Grading System
- Embrace digital HR systems and analytics to enable smarter decision-making.
- Foster a values-driven, high-performance culture that encourages strong employee engagement.
- Collaborate with academia, industry, and government to develop talent and drive transformation.

31. HUMAN RESOURCE OVERSIGHT STATISTICS

31.1 Personnel related expenditure

Table 17: Personnel Cost by programme

Programme	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Programme 1 - Administration	220 371	116 473	53%	108	1 078
Programme 2 - Science Engagement	126 580	56 292	44%	56	1 005
Programme 3 - Research and Innovation Support and Advancement	2 607 416	136 171	5%	155	879
Programme 4 - National Research Infrastructure Platforms	2 607 662	732 454	28%	1029	712
TOTAL	5 562 029	*1 041 389	19%	1348	773

Note*: Personnel expenditure per programme includes the provision for performance bonus.

Table 18: Personnel cost by salary band

Occupational level	Personnel Expenditure (R'000)	Personnel Expenditure as a % of total expenditure (R'000)	Total Employees	Average Personnel cost per employee (R'000)
Top Management	20 291	2%	6	3 382
Senior Management	69 158	7%	35	1 976
Professionally qualified and experienced specialists and mid management	474 457	46%	428	1 109
Skilled technical and academically qualified workers junior management supervisors, foremen and superintendents	439 485	42%	751	585
Semi - skilled and discretionary decision making	20 101	2%	75	268
Unskilled and defined decision making	11 130	1%	53	210
TOTAL	1 034 622	100%	1348	768

Table 19: Performance Rewards

Occupational level	Performance rewards (R'000)	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	0	20 291	0
Senior Management	148	69 158	2%
Professionally qualified and experienced specialists and mid management	3 321	474 457	34%
Skilled technical and academically qualified workers junior management supervisors, foremen and superintendents	5 329	439 485	55%
Semi - skilled and discretionary decision making	606	20 101	6%
Unskilled and defined decision making	372	11 130	4%
TOTAL	9 776	1 034 622	100%

Note: The performance bonuses reflected above pertain to the 2023/2024 performance cycle and were paid to employees during the 2024/2025 financial year. These payments were made following the finalisation of performance evaluations and approval processes. No bonuses were paid for the 2024/2025 performance cycle during the current reporting period.

Table 20: Training Costs

Programme	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avg training cost per employee
Programme 1 - Administration	116 473	5 262	4.52%	581	906
Programme 2 - Science Engagement	56 292	157	0.28%	496	32
Programme 3 - Research and Innovation Support and Advancement	136 171	1 709	1.26%	81	2 110
Programme 4 - National Research Infrastructure Platforms	732 454	4 558	0.62%	1 019	447
TOTAL	1 041 389	11 688	1.12%	2 177	3 495

Table 21: Employment and vacancies (per programme)

Programme	2023/2024 No. of Employees	2024/2025 Approved Posts	2024/2025 No. of Employees	2024/2025 Vacancies	% of vacancies
Programme 1 - Administration	85	127	108	19	14.96%
Programme 2 - Science Engagement	55	72	56	16	22.22%
Programme 3 – Research and Innovation Support and Advancement	170	179	155	24	13.41%
Programme 4 - National Research Infrastructure Platforms	956	1088	1029	59	5.42%
TOTAL	1266	1466	1348	118	8.05%

Table 22: Employment and vacancies (per level)

Occupational level	2023/2024 No. of Employees	2024/2025 Approved Posts	2024/2025 No. of Employees	2024/2025 Vacancies	% of vacancies
Top Management	7	7	6	1	14.29%
Senior Management	30	43	35	8	18.60%
Professionally qualified and experienced specialists and mid management	396	468	428	40	8.55%
Skilled technical and academically qualified workers junior management supervisors, foremen and superintendents	704	806	751	55	6.82%
Semi - skilled and discretionary decision making	75	84	75	9	10.71%
Unskilled and defined decision making	54	58	53	5	8.62%
TOTAL	1266	1466	1348	118	8.05%

To address these vacancies, the NRF undertook a multi-pronged recruitment strategy, including:

- External Advertising through national job portals and social media;
- Engagement of Recruitment Agencies for targeted headhunting of candidates with specialised and leadership expertise;
- Internal Recruitment Drives, including internal circulars

These efforts yielded positive outcomes in part: five (5) senior management positions were successfully filled by internal candidates who met the required competency and qualification thresholds. This demonstrates the value of

existing internal development and talent retention strategies. However, not all critical vacancies could be filled from within the organisation during the reporting period.

Employment changes

During the reporting period, the NRF focused on targeted recruitment, managed workforce changes and natural attrition. While strides were made in enhancing transformation and filling essential positions, challenges persist in attracting skilled individuals due to various reasons, such as remuneration constraints. The NRF remains dedicated to cultivating a diverse, skilled, and agile workforce that aligns with its strategic objectives.

Table 23: Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	7	0	1	6
Senior Management	30	6	3	35
Professional qualified	396	46	26	428
Skilled	704	127	57	751
Semi-skilled	75	10	6	75
Unskilled	54	9	4	53
Total	1266	198	97	1348

Table 24: Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	1	1.0%
Resignation	68	70.1%
Dismissal	5	5.2%
Retirement	6	6.2%
Ill health	0	0.0%
Expiry of contract	16	16.5%
Other (Abscondment)	1	1.0%
Total	97	100%

The majority of staff who resigned during the reporting period cited the following key reasons:

- Better career opportunities and higher remuneration elsewhere, particularly in academia and the private sector.
- A need for greater flexibility through hybrid working arrangements
- Personal reasons, such as relocation or family commitments.

Table 25: Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	1
Final Written Warning	2
Dismissal	1

NRF Policy awareness and capacity building

Line management training and understanding of NRF Policies and Procedures are key components of an effective, efficient, and peaceful NRF. A need has been identified to capacitate line managers with basic supervisory training relating to maintaining conducive workplace relations and discipline. This training will be rolled out between April and June 2025 across all NRF Business units.

Equity Target and Employment Equity Status

The NRF's employment equity profile, shown below, depicts the number of employees (according to demographic category) currently employed by the NRF compared to the targets outlined in the Employment Equity Plan. The Employment Equity Plan was submitted to the Department of Employment and Labour on time, and a Certificate of Compliance was issued, confirming the organisation's adherence to Employment Equity legislative requirements.

Table 26: Equity Target and Employment Equity Status

LEVELS	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2	3	0	0	1	1	1	1
Senior Management	8	8	1	0	0	2	10	14
Professional qualified	117	101	40	46	12	10	103	102
Skilled	208	215	100	137	11	13	46	64
Semi-skilled	17	27	29	39	0	0	1	3
Unskilled	11	15	4	8	0	0	0	0
TOTAL	363	369	174	230	24	26	161	184

The representation of male employees was assessed in relation to employment equity targets across all occupational levels and racial groups. African males are nearing the overall targets, with 363 currently employed compared to a target of 369. However, there is still underrepresentation in top management, semi-skilled, and unskilled positions. Coloured males show the most significant shortfall, with 174 currently employed versus a target of 230, particularly in skilled and semi-skilled categories. Indian males are close to meeting their targets, with only minor gaps in senior and skilled positions. White male representation is slightly below target overall, with notable underrepresentation in senior and skilled levels.

To address underrepresentation among African, Coloured, Indian, and White males across various occupational levels, the organisation will implement the following key interventions:

- Employment Equity Plan, which includes Annual review of EE targets and progress, focused recruitment to address underrepresentation and Capacity building and internal career pathing.
- Collaborate with EE Committees and, labour union to drive sustainable transformation outcomes.

Table 27: Equity Target and Employment Equity Status

LEVELS	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2	2	0	1	0	0	0	0
Senior Management	10	9	1	1	1	1	2	2
Professional qualified	73	59	12	31	6	6	40	40
Skilled	243	219	62	72	15	14	42	42
Semi-skilled	14	20	12	13	0	0	1	1
Unskilled	17	16	15	14	1	0	0	0
TOTAL	359	325	102	132	23	21	85	85

The analysis of the female workforce indicates encouraging progress towards achieving employment equity targets, with several areas either exceeding or closely meeting these goals. African females are well represented across most occupational levels, with a total of 359 compared to a target of 325, exceeding the target by 34. Their representation is particularly strong in the skilled and professionally qualified categories. In contrast, the representation of Coloured females shows a significant shortfall, with 102 currently employed compared to a target of 132. This gap is especially pronounced at the professional and

skilled levels, highlighting the need for targeted efforts to improve representation in these areas. Indian female representation is currently at 23, slightly exceeding the target of 21. Gains have been noted at the skilled and professional levels. White females are fully aligned with the target, with 85 currently employed, meeting expectations across all occupational bands. The organisation remains committed to enhancing transformation outcomes by addressing existing gaps through targeted recruitment, development initiatives, and inclusive workforce planning.

Table 28: Equity Target and Employment Equity Status

LEVELS	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	3	3	0	3
Skilled	1	12	2	8
Semi-skilled	0	1	2	4
Unskilled	0	0		0
TOTAL	4	16	4	15

The organisation employs 10 staff members with disabilities (6 males, 4 females) against a target of 31 (16 males, 15 females), reflecting a significant shortfall, particularly at the skilled and semi-skilled levels. No representation exists at top or senior management levels, which aligns with current targets but highlights limited upward mobility.

The following are some of the interventions that will continue going forward. Targeted recruitment through partnerships with Disability SA, workplace accessibility improvements and reasonable accommodation, continue with the disability awareness training to reduce stigma and promote inclusion, skills development and career support for employees with disabilities, continue with our regular monitoring and accountability that are tied to equity goals.



PART E:

PFMA COMPLIANCE REPORT



32. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

32.1 Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	0	0
Adjustment to opening balance		
Opening balance as restated		
Add: Irregular expenditure confirmed	7 415	
Less: Irregular expenditure condoned	(18)	
Less: Irregular expenditure not condoned and removed		
Less: Irregular expenditure recoverable ¹		
Less: Irregular expenditure not recoverable and written off		
Closing balance	7 397	0

An emergency procurement (R18K) was undertaken with a supplier in 2023/24 to avoid further damage to infrastructure. The supplier was listed as a restricted supplier by National Treasury and tax non-compliant. The resultant irregular expenditure was not condoned by National Treasury and subsequently approved internally for removal.

A service provider was appointed in 2023/24 where the award (R7 436 792) did not comply with the CIDB Act, Treasury Regulations and the PPPFA. Total expenditure incurred for 2023/24 and 2024/25 amounts to R 7 396 793. Application for condonement is in progress.

Reconciling notes

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure that was under assessment	3 157	0
Irregular expenditure that relates to the prior year and identified in the current year		
Irregular expenditure for the current year	4 258	
Total	7 415	0

¹ Transfer to receivables

b) Details of irregular expenditure (under assessment, determination, and investigation)

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure under assessment	0	3 157
Irregular expenditure under determination		
Irregular expenditure under investigation	0	
Total	0	3 157

An emergency procurement (R18K) was undertaken with a supplier in 2023/24 to avoid further damage to infrastructure. The supplier was listed as a restricted supplier by National Treasury and tax non-compliant.

