



Building an **Inclusive,**
Impactful and **Transformed**
Research Future

Annual Report 2025/2026



science, technology
& innovation

Department:
Science, Technology and Innovation
REPUBLIC OF SOUTH AFRICA



National
Research
Foundation

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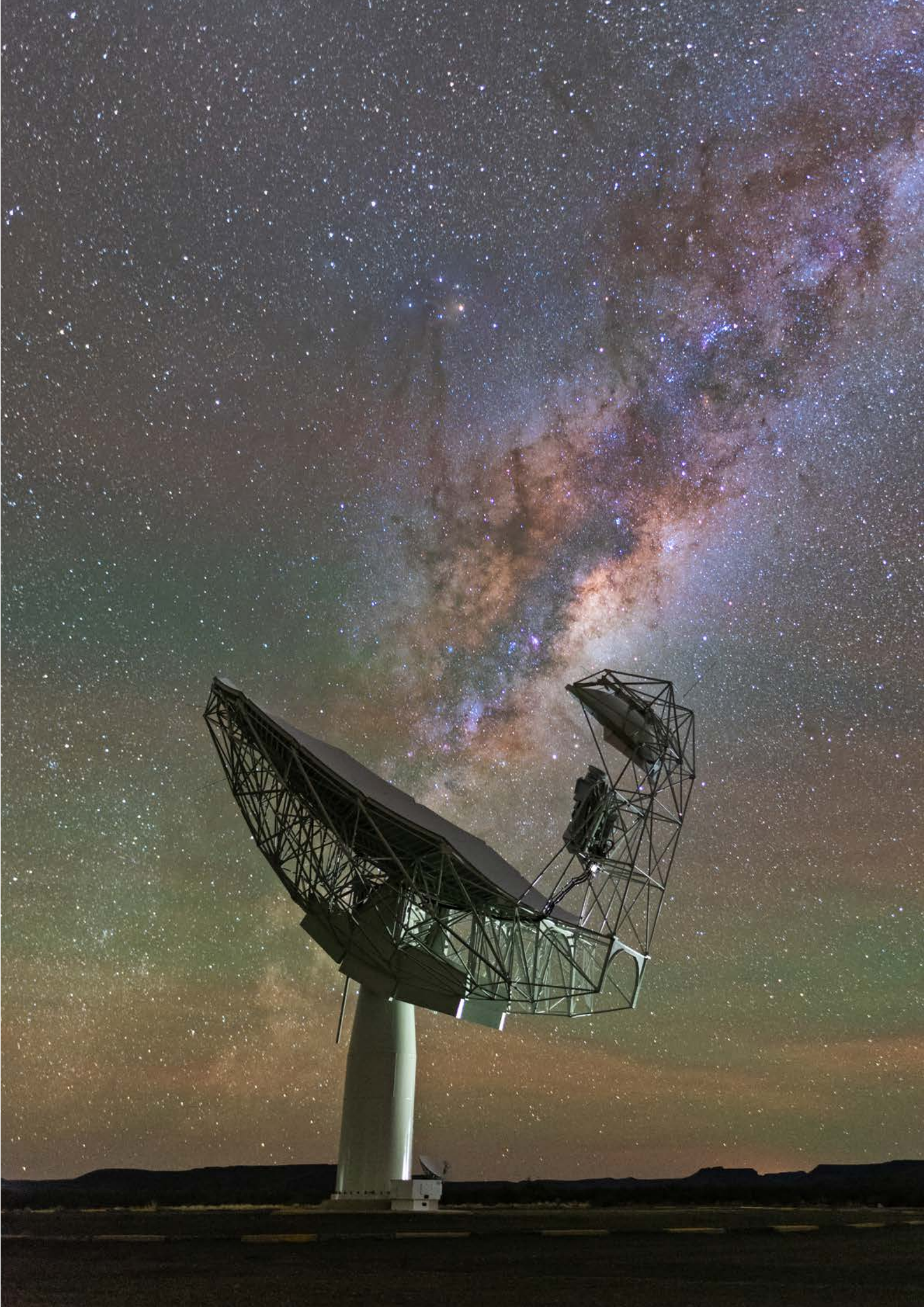