A service provider was appointed where the award did not comply with the CIDB Act, Treasury Regulations and the PPPFA. Expenditure incurred on the contract for 2023/24 amounted to R 3 138 669

Both matters were concluded by the Loss Control Function and confirmed as irregular expenditure.

c) Details of irregular expenditure condoned

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure condoned	18	0
Total	18	0

Irregular expenditure condoned

Irregular expenditure incurred in 2023/24 approved by the CEO for removal following the necessary corrective action and consequence management. The NRF received value for money on the contract.

d) Details of irregular expenditure removed - (not condoned)

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure NOT condoned and removed		
Total	0	0

e) Details of irregular expenditure recoverable

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure recoverable		
Total	0	0

2 Group similar items

f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure written off		
Total	0	0

Additional disclosure relating to Inter-Institutional Arrangements

g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

Description
N/A
Total

h) Details of irregular expenditure where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)³

Description	2024/2025 ⁴	2023/2024
	R'000	R'000
N/A		
Total		

i) Details of disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
Two incidents of irregular expenditure were identified in 2023/24. Both incidents were confirmed as irregular by the Loss Control Function. A formal disciplinary process was followed and appropriate consequence management taken.

3 Refer to paragraphs 3.12, 3.13 and 3.14 of Annexure A (PFMA Compliance and Reporting Framework) to National Treasury Instruction No. 4 of 2022/2023

4 Amounts of irregular expenditure related to the current year must be disclosed in the annual financial statements.

32.2 Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	25	
Adjustment to opening balance		
Opening balance as restated		
Add: Fruitless and wasteful expenditure confirmed		25
Less: Fruitless and wasteful expenditure recoverable ⁵		
Less: Fruitless and wasteful expenditure not recoverable and written off	(25)	
Closing balance	0	25

Expenditure incurred represents the theft of cash withdrawn in 2023/24. The matter was finalised in 2024/25 with a formal disciplinary process.

Reconciling notes⁶

Description	2024/2025	2023/2024 ⁶
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment		
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year		
Fruitless and wasteful expenditure for the current year	0	25
Total	0	25

b) Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description ⁷	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure under assessment		
Fruitless and wasteful expenditure under determination		
Fruitless and wasteful expenditure under investigation		
Total	0	0

No fruitless and wasteful expenditure incurred in 2024/25.

⁵ Transfer to receivables

⁶ Record amounts in the year in which it was incurred

⁷ Group similar items

c) Details of fruitless and wasteful expenditure recoverable

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure recoverable		
Total	0	0

d) Details of fruitless and wasteful expenditure not recoverable and written off

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure written off	25	0
Total	25	0

The expenditure was approved for write-off, following the conclusion of a formal disciplinary process.

e) Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
A formal disciplinary process was finalised in July 2024, with a written warning issued to the staff member.

32.3 Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) &(iii)⁸

a) Details of material losses through criminal conduct

Material losses through criminal conduct	2024/2025	2023/2024
	R'000	R'000
Theft		
Other material losses		
Less: Recoverable		
Less: Not recoverable and written off		
Total	0	0

b) Details of other material losses

Nature of other material losses	2024/2025	2023/2025 ⁴
	R'000	R'000
Total	0	0

⁸ Information related to material losses must also be disclosed in the annual financial statements.

c) Other material losses recoverable

Nature of losses	2024/2025	2023/2024
	R'000	R'000
Total	0	0

d) Other material losses not recoverable and written off

Nature of losses	2024/2025	2023/2024
	R'000	R'000
Total	0	0

33. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	40 599	1 108 137
Invoices paid within 30 days or agreed period	32 596	935 718
Invoices paid after 30 days or agreed period	6 531	126 000
Invoices older than 30 days or agreed period (unpaid and without dispute)	1 243	25 464
Invoices older than 30 days or agreed period (unpaid and in dispute)	3	1 237

Invoices paid after 30 days mainly due to:

- Late submission of invoices by the Travel Management Companies.
- Supplier paid based on agreed terms and contracts.
- Supplier paid on receipt of statement and after completion of the reconciliation as agreed with the supplier
- Outstanding user confirmation of goods/services received
- Account queries with vendors and outstanding credit notes
- Awaiting statement from suppliers

Invoices in dispute:

- Services not delivered as per agreement.
- Banking details on invoice did not match National Treasury Creditor Supplier Database

34. SUPPLY CHAIN MANAGEMENT

34.1 Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Procurement of liquid media, contact, settle plates and ICR swabs (all sterile) from Merck Life Science (Pty) Ltd for the Environmental Monitoring and Sterility testing at the Nuclear Medicine Department over a period of three (3) years, as and when required.	Merck Life Science (Pty) Ltd	Single Source	NRF/ILABS IOP1/23/2024-25	R8 000
Procurement of Sigma-Aldrich, Millipore, SAFC, and Biolab Chemical consumables from Merck Life Science (Pty) Ltd for production of Radiosotopes over a period of three (3) years, on an as and when required basis.	Merck Life Science (Pty) Ltd	Single Source	NRF/ILABS IOP1 /36/2023-24	R5 000
Appointment of a professional service provider to render forensic investigation services to The National Research Foundation.	Rakoma and Associates	Single Source	NRF/CORP IA/12/2024-25	R2 000
Manufacturing of Established Mechanical Parts for Meerkat Digitisers.	Kline Engineering (Pty) Ltd	Single Source	NRF/SARAO INAF/62/2024-25	R5 613
Annual licence renewal for MATLAB software for period of One Year (12 Months) from 1 September 2024 until 31 August 2025.	Opti-Num Solution (Pty) Ltd	Single Source	NRF/SARAODEV/SICT/01/2024-25	R1 516
Supply of passive electronic components and Population of 1032 for the SA-CERN ATLAS TileCal Phase-II Upgrade Bricks.	Jemstech (Pty) Ltd	Single Source	NRF/iLABS ATL1/58/2024-25	R1 961
Procurement of Disposable Clio Kits, Extension lines, 15ml sterile vials and Aluminium caps for Clio Dispensing System.	Rubicon Healthcare (Pty) Ltd	Single Source	NRF/iLABS IOP1 /36/2024-25	R5 000
Procurement of 62 field programmable gate arrays and 60 field programmable gate arrays for atlas tile calorimeter phase-ii upgrades off-detector electronics to process on-detector electronics data.	Avnet South Africa (Pty) Ltd	Single Source	NRF/ILABS ATL1/01/2024-25	R6 301
Maintenance, repairs and supply of spare parts for Nortek ADCP equipment for a period of five years	CLS Southern Africa	Single Source	NRF/SAEON/SAPR/61/2024-25	R2 642

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Provision of consulting, DevOps, software development, compute and data storage services and the co-implementation of technology development project for a period of three (3) years.	Tsolo Storage Systems (Pty) Ltd	Single Source	NRF/SARAO SAIV/43/2023-24	R48 456
Renewal of CST electromagnetic software license support and maintenance contract for a period of three years.	Finite Element Analysis Services (Pty) Ltd t/a FEAS (Pty) Ltd	Single Source	NRF/SARAO DEV/SDIG/01/2024-25	R1 110
Procurement of 62 field programmable gate arrays and 60 field programmable gate arrays for atlas tile calorimeter phase-ii upgrades off-detector electronics to process on-detector electronics data.	Avnet South Africa (Pty) Ltd	Single Source	NRF/ILABS ATL1/01/2024-25	R4 908
Total				R92 507

34.2 Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s	Value of current contract expansion or variation
				R'000	R'000	R'000
Design development, documentation and procurement, contract administration and inspection, and close out of civil and structural works, electrical works, and mechanical works for the new 70 MeV Cyclotron installation	CSM Consulting Services (Pty) Ltd	Contract Expansion	NRF/IThemba LABS/2018-19:26	R9 849 000	R 10 150 006	R 517 308
Supply and delivery of Scientific Equipment (Including Waveform Generators, Oscilloscopes) For the SA-CERN Collaboration	Tamashi Technology Investments (Pty) Ltd	Contract Expansion	NRF/ILABS TT01/14/2022/23	R14 724 042	n/a	R 728 022
Appointment of three Travel Management Companies (TMCs) for the provision of comprehensive travel management services for a period of five (5) years	Reynolds Travel Centre, Tourvest Travel Services, Travel with Flair	Contract Expansion and Extension	NRF/TMC 001/2018B	R6 000 000	R850 000	R450 000
Executive and leadership coaching to senior managers of the national research foundation for a period of thirty-six (36) months	Experiential Technologies (Pty) Ltd.	Contract Expansion	NRF/ CORPHRM/48/2022-23	R6 520 443	N/A	R2 082 937
Ground Maintenance (Mole Control and Gardening Services) at NRF-IThemba LABS for a period of 36 months	Cocopan (Pty) Ltd	Contract Expansion	iLABS/NAGM/38/2 20-21	R1 496 353	N/A	R220 000

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s	Value of current contract expansion or variation
				R'000	R'000	R'000
PFMA Reclassification Process	Cliffe Dekker Hofmeyer INC	Contract Expansion	RFQ/NRF/CORP LEGA/18/2023-24:	R500 000	R472 658	R378 664
Office Lease: Elwandle	Nelson Mandela University (NMU)	Contract Expansion and Extension	NRF SAEON NMU 001/2017	R91 695	R1 264 619	R1 103 496
Provision of Security Services for the NRF Offices in SAASTA and Corporate and RIISA for 36 Months	Prime African Security	Contract Expansion and Extension	NRF/SAASTA BULD/02/2021-2022 & NRF/RIISA CORP EM 01/2023	R3 293 712	N/A	R 799 342
Freight forwarding and clearing of a shipment from National Magnetics Group based in the United States of America to iThemba LABS, Faure Cape Town	Viking Shipping	Contract Expansion	iLAB-PO000009763	R122 626	n/a	R44 511
Appointment of a Service Provider to Provide a Locum Pharmacist As and when required for Twelve (12) months for the Radioisotope Production Programme of iThemba LABS	Immploy Recruitment Agency cc	Contract Variation	iLABS/RFQ 2022/23:268	R339 250	R133 580	R85 830
Office Accommodation Lease for uLwazi Node	Redefine Properties Limited	Contract Expansion	NRF/SAEON ULWAZI/ ICT/23/2019	R91 695	R1 264 619	R1 103 496
Procurement of services for relocation of personal belongings of employee from Cape Town to Switzerland	Tswalanang Group	Contract Variation	LABS/M1/2024/25:19	R236 811	n/a	R38 447
Total				R43 265 627	R14 135 482	R7 552 053



PART F:

FINANCIAL INFORMATION



35. REPORT OF THE EXTERNAL AUDITOR

Report of the Auditor-General to Parliament on the National Research Foundation

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the National Research Foundation (NRF) set out on pages 138 to 207, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the NRF as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the accounting authority for the financial statements

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the standards of GRAP and the requirements of the PFMA; and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure

either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

8. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 134 of the annexure to the auditor's report, forms part of my auditor's report.

Report on the annual performance report

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

11. I selected the following material performance indicators related to Programme 3: Research and Innovation Support and Advancement (RISA) presented in the annual performance report for the year ended 31 March 2025. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

- Number of NRF-funded post-graduate students
- Number of NRF-funded researchers
- Number of rated researchers.

12. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.

11. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements

- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
 - the reported performance information presented in the annual performance report in the prescribed manner
 - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
14. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.
15. I did not identify any material findings on the reported performance information for the selected indicators.

Other matter

16. I draw attention to the matter below.

Achievement of planned targets

17. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or underachievements.
18. The table that follows provide information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of

targets are included in the annual performance report on pages 58 of 66.