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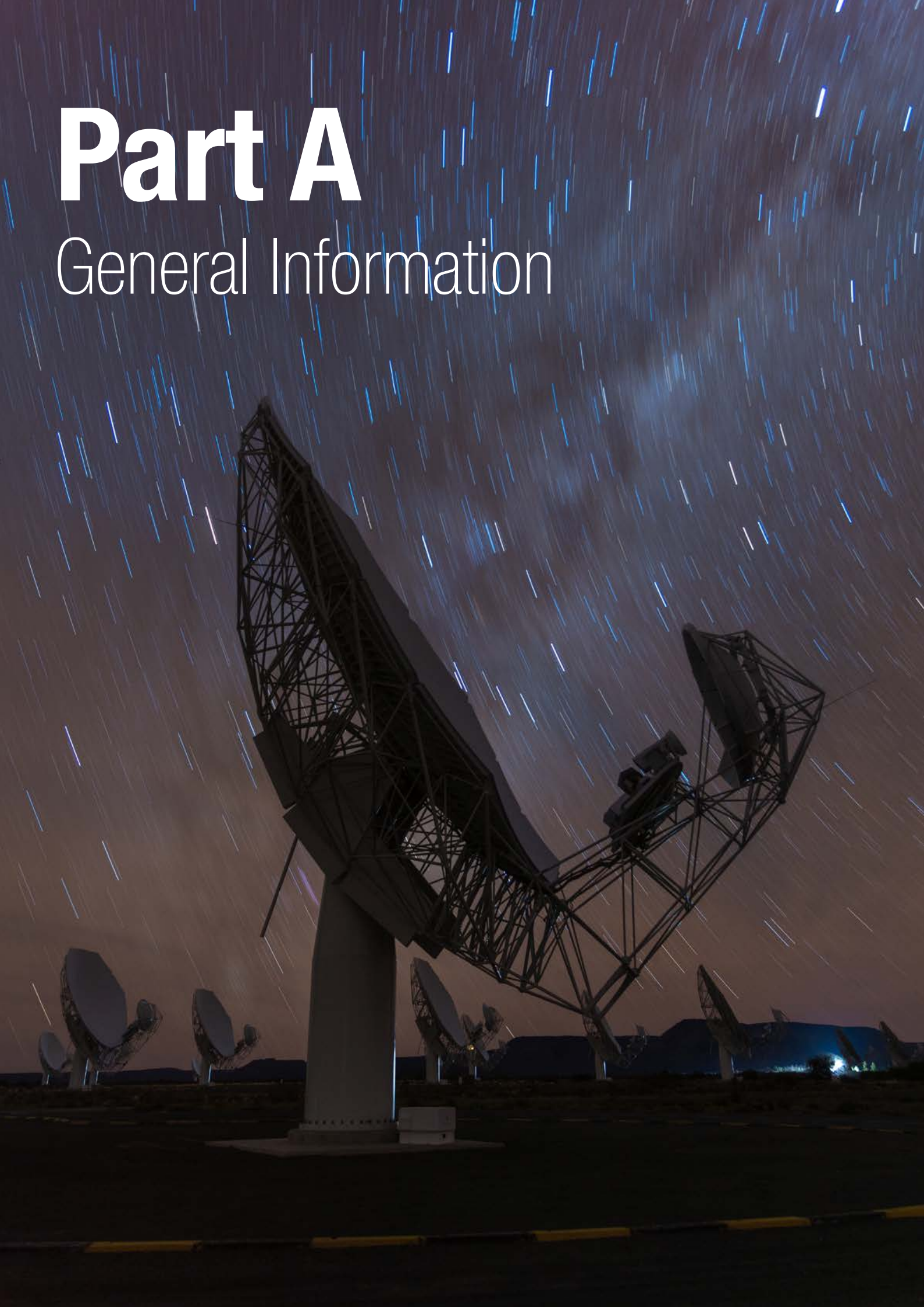
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Part A

General Information



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, Loure Place
	Hillcrest Office Park
	177 Dyer Road
	Hillcrest
	0183
COMPANY/BOARD SECRETARY:	Cassandra Mfana