Programme 3: Research and Innovation support and Advancement (RISA)

Targets achieved: 67%		
Budget spent: 102,53%		
Key indicator not achieved	Planned target	Reported achievement
Number of rated researchers	4 952	4 666

Report on compliance with legislation

19. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
20. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
21. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

22. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

23. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programme presented in the annual performance report that have been specifically reported on in this auditor's report.

24. My opinion on the financial statements and my reports on the audit of the annual performance report and the report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

25. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in programme presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

26. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

27. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

28. I did not identify any significant deficiencies in internal control.

Auditor-General

Pretoria

31 July 2025



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the public entity's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit 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 public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56; 57(b); 66(3)(c); 66(5)
Treasury Regulations, 2005	Regulation 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A 9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 30.1.1; 31.1.2(c); 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1; 31.2.5; 31.2.7(a); 31.3.3; 32.1.1(a); 32.1.1(b); 32.1.1(c); 33.1.1; 33.1.3
Companies Act 71 of 2008	Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); 45(4); 46(1)(a); 46(1)(b); 46(1)(c); 112(2)(a); 129(7)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
Second Amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
National Treasury Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.6; 6.8; 7.1; 7.2; 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

Annual financial statements

for the year ended 31 March 2025



Statement of Financial Position as at 31 March 2025

	Note(s)	2025 R'000	2024 R'000
Assets			
Current Assets			
Inventories	11	32 574	13 714
Other financial assets	7	461 561	459 270
Receivables from exchange transactions	12	132 888	178 003
Receivables from non-exchange transactions	13	252 444	146 922
Prepayments	9	42 820	330 083
Grants paid in advance	10	4 314	10 373
Cash and cash equivalents	14	1 367 752	1 125 396
		2 294 353	2 263 761
Non-Current Assets			
Property, plant and equipment	3	2 980 798	3 056 652
Intangible assets	4	122 679	119 726
Heritage assets	6	15 665	15 665
Investments in associates	5	14 668	12 797
Other financial assets	7	4 146	4 146
Employee benefit asset	8	-	582
Prepayments	9	7 160	10 274
		3 145 116	3 219 842
Total Assets		5 439 469	5 483 603
Liabilities			
Current Liabilities			
Payables from exchange transactions	19	355 069	143 381
Provisions	17	18 618	16 599
Designated income received in advance	18	1 696 537	1 961 245
		2 070 224	2 121 225
Non-Current Liabilities			
Employee benefit obligation	8	1 807	-
Total Liabilities		2 072 031	2 121 225
Net Assets		3 367 438	3 362 378
Reserves			
SALT Fund	16	14 668	12 797
Capital Fund	15	3 119 145	3 192 044
Infrastructure Development Fund		228 299	149 486
Accumulated surplus		5 326	8 051
Total Net Assets		3 367 438	3 362 378

Statement of Financial Performance

	Note(s)	2025 R'000	2024 R'000
Revenue			
Revenue from exchange transactions			
Sale of goods	20	143 447	142 777
Other income	21	34 939	16 048
Interest received - investment	22	96 503	110 457
Gain on foreign exchange		-	47 009
Actuarial gains	8	-	52
Share of surpluses from associates accounted for using the equity method	5	1 871	2 441
Total revenue from exchange transactions		276 760	318 784
Revenue from non-exchange transactions			
Transfer revenue			
DSTI contract income	23	3 524 968	3 291 507
Parliamentary grant		941 446	991 295
Other Contract income	24	691 876	662 992
Total revenue from non-exchange transactions		5 158 290	4 945 794
Total revenue		5 435 050	5 264 578
Expenditure			
Programme 1: Administration		(192 796)	(155 253)
Programme 2: Science Engagement		(125 155)	(117 497)
Programme 3: Research, Innovation, Support and Advancement		(2 547 009)	(2 248 777)
Programme 4: National Research Infrastructure Platforms		(2 559 665)	(2 360 183)
Loss on disposal of assets and liabilities		(902)	(1 664)
Loss on exchange differences		(2 074)	-
Actuarial losses	8	(2 389)	-
Total expenditure		(5 429 990)	(4 883 374)
Surplus for the year		5 060	381 204

The surplus excludes the net recognition/(acquisition) of fixed assets amounting to R 73m (2024: (R 344m)). The accounting policies on pages 144 to 163 and the notes on pages 164 to 206 form an integral part of the annual financial statements.

Statement of Changes in Net Assets

	SALT Fund R'000	Capital Fund R'000	Infrastructure Development Fund R'000	Total reserves R'000	Accumulated surplus / deficit R'000	Total net assets R'000
Balance at 01 April 2023	10 356	2 848 396	111 777	2 970 529	10 645	2 981 174
Changes in net assets						
Surplus for the year	-	-	-	-	381 204	381 204
Transfer to Infrastructure Fund	-	-	37 709	37 709	(37 709)	-
Transfer to Capital Fund	-	343 648	-	343 648	(343 648)	-
Transfer to SALT Fund	2 441	-	-	2 441	(2 441)	-
Total changes	2 441	343 648	37 709	383 798	(2 594)	381 204
Balance at 01 April 2024	12 797	3 192 044	149 486	3 354 327	8 051	3 362 378
Changes in net assets						
Surplus for the year	-	-	-	-	5 060	5 060
Transfer from Capital Fund	-	(72 899)	-	(72 899)	72 899	-
Transfer to SALT Fund	1 871	-	-	1 871	(1 871)	-
Transfer to Infrastructure Fund	-	-	78 813	78 813	(78 813)	-
Total changes	1 871	(72 899)	78 813	7 785	(2 725)	5 060
Balance at 31 March 2025	14 668	3 119 145	228 299	3 362 112	5 326	3 367 438
Note(s)	16		15			

Cash Flow Statement

	Note(s)	2025 R'000	2024 R'000
Cash flows from operating activities			
Receipts			
Parliamentary grant		941 446	991 295
DSTI contract funding received		3 283 998	3 867 066
Other contract funding received		562 614	588 774
Interest income		96 503	110 457
Other receipts		223 501	91 841
		<u>5 108 062</u>	<u>5 649 433</u>
Payments			
Employee costs		(1 051 502)	(911 246)
Suppliers		(1 161 694)	(1 311 273)
Grants, bursaries and other research		(2 425 887)	(2 126 163)
		<u>(4 639 083)</u>	<u>(4 348 682)</u>
Net cash flows from operating activities	29	<u>468 979</u>	<u>1 300 751</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(222 678)	(593 373)
Proceeds from the sale of property, plant and equipment	3	7 532	1 637
Purchase of other intangible assets	4	(11 477)	(27 825)
Purchase of financial assets		-	(10 000)
Net cash flows from investing activities		<u>(226 623)</u>	<u>(629 561)</u>
Net increase/(decrease) in cash and cash equivalents		242 356	671 190
Cash and cash equivalents at the beginning of the year		1 125 396	454 206
Cash and cash equivalents at the end of the year	14	<u>1 367 752</u>	<u>1 125 396</u>

The accounting policies on pages 144 to 163 and the notes on pages 164 to 206 form an integral part of the annual financial statements.

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis					
	Approved budget	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R'000	R'000	R'000	R'000	
Statement of Financial Performance					
Revenue					
Revenue from exchange transactions		149 579	143 447	(6 132)	38
Sale of goods	149 579				
Other income	4 838	4 838	34 939	30 101	38
Interest received - investment	53 501	53 501	96 503	43 002	38
Total revenue from exchange transactions	207 918	207 918	274 889	66 971	
Revenue from non-exchange transactions					
Transfer revenue					
DSTI contract income	3 927 196	3 927 196	3 524 968	(402 228)	38
Parliamentary grant	985 793	985 793	941 446	(44 347)	38
Other contract income	619 195	619 195	691 876	72 681	38
Total revenue from non-exchange transactions	5 532 184	5 532 184	5 158 290	(373 894)	
Total revenue	5 740 102	5 740 102	5 433 179	(306 923)	
Expenditure					
Personnel	(1 229 412)	(1 229 412)	(1 041 391)	188 021	38
Depreciation and amortisation	(307 389)	(307 389)	(285 374)	22 015	38

Budget on Accrual Basis					
	Approved budget	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R'000	R'000	R'000	R'000	
Grants, bursaries and other research expenditure	(2 324 428)	(2 324 428)	(2 428 819)	(104 391)	38
Programme and operating expenditure	(1 680 174)	(1 680 174)	(1 669 041)	11 133	
Total expenditure	(5 541 403)	(5 541 403)	(5 424 625)	116 778	
Loss on disposal of assets and liabilities	(194)	(194)	(902)	(708)	
Loss on foreign exchange	(737)	(737)	(2 074)	(1 337)	
Actuarial gains/(losses)	-	-	(2 389)	(2 389)	
Share of surpluses or deficits from associates or joint ventures accounted for using the equity method	-	-	1 871	1 871	
Opening Accumulated surplus	(931)	(931)	(3 494)	(2 563)	
Net capital expenditure	(210 716)	(210 716)	72 899	283 615	38
Transfer from/(to) reserves	12 948	12 948	(80 684)	(93 632)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	5 326	5 326	

Significant Accounting Policies

1. Significant accounting policies

The significant accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 89 of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

Assets, liabilities, revenues, and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

These accounting policies are consistent with the previous period.

1.2 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity.

1.3 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.4 Materiality

Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.5 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. The use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates, which may be material to the annual financial statements. Significant judgements include:

Trade receivables and/or loans and receivables

The entity assesses its trade receivables and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the entity makes judgements as to whether observable data indicates a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions as well as other indicators present at the reporting date that correlate with defaults on the portfolio.

Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is

estimated by discounting the future contractual cash flows at the current market interest rate that is available to the entity for similar financial instruments.

Impairment testing

The recoverable amounts of cash-generating units and individual assets are based on the higher of value-in-use or fair value minus selling costs. These calculations require the use of estimates and assumptions.

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time.

Post-retirement benefits

The present value of the post-retirement obligation depends on several factors that are determined on an actuarial basis using several assumptions. The assumptions used in determining the net cost/(income) include the discount rate and healthcare cost inflation. Any changes in these assumptions will impact on the carrying amount of post-retirement obligations.

Other key assumptions are based on current market conditions. Additional information is disclosed in Note 8.

Effective interest rate

The entity used the prime interest rate to discount future cash flows.

1.6 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes. They are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other expenses attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted when calculating the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary

and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and service equipment are recognised when they meet the definition of property, plant and equipment.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment is depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

Annual Financial Statements for the year ended 31 March 2025

Item	Depreciation method	Average useful life
Land	None	Indefinite
Buildings	Straight-line	2-50 years
Plant and machinery	Straight-line	2-31 years
Furniture and fixtures	Straight-line	2-48 years
Motor vehicles	Straight-line	2-13 years
Office equipment	Straight-line	2-25 years
IT equipment	Straight-line	2-16 years
Computer software	Straight-line	3-7 years
Infrastructure	Straight-line	2-50 years
Research equipment	Straight-line	2-31 years
Exhibits	Straight-line	2-10 years
Books and journals	Straight-line	5-10 years
Spare parts	Straight-line	3-30 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date, and if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity's expectations about the residual value and the useful life of an asset have changed since the

preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit, unless it is included in the carrying amount of another asset.

Items of property, plant and equipment is derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The entity discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 3).

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 3).

1.7 Intangible assets

An asset is identifiable if it is either:

- Separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets, or liability, regardless of whether the entity intends to do so; or
- Arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and use or sell it;
- there is an ability to use or sell it;
- it will generate probable future economic benefits or service potential;
- there are available technical, financial and other resources to complete the development and to use or sell the asset;
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets,

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amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Straight-line	2 - 15 years

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 4).

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of intangible assets is included in the surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.8 Heritage assets

Heritage assets are those that possess cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

An inalienable item is an asset that an entity is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

Recognition

The entity recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the entity, and the cost or fair value of the asset can be measured reliably.

Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

Impairment

The entity assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the entity estimates the recoverable amount or the recoverable service amount of the heritage asset.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Derecognition

The entity derecognises heritage assets on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities), and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call, and similar options) but shall not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's-length transaction.

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A financial asset comprises of:

- cash;
- a residual interest of another entity; or
- a contractual right to: receive cash or another financial asset from another entity; or exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Classification

The entity has the following types of financial assets (classes and categories) as reflected on the face of the statement of financial position or in the notes thereto:

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Class	Category
Trade and other receivables	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Grant deposit accounts	Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and categories) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Trade and other payables	Financial liability measured at amortised cost

The entity has the following types of residual interests (classes and categories) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Residual interest in Share Capital	Measured at cost

1.10 Tax

Tax expenses

The NRF is exempt from paying income tax and the registration for Value Added Tax (VAT).

1.11 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

Income for leases is disclosed under revenue in the statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.12 Inventories

Inventories are initially measured at cost, except where they are acquired through a non-exchange transaction, in which case their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or

- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

The current replacement cost is the cost the entity incurs to acquire the asset on the reporting date.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.13 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances, cash on hand, and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash equivalents are held to meet short-term cash commitments rather than for investment or other purposes.

1.14 Grant deposits

The NRF advances funding to higher education and research institutions in the form of grant deposits. The advances are calculated based on the expected grant awards for the year. The balance is reviewed annually by the NRF to determine the adequacy of the amount. The advances are done in order to facilitate adequate cash flow for the grant-making process at these institutions. Grant deposits must be preserved and maintained at the approved normal level. Per the agreement, the interest earned on the grant deposits by the institutions is used to fund administrative costs, including staff dedicated to the NRF grant administration process. Should the interest earned be more than funding requisites to fund extra human capacity for staff supporting NRF projects, the institution has the right to utilise such amounts for research purposes as it deems appropriate. The approved normal level of grant deposits is repayable to the NRF on 30 days' notice in the event of the funding being discontinued.

1.15 Grants paid in advance

Grant advances to grant holders represent advances paid on specific grant awards, for which the conditions of grants were finalised, and the specific grant awards released by the NRF. The balance of the grant advances is depleted as and when the recognition criteria for grants and bursaries expenditure are met, i.e. approved and proof of expenditure submitted.

1.16 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for services rendered by employees.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (excluding post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period during which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the

end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries, and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive, and performance-related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of unused entitlements that have accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance-related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) that are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The discount rate used reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent

with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Other post-retirement obligations

The entity provides post-retirement healthcare benefits to some retirees upon retirement.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued throughout employment. Independent qualified actuaries carry out valuations of these obligations at least every three years.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date; and
- minus the fair value at the reporting date of plan assets (if any), out of which the obligations are to be settled directly.

The entity shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

1.17 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 32.

1.18 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

1.19 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows increase in net assets.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over

the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- The amount of revenue can be measured reliably.

Interest is recognised using the effective interest rate method.

1.20 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange or gives value to another entity without directly receiving approximately equal value in exchange.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to

recognise a liability. Where a liability is required to be recognised, it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Contract income

Contract income is recognised in the Statement of Financial Performance in the period to which the income relates. The contract income is recognised if there is reasonable assurance that the entity will comply with the conditions attached to the grant or contract and that the grant or contract income will be received.

The portion of contract income that is earmarked for a specific purpose and thus conditional in nature, relating to expenditure that will be incurred in future financial years, is reflected as income received in advance in the Statement of Financial Position, as it represents an actual liability if conditions are not met.

1.21 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense

in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all surplus/(deficit) of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services, recognised as revenue in the current period, is included in the cost of sales.

Contract costs comprise of:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract on a systematic and rational basis; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

1.22 Grants, bursaries, and other research expenditure

Grants, bursaries, and other research awarded are recognised as expenditure in the Statement of Financial Performance in the period in which the grants, bursaries and other research are claimed and validated. Included in grants, bursaries and other research are membership affiliations to research science and technology organisations and councils as well as the funding for science activities.

1.23 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.24 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition, in Rands by applying the spot exchange rate between the functional currency and the foreign currency at the date of the transaction to the foreign currency amount.

At each reporting date:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in surplus or deficit in the period in which they arise.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to

the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.25 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.26 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the Statement of Financial Performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.27 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including the PFMA.

All expenditure relating to irregular expenditure is recognised as an expense in the Statement of Financial Performance in the year that the expenditure is incurred. The expenditure is classified in accordance with the nature of the expense, and when recovered, it is subsequently

accounted for as revenue in the Statement of Financial Performance.

Irregular expenditure is removed from the annual financial statements when condoned by the relevant authority, when approved for write-off by the relevant delegated authority or when recovered, if applicable.

1.28 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are used by management to determine strategic objectives, for decision making and to evaluate the performance of the segments.

Measurement

The amount of each segment item reported is the measure reported to management to make decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly,

only those assets and liabilities that are included in the measures of the segment's assets and the segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

1.29 Research and development expenditure

Expenditure on research is recognised as an expense when it is incurred.

An asset arising from development is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and use or sell it;
- there is an ability to use or sell it;
- it will generate probable future economic benefits or service potential;
- there are available technical, financial, and other resources to complete the development and to use or sell the asset; and
- the expenditure attributable to the asset during its development can be measured reliably.

1.30 Budget information

Entity is typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General-purpose financial reporting by the entity shall provide information on whether resources

were obtained and used following the legally adopted budget.

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2024/04/01 to 2025/03/31.

The budget for the economic entity includes all the entities' approved budgets under its control.

The annual financial statements and the budget are based on the same accounting principles. Therefore, a comparison with the budgeted amounts for the reporting period has been included in the Statement of Comparison of Budget and Actual Amounts.

Comparative information is not required.

1.31 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control or joint control.

Control is the power to govern the financial and operating policies of an entity to obtain benefits from its activities.

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control over those policies.

Key management is those persons responsible for planning, directing, and controlling the activities of the entity, including those charged with the governance of the entity under legislation, in instances where they are required to perform such functions. All individuals, from the Corporate Executive level to the Board of Directors, are regarded as key management.

Close family members of a person are those family members who may be expected to influence or be influenced by that person in their dealings with the entity.

The entity is exempt from disclosure requirements concerning related party transactions if that transaction occurs within regular supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures under the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

The entity operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

1.32 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken based on the financial statements.

1.33 Capital Fund

The proportion of income used to acquire property, plant and equipment, intangible assets and heritage assets is transferred to the Capital Fund from the Accumulated Fund in the proportions and over the periods in which depreciation/amortisation on such property, plant and equipment, intangible assets or heritage assets is charged or when the asset is retired.

1.34 Infrastructure Development Fund

This fund represents funds set aside to fund infrastructure and related projects. It can also be utilised for the decommissioning of assets, where applicable.

Notes to the Annual Financial Statements

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 107 (as revised) Mergers	No effective date	Unlikely there will be a material impact
• GRAP 106 (as revised) Transfer of Functions Between Entities Not Under Common Control	No effective date	Unlikely there will be a material impact
• GRAP 105 Transfer of Functions Between Entities Under Common Control	No effective date	Unlikely there will be a material impact
• GRAP 2023 Improvements to the Standards of GRAP 2023	No effective date	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	No effective date	Unlikely there will be a material impact
• GRAP 103 (amended): Heritage Assets	No effective date	Impact is currently being assessed
• iGRAP 22 Foreign Currency Transactions and Advance Consideration	01 April 2025	Impact is currently being assessed. The interpretation clarifies the date of transaction to determine the exchange rate to use on initial recognition of the related asset, expense or revenue when receiving or paying in advance in a foreign currency. The iGRAP will be applied from 1 April 2025.
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Impact is currently being assessed. The nature of the changes to the standard could affect the Classification, Amortised Cost and Impairment of financial assets. The development of an expected credit loss model is in progress. The revised standard will be applied from 1 April 2025.

Notes to the Annual Financial Statements

3. Property, plant and equipment

	2025		2024			
	Cost / Valuation R'000	Accumulated depreciation and accumulated impairment R'000	Carrying value R'000	Cost / Valuation R'000	Accumulated depreciation and accumulated impairment R'000	Carrying value R'000
Land	306 718	-	306 718	307 918	-	307 918
Buildings	603 595	(187 960)	415 635	595 444	(169 542)	425 902
Plant and machinery	567 554	(104 835)	462 719	554 342	(76 389)	477 953
Furniture and fixtures	39 484	(25 293)	14 191	36 483	(23 787)	12 696
Motor vehicles	95 120	(59 139)	35 981	91 086	(58 181)	32 905
Office equipment	74 265	(57 914)	16 351	71 486	(55 580)	15 906
IT equipment	318 531	(232 372)	86 159	300 595	(209 745)	90 850
Computer software	112 565	(96 419)	16 146	112 565	(94 747)	17 818
Infrastructure	556 912	(179 910)	377 002	517 610	(156 993)	360 617
Exhibits	5 784	(4 352)	1 432	5 689	(4 035)	1 654
Capital work in progress	516 195	-	516 195	460 697	-	460 697
Research equipment	2 238 281	(1 526 282)	711 999	2 186 142	(1 353 322)	832 820
Spare parts	38 360	(18 429)	19 931	33 876	(15 362)	18 514
Books and journals	1 737	(1 398)	339	1 639	(1 237)	402
Total	5 475 101	(2 494 303)	2 980 798	5 275 572	(2 218 920)	3 056 652

Notes to the Annual Financial Statements

Reconciliation of property, plant and equipment - 2025						
	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Land	307 918	-	(1 200)	-	-	306 718
Buildings	425 902	810	(5 111)	13 290	(19 256)	415 635
Plant and machinery	477 953	11 473	(13)	1 768	(28 462)	462 719
Furniture and fixtures	12 696	3 251	(122)	583	(2 217)	14 191
Motor vehicles	32 905	9 763	(1 332)	-	(5 355)	35 981
Office equipment	15 906	3 732	(46)	495	(3 736)	16 351
IT equipment	90 850	20 885	(433)	770	(25 913)	86 159
Computer software	17 818	-	-	-	(1 672)	16 146
Infrastructure	360 617	10 680	-	28 623	(22 918)	377 002
Exhibits	1 654	123	(20)	-	(325)	1 432
Capital work in progress	460 697	107 023	-	(51 525)	-	516 195
Research equipment	832 820	52 907	(155)	5 996	(179 569)	711 999
Spare parts	18 514	4 484	-	-	(3 067)	19 931
Books and journals	402	97	-	-	(160)	339
	3 056 652	225 228	(8 432)	-	(292 650)	2 980 798