LIST OF ACRONYMS

AfAS	African Astronomical Society
AFS	Annual Financial Statements
AGSA	Auditor-General South Africa
AMS	Accelerator Mass Spectrometry
AOSP	Africa Open Science Platform
APP	Annual Performance Plan
ASSAF	Academy of Science of South Africa
ATS	Accelerator Technical Support
BAAP	Black Academics Advancement Programme
B-BBEE	Broad-Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIKS	Centre in Indigenous Knowledge Systems
CoE	Centres of Excellence
CREST	Centre for Research on Evaluation, Science and Technology
CUT	Central University of Technology
DEI	Diversity, Equity and Inclusion
DFFE	Department of Forestry, Fisheries and the Environment
DHET	Department of Higher Education and Training
DSTI	Department of Science, Technology and Innovation
DT	Digital Transformation
EOC	Engineering Operations Centre
ERM	Enterprise Risk Management
FCS	Full-Cost Support
FSC	Finance and Supply Chain
GRC	Global Research Council
GRAP	Generally Recognised Accounting Practice
HCD	Human Capital Development
HDI	Historically Disadvantaged Institution
HEI	Higher Education Institution
HR	Human Resources

IAU	International Astronomical Union
ICT	Information and Communication Technology
IIASA	International Institute for Applied Systems Analysis
IKS	Indigenous Knowledge Systems
IoDSA	Institute of Directors South Africa
IP	Intellectual Property
IWMI	International Water Management Institute
JIF	Journal Impact Factor
LTER	Long-Term Ecological Research
MCP	Maputaland Coastal Plain
MTEF	Medium-Term Expenditure Framework
MTDP	Medium-Term Development Plan
NDP	National Development Plan
NEETs	Young Persons Not in Education, Employment or Training
NEP	National Equipment Programme
NEPI	National Education Policy Initiative
NGO	Non-Governmental Organisation
NIPMO	National Intellectual Property Management Office
NRC	National Research Council
NRF	National Research Foundation
NRF-SAAO	National Research Foundation – South African Astronomical Observatory
NRF-SAEON	National Research Foundation – South African Environmental Observation Network
NRF-SAIAB	National Research Foundation – South African Institute for Aquatic Biodiversity
NRF-SARAO	National Research Foundation – South African Radio Astronomy Observatory
NRF-SASOL YAAP	National Research Foundation–SASOL Young Academic Advancement Programme
NRIP	National Research Infrastructure Platform
NRIPs	National Research Infrastructure Platforms
NSF	National Skills Fund
NSI	National System of Innovation
NSW	National Science Week

NWU	North-West University
PACER	Pan African Centre for Epidemics Research
PCS	Partial-Cost Support
PFMA	Public Finance Management Act
PPA	Public Procurement Act
PPPFA	Preferential Procurement Policy Framework Act
PRIME	Prime-focus Infrared Microlensing Experiment
PSU	Power Supply Unit
PSET	Post-School Education and Training
R&D	Research and Development
RA	Research Advancement
RIISA	Research, Innovation, Impact Support and Advancement
RIPP	Research Infrastructure Professional Programme
RIPs	Research Infrastructure Platforms
RISA	Research and Innovation Support and Advancement
SAAO	South African Astronomical Observatory
SAASTA	South African Agency for Science and Technology Advancement
SAEON	South African Environmental Observation Network
SAHARA	South African HIV/AIDS Research Alliance
SAHUDA	South African Humanities Deans Association
SAIAB	South African Institute for Aquatic Biodiversity
SAIF	South African Isotopes Facility

SAMRC	South African Medical Research Council
SARAO	South African Radio Astronomy Observatory
SARCHI	South African Research Chairs Initiative
SARIR	South African Research Infrastructure Roadmap
SASAC	Southern African Systems Analysis Centre
SCM	Supply Chain Management
SGCI	Science Granting Councils Initiative
SKAO	Square Kilometre Array Observatory
SMME	Small, Medium and Micro Enterprise
SRE	Strategic Research Equipment
SSC	Separated Sector Cyclotron
STEM	Science, Technology, Engineering and Mathematics
STI	Science, Technology and Innovation
TIES4I	Transformation, Innovation, Excellence and Sustainability for Impact
TR	Treasury Regulations
TVET	Technical and Vocational Education and Training
UFH	University of Fort Hare
UPS	Uninterruptible Power Supply
WoS	Web of Science
WP PSET	White Paper on Post-School Education and Training
WP STI	White Paper on Science, Technology and Innovation

FOREWORD BY **THE CHAIRPERSON**

It is my privilege to present the Annual Report of the National Research Foundation for the 2025/26 financial year.

This report is presented at an important moment in the life of the NRF, both in reflecting on the 2025/26 financial year and in considering the institutional transitions underway at the time of writing. The year under review was one of continued delivery against the NRF's mandate, but also one of transition and renewed focus. The NRF remains a critical institution in South Africa's National System of Innovation, with a responsibility to support excellent research, grow the next generation of researchers, maintain nationally significant research infrastructure, and ensure that knowledge contributes meaningfully to society.

The NRF's Strategy 2030, anchored in Transformation, Innovation, Excellence and Sustainability for Impact, continues to provide a clear framework for this work. The Board's role is to ensure that this strategy is pursued with discipline, integrity and an appropriate balance between ambition and the realities of the operating environment. In a constrained fiscal climate, this requires careful choices, stronger partnerships, and sustained attention to the long-term resilience of the research and innovation system.

“

The 2025/26 financial year reflected the strength and adaptability of the NRF. The organisation continued to perform soundly against its planned targets and maintained its focus on postgraduate funding, researcher support, science engagement, research infrastructure and partnerships. These achievements are significant because they were delivered in an environment marked by financial pressure, increasing demand across the system, infrastructure pressures, and global uncertainty affecting research collaboration and funding flows.

From an oversight perspective, the Board remained closely engaged with these matters. The sustainability of research infrastructure, the funding of human capital development, transformation across the research system, digital modernisation, and the diversification of the NRF's funding base remain central areas of Board attention. These are not merely operational issues. They go to the heart of the NRF's ability to discharge its mandate now and into the future.

The current Board is in the final year of its term, which ends on 30 November 2026. It is therefore appropriate to recognise its collective contribution in guiding the NRF through a demanding period. I assumed the role of Chairperson on 1 December 2025, following Professor Mosa Moshabela's tenure as Chairperson. On behalf of the Board, I extend appreciation to Professor Moshabela for his leadership and service to the NRF. I also acknowledge Professor Nadine Petersen and Professor Refilwe Phaswana-Mafuya, who have since stepped down from the Board, and thank them for their contributions.



The NRF is also managing executive leadership transitions and vacancies in key executive portfolios. The Board is fully alive to the importance of stable and capable executive leadership, and processes are underway to strengthen and fill these roles. The organisation continues to deliver on its mandate under the leadership of the Acting Chief Executive Officer, Dr Angus Paterson, supported by the executive team and staff.

Since the end of the reporting period, a further important governance development has been the conclusion of a Shareholder Agreement between the Minister and the NRF Board. This marks an important milestone in clarifying expectations, strengthening accountability and reinforcing the relationship between the Executive Authority and the Board.

Partnerships remain fundamental to the NRF's impact. The scale of South Africa's research and innovation ambitions cannot be carried by the NRF alone. It depends on strong collaboration across government, universities, science councils, industry, international partners, researchers and communities. The Board recognises and appreciates the contribution of these partners, particularly in a period where resource constraints require more deliberate coordination and more innovative approaches to funding and implementation.

The Board also remains mindful that the NRF's work must be judged not only by outputs, but by its contribution to society. Research excellence must be preserved, but it must also translate into knowledge, skills, infrastructure, policy insight and innovation that support South Africa's development. This is especially important in areas such as health, energy, climate resilience, food security, advanced manufacturing, digital transformation and inclusive economic development.