Notes to the Annual Financial Statements

Reconciliation of property, plant and equipment - 2024						
	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Land	307 735	183	-	-	-	307 918
Buildings	293 535	4 363	(2 015)	147 924	(17 905)	425 902
Plant and machinery	49 155	6 532	(117)	441 373	(18 990)	477 953
Furniture and fixtures	11 772	2 635	(50)	518	(2 179)	12 696
Motor vehicles	23 622	14 807	(39)	-	(5 485)	32 905
Office equipment	12 887	5 025	(59)	1 960	(3 907)	15 906
IT equipment	58 413	32 404	(549)	24 359	(23 777)	90 850
Computer software	13 748	4 921	-	-	(851)	17 818
Infrastructure	245 007	1 931	(76)	132 471	(18 716)	360 617
Exhibits	2 045	175	(179)	-	(387)	1 654
Capital work in progress	796 877	430 532	-	(766 712)	-	460 697
Research equipment	900 842	89 800	(210)	13 682	(171 294)	832 820
Spare parts	17 069	-	-	4 201	(2 756)	18 514
Books and journals	511	65	-	-	(174)	402
	2 733 218	593 373	(3 294)	(224)	(266 421)	3 056 652

Notes to the Annual Financial Statements

	2025	2024
	R'000	R'000
Details of properties		
Portion 1 of the farm Scientia No 627, Pretoria, with buildings thereon		
Land	1 277	1 277
Buildings	125 456	122 150
	126 733	123 427
Portion 4 of the farm No 996, Blue Downs, Stellenbosch, with buildings thereon		
Land	9 717	9 717
Buildings	192 706	190 967
	202 423	200 684
Portion 6 of the farm Kuilenburg No 96, Sutherland, with buildings thereon		
Land	346	346
Buildings	18 436	18 267
	18 782	18 613
Erf 26423, Observatory, Cape Town, with buildings thereon		
Land	263	263
Buildings	17 938	17 938
	18 201	18 201
Astronomy reserve properties for SKA project, Carnarvon (former farms - register available)		
Land	276 820	276 820
Buildings	35 609	35 610
	312 429	312 430
Stand No 2859, 211 Nana Sita Street, Pretoria		
Land	92	92
Buildings	2 152	2 152
	2 244	2 244
Portion 1 of Erf 1, Observatory, Johannesburg		
Land	1 685	1 685
Buildings	9 477	9 477
	11 162	11 162
Portion 1 of the former farm Losberg No 73, Fraserburg Regional District		
Land	7 797	7 797
Buildings	134 188	134 188
	141 985	141 985

Notes to the Annual Financial Statements

	2025 R'000	2024 R'000
Mey's Dam Farm No 68, Fraserburg Regional District		
Land	8 721	8 721
Buildings	7 127	7 127
	15 848	15 848
56 Florence Street, Colbyn, Pretoria - SAEON		
Land	-	1 200
Buildings	-	5 950
	-	7 150
Leasehold improvements - SAIAB		
Capitalised expenditure	43 488	34 600
Leasehold improvements - SKA Klerefontein		
Capitalised expenditure	11 297	11 297
Leasehold improvements - SAEON		
Capitalised expenditure	2 000	2 000
Leasehold improvements- HartRAO		
Capitalised expenditure	3 721	3 721
Total cost of land and buildings	910 313	903 362

All the property in Carnarvon was former farms. These farms are not being farmed on, but are held as part of the reserve for the SKA project.

The land and buildings situated in Pretoria, on the CSIR campus, are subject to a pre-emptive right in favour of the CSIR should the NRF decide to sell the property. It will revert to the CSIR for no consideration should the NRF be disbanded.

Notes to the Annual Financial Statements

	2025			2024
	R'000			R'000
Reconciliation of Work-in-Progress 2025				
	Land & Buildings	Research Equipment	Included within Other PPE	Total
	R'000	R'000	R'000	R'000
Opening balance	6 365	439 005	15 327	460 697
Transfers in the opening balance	(1 541)	-	1 541	-
New additions/capital expenditure	5 749	41 873	59 401	107 023
Transferred to completed items	(9 349)	(36 443)	(5 733)	(51 525)
	1 224	444 435	70 536	516 195

Reconciliation of Work-in-Progress 2024				
	Land & Buildings	Research Equipment	Included within Other PPE	Total
	R'000	R'000	R'000	R'000
Opening balance	2 584	521 555	272 738	796 877
Transfers in the opening balance	-	170	(170)	-
New additions/capital expenditure	4 459	348 581	77 493	430 533
Transferred to completed items	(678)	(440 907)	(325 128)	(766 713)
Transfer between categories	-	9 606	(9 606)	-
	6 365	439 005	15 327	460 697

Expenditure incurred to repair and maintain property, plant and equipment**Expenditure incurred to repair and maintain property, plant and equipment included in the Statement of Financial Performance**

Contracted services	45 824	39 503
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Notes to the Annual Financial Statements

4. Intangible assets

	2025			2024		
	Cost / Valuation R'000	Accumulated amortisation and accumulated impairment R'000	Carrying value R'000	Cost / Valuation R'000	Accumulated amortisation and accumulated impairment R'000	Carrying value R'000
Computer software, under development	-	-	-	637	-	637
Computer software, other	167 857	(82 874)	84 983	165 482	74 424)	91 058
Other intangible assets	37 696	-	37 696	28 031	-	28 031
Total	205 553	(82 874)	122 679	194 150	(74 424)	119 726
Reconciliation of intangible assets - 2025						
	Opening balance R'000	Additions R'000	Transfers R'000	Amortisation R'000	Total R'000	
Computer software, under development	637	1 023	(1 660)	-	-	
Computer software, other	91 058	789	1 660	(8 524)	84 983	
Other intangible assets	28 031	9 665	-	-	37 696	
	119 726	11 477	-	(8 524)	122 679	

Notes to the Annual Financial Statements

Reconciliation of intangible assets - 2024						
	Opening balance	Additions	Disposals	Transfers	Amortisation	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Computer software under development	75 755	8 752	-	(83 870)	-	637
Computer software, other	11 942	2 860	(6)	84 094	(7 832)	91 058
Other intangible assets	11 818	16 213	-	-	-	28 031
	99 515	27 825	(6)	224	(7 832)	119 726

Notes to the Annual Financial Statements

2025

R'000

2024

R'000

5. Interests in other entities

Investments in associates						
Name	Jurisdiction	Determination of ownership interest	% ownership interest 2025	% ownership interest 2024	Carrying amount 2025	Carrying amount 2024
SALT Foundation (Pty) Ltd.	S.A	Unlisted shares	40,76%	40,34%	14 668	12 797
					14 668	12 797

The carrying amounts of associates are shown net of impairment losses.

Movements in carrying amount

Opening balance	12 797	10 356
Share of surplus	1 871	2 441
	14 668	12 797

Principal activities, country of incorporation, and voting power

Legal name	Principal activity	Country of incorporation	Proportion of voting power
SALT Foundation (Pty) Ltd.	Development, upgrade and operation of an 11-meter S.A. telescope for astronomical research.	S.A	40,76%

Summary of associates' financial information

Current assets	102 075	92 142
Non-current assets	110 440	112 505
Total Liabilities	12 124	8 846
Revenue	60 044	55 052
Surplus/(Deficit)	4 591	6 050

Notes to the Annual Financial Statements

6. Heritage assets

	2025			2024		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
Collections of rare books, manuscripts, and records	57	-	57	57	-	57
Objects of scientific and technological interest	15 552	-	15 552	15 552	-	15 552
Historical structures and monuments	56	-	56	56	-	56
Total	15 665	-	15 665	15 665	-	15 665

Notes to the Annual Financial Statements

	2025 R'000	2024 R'000
Reconciliation of heritage assets 2025		
	Opening balance	Total
Collections of rare books, manuscripts, and records	57	57
Objects of scientific and technological interest	15 552	15 552
Historical structures and monuments	56	56
	15 665	15 665
Reconciliation of heritage assets 2024		
	Opening balance	Total
Collections of rare books, manuscripts and records	57	57
Objects of scientific and technological interest	15 552	15 552
Historical structures and monuments	56	56
	15 665	15 665

Heritage assets whose fair values cannot be reliably measured

Rare books

The SAAO hosts the National Library for Astronomy of South Africa. Some of the books are rare as they are handwritten, one of a kind and irreplaceable. These books cannot be reliably measured for economic value as there is no market for them and they are irreplaceable. These books have contributed significantly to the Observatory's research output in the past and are being preserved for future generations. They are being kept for historical purposes only.

National Biological Specimen Collection

The collection of museum specimens comprises over 100,000 containers of fish and other aquatic organisms, such as amphibians, invertebrates and diatoms. Many of the specimens in the collection are unique and essentially irreplaceable. There is also a molecular tissue bank of aquatic samples for genetic analysis and a dry collection of fish skeletons and otoliths. Some specimens date back more than 100 years. Scientific graphic images support the biological collection. The collection cannot be reliably measured for economic value as there is no market for it and the collection is irreplaceable.

Notes to the Annual Financial Statements

	2025	2024
	R'000	R'000
7. Other financial assets		
Residual interest at cost		
Unlisted shares		
The NRF holds 240 ordinary shares (19.35%) in Tsolo Storage Systems (Pty) Ltd.	4 146	4 146
At amortised cost		
Grant deposit accounts		
The approved grant deposits are repayable to the NRF on 30 days' notice, in the event of the funding being discontinued.	452 397	449 270
Contingency Risk Plan		
Short-term insurance contingency policy for overwinter evacuations at research stations.	9 164	10 000
	461 561	459 270
Total other financial assets	465 707	463 416
Non-current assets		
Residual interest at cost	4 146	4 146
Current assets		
At amortised cost	461 561	459 270

Notes to the Annual Financial Statements

2025	2024
R'000	R'000

8. Employee benefit obligations

Defined benefit plans - General information

Post-retirement medical aid plan

The NRF has a subsidy obligation for those members who did not accept the buyout offer in 2012. To manage the residual liability that remains, the NRF has acquired an annuity policy which qualifies as a plan asset. There are 17 (2024: 18) qualifying members and dependants remaining on the plan.

The amounts recognised in the statement of financial position are as follows:

Carrying value

Present value of the defined benefit obligation, partly or wholly funded	(12 477)	(10 248)
Fair value of plan assets	10 670	10 830
	(1 807)	582
Non-current assets	-	582
Non-current liabilities	(1 807)	-
	(1 807)	582

The plan assets consist of an annuity insurance policy. The annuity portfolio is made up of a growth account and a guaranteed account. Increases are guaranteed at a minimum of CPI per annum. The growth account is used to make up the difference between the guaranteed account annuities and the employer contributions.