On behalf of the Board, I express sincere appreciation to the Minister of Science, Technology and Innovation, Prof BE Nzimande, and to the Department of Science, Technology and Innovation for their continued support and engagement. I also thank my fellow Board members, the Acting Chief Executive Officer, the executive management team, NRF employees, researchers, students, innovators and partners across the National System of Innovation for their contribution to the work reflected in this report.

As the current Board approaches the end of its term, we do so with confidence in the enduring importance of the NRF's mandate and in the institution's capacity to continue serving South Africa's research and innovation system. The next phase will require sustained focus on leadership stability, funding sustainability, infrastructure resilience, transformation, partnerships and the societal value of research. These priorities will be central to ensuring that the NRF remains a trusted steward of public investment in science, research and innovation, and a catalyst for knowledge that advances South Africa's development.



Prof Ari Sitas

Chairperson of the NRF Board

National Research Foundation

11 August 2026

IZWI LOKWANDULELA LIKASIHLALO

Kuyintokozo kimi ukwethula uMbiko Wonyaka weSikhwama Sikazwelonke Socwaningo (National Research Foundation – NRF) wonyaka wezimali ka-2025/26.

Lo mbiko wethulwa ngesikhathi esibalulekile emlandweni we-NRF, njengoba ubheka unyaka wezimali ka-2025/26 futhi ucubungula izinguquko ebeziqhubeka ngaphakathi kwesikhungo ngesikhathi kubhalwa lo mbiko. Unyaka obuyekwezwayo ube unyaka lapho i-NRF iqhubeka khona nokufeza igunya layo, kodwa futhi waba unyaka wezinguquko kanye nokuvuselelwa kokugxila emsebenzini wayo. I-NRF iyaqhubeka nokuba yisikhungo esibalulekile oHlelweni Lukazwelonke Lokusungula Izinto Ezintsha eNingizimu Afrika (National System of Innovation), inomthwalo wokweseka ucwaningo olusezingeni eliphezulu, ukuthuthukisa isizukulwane esilandelayo sabacwaningi, ukunakekela ingqalasizinda yocwaningo ebaluleke ezweni, kanye nokuqinisekisa ukuthi ulwazi luba negalelo elibonakalayo emphakathini.

ISu le-NRF lango-2030, elisekelwe ezimisweni zoGuquko, Ukuqamba Okusha, Ubuhle kanye Nokusimama ukuze kube nomthelela, liyaqhubeka nokuhlinzeka ngohlaka olucacile oluqondisa lo msebenzi. Indima yeBhodi ukuqinisekisa ukuthi leli Su liyafezwa ngokuzinikela, ngobuqotho nangokugcina ibhalansi efanele phakathi kwezifiso zalo kanye nesimo sangempela sendawo esisebenza kuyo. Esimweni lapho izimali zilinganiselwe khona, lokhu kudinga ukwenza izinqumo ngokucophelela, ukuqinisa ubudlelwano bokubambisana, kanye nokuqhubeka nokunaka ikhono lohlelo locwaningo nokuqamba okusha lokuqhubeka nokusebenza ngempumelelo esikhathini eside.

“

Unyaka wezimali ka-2025/26 ukhombise amandla kanye nekhono le-NRF lokuzivumelanisa nezimo. Inhlangothi iqhubekile nokwenza kahle ekufezeni izinjongo zayo ezihleliwe futhi yaqhubeka nokugxila ekuxhaseni ngezimali izifundo zeziqhu eziphakeme, ukweseka abacwaningi, ukukhuthaza isayensi, ingqalasizinda yocwaningo, kanye nokwakha ubudlelwano bokubambisana. Lezi zimpumelelo zibalulekile ngoba zifezeke ngaphansi kwezimo ebeziphawulwa yingcindezi kwezizimali, ukwanda kwesidingo ohlelweni lonke, izingcindezi ezithinta ingqalasizinda, kanye nokungaqiniseki emhlabeni wonke okuthinte ukubambisana kwezocwaningo nokugeleza kwezimali zocwaningo.