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	(10 248)	(10 698)
Benefits paid	2 235	1 417
Service and interest cost	(924)	(967)
Actuarial loss	(3 540)	-
	(12 477)	(10 248)

Notes to the Annual Financial Statements

	2025	2024
	'000	'000
Net expense recognised in the statement of financial performance are as follows:		
Remeasurements of the net defined benefit liability (asset)	2 446	-
• Changes in membership profile	2 785	-
• Changes in financial assumptions	(588)	-
• Experience adjustments	1 148	-
• Changes in investment returns	(899)	-
Interest cost	924	967
Expected return on plan assets	(981)	(1 019)
	2 389	(52)

Changes in the fair value of plan assets are as follows:

Opening balance	10 830	11 228
Payments from the plan	(2 235)	(1 417)
Expected return	981	1 019
Actuarial gain	1 094	-
	10 670	10 830

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	10,09%	9,73%
Real discount rate	4,69%	3,25%
Expected increase in healthcare costs	6,66%	7,78%
Consumer Price Inflation (CPI)	5,16%	6,28%

Notes to the Annual Financial Statements

	2025	2024
	R'000	R'000

Other assumptions

Assumed healthcare cost trend rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trend rates would have the following effects:

	One percentage point increase	One percentage point decrease
Effect on the aggregate annual expense	5	(5)
Effect on defined benefit obligation	5	(5)

Amounts for the current and previous four years are as follows:

	2025	2024	2023	2022	2021
	R'000	R'000	R'000	R'000	R'000
Defined benefit obligation	(12 477)	(10 248)	(10 698)	(11 062)	(11 406)
Plan assets	10 670	10 830	11 228	11 545	13 843
Surplus / (deficit)	(1 807)	582	530	483	2 437

Defined contribution plans

It is the policy of the entity to provide retirement benefits to all its employees through the National Research Foundation pension fund, which is subject to the Pensions Fund Act. The fund is administered by Alexander Forbes Consultants and Actuaries.

The entity is under no obligation to cover any unfunded benefits.

The amount recognised as an expense for defined contribution plans is	83 475	74 925
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Notes to the Annual Financial Statements

	2025	2024
	R'000	R'000
9. Prepayments		
Long-term operational prepayments	7 160	10 274
Prepayment on SKAO membership fees	-	241 99
Other prepayments	42 820	88 085
Total short-term prepayments	42 820	330 083
	49 980	340 357

10. Grants and bursaries paid in advance

Funding advanced for grants and bursaries	4 314	10 373
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11. Inventories

Consumable stores and maintenance spares	32 574	13 714
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12. Receivables from exchange transactions

Trade debtors	116 559	156 151
Employee costs in advance	452	273
Deposits	11 723	14 283
Other receivables	4 154	7 296
	132 888	178 003

Credit quality of trade and other receivables

Credit risk, with respect to trade and other receivables, is limited due to the large number of customers comprising the NRF's customer base, and their dispersion across different industries and geographical areas.

Notes to the Annual Financial Statements

	2025	2024
	R'000	R'000

Trade receivables

None of the financial assets that are fully performing have been renegotiated in the last year.

Fair value of trade and other receivables

The fair value of the financial assets is not expected to differ materially from the carrying values, due to the short-term nature thereof.

1 month past due	590	-
2 months past due	50	13 228
3 months past due	722	7 647

Trade and other receivables impaired

As of 31 March 2025, trade and other receivables of R5,256m (2024: R1,191m) were impaired and provided for.

Reconciliation of provision for impairment of trade and other receivables

Opening balance	1 191	719
Provision for impairment	4 811	662
Amounts written off as uncollectible	-	(98)
Unused amounts reversed	(746)	(92)
	5 256	1 191

The creation and release of the provision for impaired receivables have been included in operating expenses in surplus or deficit (note 28). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

Trade and other receivables past due but not impaired

Trade and other receivables that are less than 3 months past due are normally not considered to be impaired. At 31 March 2025, R1,362m (2024: R20,875m) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

The amount of the provision was R5,256m as of 31 March 2025 (2024: R1,191m).

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The entity does not hold any collateral as security.

Notes to the Annual Financial Statements

	2025	2024
	R'000	R'000

13. Receivables from non-exchange transactions

Contract income	252 444	146 922
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Credit quality of receivables from non-exchange transactions

The credit quality of other receivables from non-exchange transactions that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates.

Receivables from non-exchange transactions

None of the financial assets that are fully performing have been renegotiated in the last year.

Fair value of receivables from non-exchange transactions

The fair value of financial assets is not expected to differ materially from their carrying values, due to the short-term nature thereof.

14. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	61	61
Bank balances	273 982	98 806
Short-term investments at the Corporation for Public Deposits	1 093 709	1 026 529
	1 367 752	1 125 396

The balance includes R772m for SARAO committed towards the SKAO Buildings, fence, and dark fibre contract. The balance is mainly due to a large amount of the DSTI HCD funding carried forward to 2025/26 as a result of delayed grant awards.

Notes to the Annual Financial Statements

	Note(s)	2025 R'000	2024 R'000
Credit quality of cash at bank and short-term deposits, excluding cash on hand			
Cash equivalents and short-term deposits are placed with highly rated National Treasury-approved financial institutions, including the Corporation for Public Deposits.			
15. Capital fund			
Opening balance		3 192 044	2 848 396
Net acquisition of assets/transfer of assets		(72 899)	343 648
Acquisition of property, equipment, intangible and heritage assets	3&4&6	236 705	621 198
Depreciation, amortisation and disposals	3&4&6	(309 604)	(277 550)
		3 119 145	3 192 044

16. SALT fund

The SALT Fund represents income received from the Department of Science, Technology and Innovation, to invest the funds in the SALT Foundation (Pty) Ltd. The balance is adjusted with post-acquisition surpluses/ losses of the SALT Foundation (Pty) Ltd.

Income available for the SALT Foundation (Pty) Ltd.	14 668	12 797
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17. Provisions

Reconciliation of provisions - 2025

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Provision for performance bonus	13 076	13 655	(9 776)	-	16 955
Provision for compensating events	3 523	-	-	(1 860)	1 663
	16 599	13 655	(9 776)	(1 860)	18 618

Notes to the Annual Financial Statements

	2025	2024
	R'000	R'000
21. Other income		
Sundry income	28 306	4 590
Rent received	3 896	3 417
Donations received	1 510	7 481
Insurance recoveries	1 227	560
	34 939	16 048

22. Interest income

Bank	95 386	110 455
Other receipts	1 117	2
	96 503	110 457

23. DSTI contract income

DSTI MTEF Contract Funding received	3 283 998	3 867 066
Net funds carried forward from the prior year/(to the following year)	240 970	(575 559)
	3 524 968	3 291 507

24. Other contract income

Government organisations and public entities	365 803	405 640
Private and international organisations	326 073	257 352
	691 876	662 992

The NRF manages several projects/programmes for government departments, public entities, and local as well as international organisations, on a contractual basis. These funds are designated for specific projects.

Notes to the Annual Financial Statements

25. Board and Corporate Executive members' remuneration

Non-Executive Members (Board members)	Short term benefits	Total Board Fees 2025	Total Board Fees 2024
	R' 000	R' 000	R' 000
*Prof G Gray (From 1 December 2022)	-	-	-
*Dr Mathetha Thabo Mokonyama (From 1 July 2024)	-	-	-
Prof Matlagolo Mosa Moshabela (Chair) (From 1 December 2022)	170	170	146
Prof NF Petersen (From 1 December 2022)	69	69	56
Prof S Sinha (From 1 December 2022 to 1 July 2023)	-	-	13
Dr Len Konar (From 1 December 2022)	168	168	129
Ms Lahlane Hellen Malema (From 1 December 2022)	144	144	135
Dr Mabatho Ntomb'zikhona Mutshekwane (From 1 December 2022)	90	90	75
Mr Mark Brits (From 1 December 2022)	112	112	105
Prof Pamela Maseko (From 1 December 2022)	109	109	99
Mr Mavuso Shabalala (From 1 July 2024)	122	122	-
Ms Funeka Khumalo (From 1 July 2024)	127	127	-
Prof Teboho Moja (From 1 December 2022)	110	110	106
Prof Pumla Gobodo-Madikizela (From 1 December 2022)	42	42	44
Prof R Phaswana-Mafuya (From 1 December 2022)	28	28	48
Dr Simanga Alex Tsela (From 1 December 2022 to 9 January 2024)	-	-	24
	1 291	1 291	980

*Members of the NRF Board who do not qualify for remuneration as they are public office bearers.

Notes to the Annual Financial Statements

Members of the Corporate Executive	Short term benefits	Leave encashment	Retirement Fund contributions	Medical contributions	Other benefits	Total package 2025	Total package 2024
	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000
**Dr FV Nelwamondo (CEO)	3 862	305	265	104	143	4 679	4 184
Dr G Moche (from December 2023)	3 141	-	265	103	113	3 622	1 154
Mr KJ Oagile	2 779	-	149	-	144	3 072	2 597
Dr E Lottering (until August 2024)	1 016	266	124	34	1 561	3 001	3 483
Mr B Singh (CFO)	3 033	360	188	88	140	3 809	3 300
Dr T Mgwebi (from February 2024)	2 717	-	189	116	110	3 132	495
Dr A Paterson (From May 2024)	2 563	328	174	46	102	3 213	-
Dr C Nxomani (up to October 2023)	-	-	-	-	-	-	1 669
	19 111	1 259	1 354	491	2 313	24 528	16 882
Total remuneration	20 402	1 259	1 354	491	2 313	25 819	17 862

** Denotes ex-officio member of the NRF Board.

Corporate Executive members are considered key management personnel, as they are the designated decision-makers.

Notes to the Annual Financial Statements

	2025	2024
	R'000	R'000
26. Cost of sales		
Sale of goods		
Cost of goods sold - Isotopes	69 984	46 663
Cost of goods sold - other	9	14
	69 993	46 677

27. Auditor's remuneration

AGSA external audit - current year	2 534	1 419
AGSA external audit - prior year	4 121	4 068
External audit - other contracts	108	474
	6 763	5 961

28. Operating surplus

Operating surplus for the year is stated after accounting for the following:

Operating lease charges		
Premises		
• Contractual amounts	16 068	14 298
Equipment		
• Contractual amounts	2 083	1 104
	18 151	15 402
Loss on sale of property, plant and equipment	(902)	(1 664)
Gain/(loss) on exchange differences	2 074	(47 009)
Amortisation on intangible assets	8 526	7 832
Depreciation on property, plant and equipment	276 848	264 467
Employee costs	1 041 391	924 914
Defined contribution funds	83 475	74 925

Notes to the Annual Financial Statements

	2025	2024
	R'000	R'000
Surplus	5 060	381 204
Adjustments for:		
Depreciation and amortisation	301 176	274 253
Gain on sale of assets and liabilities	902	1 664
Income from equity accounted investments	(1 871)	(2 441)
Movements in retirement benefit assets and liabilities	2 389	(52)
Movements in provisions	2 019	16 599
Non-cash donations and other in-kind benefits	-	(4 146)
Changes in working capital:		
Inventories	(18 860)	(1 157)
Receivables from exchange transactions	42 823	(36 719)
Other receivables from non-exchange transactions	(105 523)	(101 593)
Prepayments	290 377	158 937
Grants and bursaries paid in advance	6 058	1 149
Payables from exchange transactions	209 138	10 119
Designated income received in advance	(264 709)	602 934
	468 979	1 300 751

Notes to the Annual Financial Statements

30. Financial instruments disclosure

Categories of financial instruments

2025

	R'000	R'000
Financial assets	At amortised cost	Total
Other financial assets	461 561	461 561
Trade and other receivables from exchange transactions	120 713	120 713
Other receivables from non-exchange transactions	252 444	252 444
Cash and cash equivalents	1 367 752	1 367 752
	2 202 470	2 202 470
Financial liabilities	At amortised cost	Total
Trade and other payables from exchange transactions	286 784	286 784
Residual interest	At cost	Total
Share capital / contributed capital	4 146	4 146

2024

Financial assets	At amortised cost	Total
Other financial assets	459 270	459 270
Trade and other receivables from exchange transactions	163 447	163 447
Other receivables from non-exchange transactions	146 922	146 922
Cash and cash equivalents	1 125 396	1 125 396
	1 895 035	1 895 035
Financial liabilities	At amortised cost	Total
Trade and other payables from exchange transactions	61 106	61 106
Residual interest	At cost	Total
Share capital / contributed capital	4 146	4 146

Notes to the Annual Financial Statements

	2025	2024
	R'000	R'000

31. Commitments

Authorised capital expenditure

Already contracted for but not provided for

• Property, plant and equipment	697 741	227 628
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The capital expenditure will be financed from the parliamentary grant (MTEF) and designated funds.

Operating leases - as lessee (expense)

Minimum lease payments due

• within one year	13 745	4 069
• in second to fifth year inclusive	14 720	1 261
	28 465	5 330

Operating lease payments represent rentals payable by the entity for certain of its office properties and equipment. Leases are negotiated for an average term of between two years and 100 years and rentals escalate between 0% and 8% annually. No contingent rent is payable.

Operating leases - as lessor (income)

Minimum lease payments due

• - within one year	590	675
• - in second to fifth year inclusive	162	387
	752	1 062

The entity has entered into non-cancellable commercial property leases and equipment leases for the duration of the lease period. These leases are negotiated for a term of between 2 and 5 years and rentals escalate between 0% and 8% annually. There are no contingent rent receivable.

Notes to the Annual Financial Statements

	2025	2024
	R'000	R'000

32. Contingencies

Contingent liabilities

Future grants awarded	3 451 769	3 866 010
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The NRF has awarded multi-year grants for up to 5 years, with subsequent years' payments conditional upon receipt of progress reports.

Removal of historic packageable radioactive waste	9 500	6 400
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Packageable radioactive waste consists of low to medium-level radioactive contaminated solid waste with relatively short half-lives (< 5 years). All the radioactive waste produced by iThemba LABS, since its inception, has been stored on-site. New regulations, with regard to radiation waste management, are envisaged that may result in a possible obligation for the NRF to dispose of such radioactive waste from the NRF premises, whilst also meeting set requirements. The calculated possible obligation represents the best estimate of the cost of such a disposal process, for which funding has been set aside.

33. Related parties

Relationships

Members of key management	Refer to note 25
Executive Authority	Ministry of Higher Education, Science and Innovation
Functional Controlling Department	Department of Science, Technology and Innovation
Fellow Controlled Department	Department of Higher Education and Training
Associates	Refer to note 5
Fellow of DSTI-controlled entities	Academy of Science of South Africa (ASSAf), Council for Scientific and Industrial Research (CSIR), Human Sciences Research Council (HSRC), South African National Space Agency (SANSA), Technology Innovation (TIA) and South African Council for Natural Scientific Professions (SACNASP).
Fellow DHET controlled entities	AGRISSETA, BANKSETA, CHIETA, CETA, CHE, CATHSSETA, ETDP-SETA, EWSETA, FP&M SETA, FASSET, FOODBEV-SETA, HWSETA, INSETA, LGSETA, MERSETA, MICT-SETA, MQA, NSF, NSFAS, PSETA, QCTO, SASSETA, SERVICES SETA, SAQA, TETA, W&RSETA, Higher Health, TVET Colleges and CET Colleges

Notes to the Annual Financial Statements

	2025	2024
	R'000	R'000
Due of the fact that the NRF is a national public entity, and controlled by national government, any other controlled entity of the national government is a related party. All transactions with such entities are at arm's length, and on normal commercial terms.		
The nature of transactions and outstanding balances with entities within the Higher Education, Science, and Innovation Ministry falls within the mandated areas of the NRF and were concluded on normal operating terms. It includes providing grants for Science Engagement projects, services rendered, research collaborations and funding, the payment of royalties, infrastructure projects, collaboration for the funding of commercialisation of projects, funding for the evaluation of alternative telecommunication technologies, hosting of interns, receipt of funding for bursary programs, receipt of funding to support research chairs, funding of research activities and post-graduate bursaries/scholarships conducted at Higher Education Institutions and research institutions and development programmes for science and technology research activities.		

Related party balances

Amounts included in Trade Receivables / (Trade Payables) regarding related parties

SALT Foundation (Pty) Ltd.	3 748	3 140
Prepayment to SALT Foundation (Pty) Ltd.	3 430	6 446

The outstanding balance at year-end is unsecured, interest-free, and settlement occurs in cash. There have been no guarantees received. No impairment has been recorded of the amount owed.

Related party transactions

Payments to the SALT Foundation (Pty) Ltd.

Annual operations levy	35 212	32 649
Other grants and contributions	1 591	5 627

Receipts from SALT Foundation (Pty) Ltd.

The recovery of services rendered	36 135	38 605
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Department of Science, Technology and Innovation

Parliamentary grant and DSTI contract income	4 225 444	4 858 361
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Notes to the Annual Financial Statements

34. Risk management

Financial risk management

The entity's activities expose it to a variety of financial risks, including market risk (such as currency risk, fair value interest rate risk, cash flow interest rate risk, and price risk), credit risk and liquidity risk.

The entity's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the entity's financial performance. The entity uses derivative financial instruments to hedge specific risk exposures. Risk management is carried out by a central treasury department (entity treasury) under policies approved by the board. The entity treasury identifies, evaluates, and hedges financial risks in close cooperation with the entity's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, including foreign exchange risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and the investment of excess liquidity.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and availability of funding.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and obligations, through proper management of working capital, capital expenditure, actual vs forecasted cashflows and its investment policy. Adequate reserves and liquid resources are also maintained.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2025

Trade and other payables

Less than 1
year
R'000

286 784

Between 1
and 2 years
R'000

-

At 31 March 2024

Trade and other payables

Less than 1
year

61 106

Between 1
and 2 years

-

Notes to the Annual Financial Statements

2025

R'000

2024

R'000

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The entity only deposits cash with major banks with high-quality credit standing and limits exposure to any one counterparty.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. Risk control assesses the credit quality of the customer, taking into account its financial position, experience, and other factors. The entity has no significant exposure to any individual customer or counterparty.

Cash flow interest rate risk

Financial instrument

	Current interest rate	Due in less than a year
Trade and other receivables - normal credit terms	- %	120 713
Cash in current banking institutions	7,15%	273 982
Short-term deposits	7,50%	1 093 709
Trade and other payables	- %	286 784
Other financial assets	- %	461 561

Foreign exchange risk

The NRF enters into forward exchange contracts when the currency risk of a transaction is high and all required information is known.

Current assets

Foreign bank account denominated in Euro	119 485	47 780
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Market risk

Interest rate risk

Financial assets and liabilities affected by interest rate fluctuations include bank and cash deposits.

Interest rate exposure and investment strategies are evaluated by management on a regularly. Interest-bearing investments are held with reputable banks to minimise exposure. The entity furthermore manages its interest rate risk by obtaining competitive rates from different banks. No significant risks have been identified with regard to interest rates.

Notes to the Annual Financial Statements

	2025	2024
	R'000	R'000

Foreign currency exposure at the statement of financial position date

Exchange rates used for the conversion of foreign items were:

EUR	19,94	20,64
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35. Fruitless and wasteful expenditure

Opening balance as previously reported	25	-
Add: Fruitless and wasteful expenditure identified - current	-	25
Less: Amount written off - current	(25)	-
Closing balance	-	25

Fruitless and wasteful expenditure incurred due to cash lost in an alleged hijacking and robbery. Disciplinary action was taken and the expenditure written off.

36. Irregular expenditure

Opening balance	-	-
Add: Irregular Expenditure confirmed	7 415	-
Less: Irregular Expenditure condoned	-	-
Less: Amount written off - current	(18)	-
Closing balance	7 397	-

An emergency procurement (R18K) was undertaken with a supplier in 2023/24 to avoid further damage to infrastructure from a leaking geyser. The supplier was listed as a restricted supplier by National Treasury and tax non-compliant. The resultant irregular expenditure was not condoned by National Treasury and subsequently approved internally for removal. A service provider was appointed in 2023/24 where the award (R7 436 792) did not comply with the CIDB Act, Treasury Regulations and the PPPFA. Total expenditure incurred for 2023/24 and 2024/25 amounts to R 7 396 793. Application for condonation is in progress.

No loss was incurred, and value for money was achieved through the appointment of the lowest-cost service provider.

Notes to the Annual Financial Statements

Disciplinary steps taken/criminal proceedings

Two incidents of irregular expenditure were identified in 2023/24. Both incidents were confirmed as irregular by the Loss Control Function. A formal disciplinary process was conducted, and appropriate management actions were taken.

37. Segment information

General information

Identification of segments

The entity is organised and reports to management based on seven business units of the entity. The segments were organised around the type of service delivered. Management uses these same segments for determining strategic objectives.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

The Corporate office is regarded as an administrative department, which does not generate economic benefits or have service potential. It has subsequently been disclosed as a reconciling item to the entity surplus/deficit.

Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Goods and/or services
Research, Innovation, Impact, and Support and Advancement (RIISA)	The business unit provides for the promotion, innovation, impact and support of research and research capacity development in all fields of knowledge and technology, through investing in knowledge, people, and infrastructure; the full creative potential of researchers; assisting with the development of institutional capacity; and, facilitating strategic national and international partnerships and knowledge networks.
iThemba Laboratory for Accelerator-Based Sciences (iThemba LABS)	The facility provides advanced, viable, multidisciplinary facilities for training, research, and services in the fields of sub-atomic nuclear science and applied radiation medicine.
South African Astronomical Observatory (SAAO)	SAAO is the national centre for optical and infrared astronomy in South Africa. Its primary function is to conduct fundamental research in astronomy and astrophysics. SAAO operates SALT, located at its sites near Sutherland, on behalf of an international consortium and promotes astronomy and astrophysics in Southern Africa.

Notes to the Annual Financial Statements

Reportable segment	Goods and/or services
South African Institute for Aquatic Biodiversity (SAIAB)	SAIAB serves as a research hub for aquatic biodiversity in southern Africa by providing unique specialist aquatic research infrastructure, e.g. coastal vessels, genomics laboratories, marine robotics, and biodiversity collections. It generates knowledge that aims to drive sustainable development in the “Blue Economy” through interactive and collaborative scientific research, and disseminates scientific knowledge at all levels.
South African Agency for Science and Technology Advancement (SAASTA)	SAASTA's core activities include science engagement through advancing public awareness, appreciation, and understanding of science, engineering, and technology in South Africa, as well as integrating science awareness activities across the entity.
South African Environmental Observatory Network (SAEON)	SAEON is a research unit that establishes and maintains nodes (environmental observatories, field stations or sites) linked by an information management network to serve as research and education platforms for long-term studies of ecosystems that will provide for incremental advances in our understanding of ecosystems and our ability to detect, predict and react to environmental change. An application has been submitted to the Minister of Higher Education, Science and Innovation to declare SAEON as a national facility.
South African Radio Astronomy Observatory (SARAO)	The SKA project is an international effort to build the world’s largest radio telescope, with approximately a square kilometer of collecting area. Deploying thousands of radio telescopes in three unique configurations will enable astronomers to monitor the sky in unprecedented detail and survey the entire sky thousands of times faster than any existing system. All existing and future radio astronomy activities are now incorporated into a single radio astronomy observatory called the South African Radio Astronomy Observatory (SARAO), which includes MeerKAT, KAT-7, African VLBI Network, HartRAO and international radio astronomy experiments on the SKA site in Carnarvon.

Notes to the Annual Financial Statements

Segment surplus or deficit, assets and liabilities

	2025							Total	
	RIISA	iThemba LABS	SAAO	SARAO	SAEON	SAIAB	SAASTA		Inter-segment transfers & Corporate office
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Revenue									
Parliamentary grant	397 280	219 441	76 686	30 367	14 989	31 800	30 150	-	800 713
DSTI contract income	1 757 121	27 437	34 673	1 485 828	143 136	9 711	65 824	-	3 523 730
Other contract income	429 071	41 452	43 784	166 583	6 107	4 621	(1 186)	-	690 432
Revenue from exchange transactions	387	142 739	6 484	24 835	1 143	736	1 749	-	178 073
Inter-segment transfers	2 490	19 372	19 887	23 481	8 830	29 369	715	(104 144)	-
Share of surplus in associates	-	-	1 871	-	-	-	-	-	1 871
Interest revenue	31 551	10 106	1 834	29 732	4 292	4 121	3 637	-	85 273
Total segment revenue	2 617 900	460 547	185 219	1 760 826	178 497	80 358	100 889	(104 144)	5 280 092
Corporate office revenue								257 627	257 627
Corporate inter-segment transfers								(102 669)	(102 669)
Entity's revenue	2 617 900	460 547	185 219	1 760 826	178 497	80 358	100 889	50 814	5 435 050
Expenditure									
Salaries and wages	136 171	162 500	91 143	368 007	83 349	39 641	38 157	-	918 968
Grants, bursaries, and other research expenditure	2 302 192	5 010	11 999	78 370	1 859	3 497	22 555	-	2 425 482

Notes to the Annual Financial Statements

Segment surplus or deficit, assets and liabilities

	2025										Total
	RIISA	iThemba LABS	SAAO	SARAO	SAEON	SAIAB	SAASTA	Inter-segment transfers & Corporate office	R'000	R'000	
Programme and operating expenditure	109 333	237 794	80 150	1 319 791	63 662	39 015	32 941	-	-	1 882 686	
Inter-segment transfers	72 467	53 628	2 420	42 533	13 774	1 662	1 547	(188 031)	-	-	
Total segment expenditure	2 620 163	458 932	185 712	1 808 701	162 644	83 81	95 200	(188 031)	5 227 136		
Total segmental surplus/(deficit)	(2 263)	1 615	(493)	(47 875)	15 853	(3 457)	5 689	83 887	52 956		
Total revenue reconciling items									154 958	154 958	
Corporate office expenditure									(221 636)	(221 636)	
Corporate inter-segment transfers									18 782	18 782	
Entity's surplus/(deficit) for the period	(2 263)	1 615	(493)	(47 875)	15 853	(3 457)	5 689	35 991	5 060		
Opening segment accumulated surplus/(deficit)	(7 553)	4 453	994	-	-	7 324	303	2 530	8 051		
Transfer to SALT fund	-	-	(1 871)	-	-	-	-	-	(1 871)		
Transfer from/(to) infrastructure fund	-	(36 500)	1 800	-	-	(7 500)	(4 000)	(32 613)	(78 813)		
Segment net capital expenditure	(5 276)	(29 060)	(11 683)	(129 528)	(35 092)	(9 776)	(1 398)	-	(221 813)		
Depreciation and amortisation	17 522	59 309	10 071	177 445	19 239	15 416	2 174	-	301 176		
Corporate office net capital expenditure	-	-	-	-	-	-	-	(6 464)	(6 464)		

Notes to the Annual Financial Statements

Segment surplus or deficit, assets and liabilities

		2025								Total
	RIISA	iThemba LABS	SAAO	SARAO	SAEON	SAIAB	SAASTA	Inter-segment transfers & Corporate office		
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
Accumulated Surplus/(Deficit)	2 430	(183)	(1 182)	42	-	2 007	2 768	(556)	5 326	
Assets										
Segment assets	1 579 215	866 657	106 543	2 649 617	138 102	87 528	11 807	-	5 439 469	
Total assets as per Statement of Financial Position									5 439 469	
Liabilities										
Segment liabilities	901 843	51 224	17 067	908 186	85 803	47 027	60 881	-	2 072 031	
Total liabilities as per Statement of Financial Position									2 072 031	

Segment assets and liabilities for the RIISA segment include Corporate office assets and liabilities as these are not separately identified or internally reported.

Notes to the Annual Financial Statements

2024									
	RIISA	iThimba LABS	SAAO	SARAO	SAEON	SAIAB	SAASTA	Inter-segment adjustments & Corporate office	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Revenue									
Parliamentary grant	462 186	210 948	73 370	29 203	14 416	30 573	32 744	-	853 440
DSTI contract income	1 535 581	44 135	31 246	1 459 821	133 448	30 920	56 356	-	3 291 507
Other contract income	484 976	9 808	43 396	109 706	4 647	6 454	3 723	-	662 710
Revenue from exchange transactions	210	143 864	3 923	5 056	3 372	1 392	647	-	158 464
Inter-segment transfers	2 658	245 236	19 690	21 913	8 648	31 976	1 601	(331 722)	-
Share of surplus of associates	-	-	2 441	-	-	-	-	-	2 441
Interest revenue	44 882	(5 670)	2 185	41 867	7 319	5 107	2 777	-	98 467
Total segment revenue	2 530 493	648 321	176 251	1 667 566	171 850	106 422	97 848	(331 722)	5 067 029
Corporate office revenue								435 76	435 760
Corporate inter-segment transfers								(285 271)	(285 271)
Total revenue reconciling items								150 48	150 489
Entity's revenue	2 530 493	648 321	176 251	1 667 566	171 850	106 422	97 848	(181 233)	5 217 518
Expenditure									
Salaries and wages	119 383	156 542	85 372	321 586	65 259	36 066	36 047	-	820 255

Notes to the Annual Financial Statements

	2024										Total
	RIISA	iThemba LABS	SAAO	SARAO	SAEON	SAIAB	SAASTA	Inter-segment adjustments & Corporate office			
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Grants, bursaries, and other research expenditure	2 033 530	6 824	9 561	63 214	1 710	8 891	28 076	-	-	2 151 806	
Programme and operating expenditure	99 058	159 597	77 301	1 245 121	60 066	33 291	26 811	-	-	1 701 245	
Inter-segment transfers	288 249	9 495	3 622	46 113	16 725	1 219	5 406	(370 829)	-	-	
Total segment expenditure	2 540 220	332 458	175 856	1 676 034	143 760	79 467	96 340	(370 829)	(370 829)	4 673 306	
Total segmental surplus/(deficit)	(9 727)	315 863	395	(8 468)	28 090	26 955	1 508	39 107	39 107	393 723	
Total revenue reconciling items								150 489	150 489	150 489	
Corporate office expenditure								(409 173)	(409 173)	(409 173)	
Corporate inter-segment transfers								246 164	246 164	246 164	
Entity's surplus/(deficit) for the period	(9 727)	315 863	395	(8 468)	28 090	26 955	1 508	26 587	26 587	381 203	
Opening segment accumulated surplus/(deficit)	(4 054)	(2 797)	2 559	7	-	4 304	(391)	11 017	11 017	10 645	
Transfer to SALT fund	-	-	(2 441)	-	-	-	-	-	-	(2 441)	
Transfer to infrastructure fund	(10 200)	(16 000)	(1 800)	-	-	-	-	(9 709)	(9 709)	(37 709)	
Segment net capital expenditure	236	(339 003)	(6 176)	(165 089)	(42 153)	(37 641)	(2 711)	-	-	(592 537)	
Depreciation and amortisation	16 192	46 390	8 457	173 550	14 063	13 706	1 897	-	-	274 255	

Notes to the Annual Financial Statements

2024									
	RIISA	iThemba LABS	SAAO	SARAO	SAEON	SAIAB	SAASTA	Inter-segment adjustments & Corporate office	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Corporate office net capital expenditure	-	-	-	-	-	-	-	(25 365)	(25 365)
Accumulated Surplus/(Deficit)	(7 553)	4 453	994	-	-	7 324	303	2 530	8 051
Assets									
Segment assets	1 269 100	969 214	125 515	2 708 279	201 421	148 749	61 325	-	5 483 603
Total assets as per Statement of Financial Position									5 483 603
Liabilities									
Segment liabilities	947 062	101 381	27 700	851 024	90 647	50 252	53 159	-	2 121 225
Total liabilities as per Statement of Financial Position									2 121 225

Segment assets and liabilities for the RIISA segment include Corporate office assets and liabilities as these are not separately identified or internally reported.

Notes to the Annual Financial Statements

Measurement of segment surplus or deficit, assets and liabilities

Basis of accounting for transactions between reportable segments

The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

The differences between the measurements of the reportable segments' surplus or deficit and the entity's surplus or deficit and discontinued operations

Inter-segment transfers: segment revenue and segment expense include revenue and expense arising from transfers between segments. Such transfers are usually accounted for at cost and are eliminated on consolidation.

The Corporate office is regarded as an administrative department and reconciles items to the entity's surplus/deficit.

The nature of differences between the measurements of the reportable segments' assets or liabilities and the entity's assets or liabilities

There are no differences between the measurement of the reportable segments' assets and liabilities in comparison with that of the entity.

Information about geographical areas

The entity's operations span multiple regions across the country. However, geographical areas are not used by the entities for decision-making purposes and information is not reported or collected in such a manner.

38. Budget differences

Material differences between budget and actual amounts

The budget is prepared well in advance of the start of the financial year. Significant differences can occur between the budget and the actual results. The entity normally receives additional contract income during the financial year and funds carried forward are only confirmed at year-end, thus subsequent to the preparation of the budget.

Income

Total income is lower than budgeted by R 307m. It includes offsets from additional sources of income and reductions on others. **Sales** decreased mainly due to lower Isotope sales at iThemba LABS due to unscheduled breakdowns of the SSC Cyclotron. **Other income** includes the receipt of delayed damages from a supplier. Higher **interest income** from investments is due to lower spending on capital projects in progress. **DSTI contract income** and the **Parliamentary Grant** decreased due to a budget cut imposed by the DSTI. In addition, DSTI contract income

Notes to the Annual Financial Statements

decreased due to the carry forward of SARAO funds due to delays in infrastructure spending.

Other contract income increased due to the late transfer of funds from the Department of Higher Education & Training (DHET) for the Scarce Skills Development Fund.

Expenditure

Total expenditure, which also includes capital expenditure, is lower than the budget by R 398m. The decrease in **employees' remuneration** is due to various vacancies as a result of the OneNRF renewal exercise aimed at an improved Service

Delivery Model, as well as vacancies at SARAO as staff positions are phased to align to the SKAO/SARAO partnership agreement. **Depreciation** decreased due to the lower infrastructure spending, mainly at SARAO. **Grants, bursaries, and other research expenditure** increased mainly due to the roll-out of the claims section in the new grant-making system and the increased funding for the DHET Scarce Skills Development Fund. **Capital expenditure** decreased mainly due to delays in the completion of the SARAO fibre rollout and the SKAO Host Building Costs, which are to be contracted from 2025.



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