Mayelana nomsebenzi wokwengamela, iBhodi laqhubeka nokuqapha lezi zindaba eduze. Ukusimama kwengqalasizinda yocwaningo, ukuxhaswa ngezimali kokuthuthukiswa kwenhloko-dolobha yabantu, uguquko kulo lonke uhlelo locwaningo, ukwenziwa kwesimanje kwezinhlelo zedijithali, kanye nokwandisa imithombo yoxhaso lwezimali ye-NRF, kuqhubekile nokuba yizindawo ezisemqoka ezigxilwe yiBhodi. Lezi akuzona nje kuphela izindaba zokusebenza. Zithinta ngqo ikhono le-NRF lokufeza igunya layo manje nasesikhathini esizayo.

IBhodi elikhona njengamanje lisonyakeni wokugcina wesikhathi salo sokusebenza, esizophela mhla zingama-30 kuLwezi 2026. Ngakho-ke, kufanele kuqashelwe igalelo elihlangene leBhodi ekuholeni i-NRF phakathi nalesi sikhathi ebesinezinselelo. Ngaqala



ukusebenza njengoSihlalo mhla lu-1 kuZibandlela 2025, ngemuva kokuphela kwesikhathi sikaSolwazi Mosa Moshabela njengoSihlalo. Egameni leBhodi, ngidlulisa ukubonga kuSolwazi Moshabela ngobuholi bakhe nangomsebenzi awenzele i-NRF. Ngiphinde ngihloniphe uSolwazi Nadine Petersen noSolwazi Refilwe Phaswana-Mafuya, asebesulile eBhodini, futhi ngiyababonga ngegalelo labo.

I-NRF iphinde ibhekane nezinguquko ebuholini obuphezulu kanye nezikhala ezikhona ezikhundleni ezibalulekile zobuholi obuphezulu. IBhodi likuqonda ngokugcwele ukubaluleka kobuholi obuphezulu obuzinzile nobunamakhono, futhi izinqubo ziaqhubeka zokuqinisa nokugcwalisa lezi zikhundla. Inhlangothi iyaqhubeka nokufezisa igunya layo ngaphansi kobuholi beBamba leSikhulu Esiphezulu Esiphethe, uDkt Angus Paterson, esekelwa ithimba lobuholi obuphezulu kanye nabasebenzi.

Kusukela ekupheleni kwesikhathi esibikwayo, kube khona enye intuthuko ebalulekile kwezokuphatha, okuwukuphuthulwa kweSivumelwano Sabanimasheya phakathi koNgqongqoshe neBhodi le-NRF. Lokhu kuphawula ingqophamlando ebalulekile ekucaciseni okulindelwe, ekuqiniseni ukuziphendulela, nasekuqiniseni ubudlelwano phakathi koMphathi Omkhulu neBhodi.

Ubudlelwano bokubambisana busaqhubeka buyisisekelo sempumelelo ye-NRF. Ubukhulu bezifiso zaseNingizimu Afrika emkhakheni wocwaningo nokuqamba okusha abunakufezwa yi-NRF iyodwa. Kuncike ekubambisaneni okuqinile phakathi kukahulumeni, amanyuvesi, imikhandlu yesayensi, imboni, ozakwethu bamazwe omhlaba, abacwaningi kanye nemiphakathi. IBhodi liyaliqaphela futhi liyalibonga igalelo lalaba zakwethu, ikakhulukazi esikhathini lapho ukulinganiselwa kwezinsiza kudinga ukuxhumanisa imisebenzi ngendlela ehleleke kakhulu kanye nokusebenzisa izindlela ezintsha zokuxhasa ngezimali nokwenza umsebenzi.

IBhodi liphinde liqaphele ukuthi umsebenzi we-NRF akufanele uhlolwe ngemiphumela yawo kuphela, kodwa nangomthelela wawo emphakathini. Ubungqabavu ocwaningweni kumele bugcinwe, kodwa kumele futhi buveze ulwazi, amakhono, ingqalasizinda, ukuqonda kwezinqubomgomo kanye nokuqamba okusha okusekela intuthuko yaseNingizimu Afrika. Lokhu kubaluleke kakhulu emikhakheni efana nezempilo, ezamandla, ukumelana nemiphumela yokuguquguquka kwesimo sezulu, ukuvikeleka kokudla, ukukhiqiza okuseqophelweni eliphezulu, uguquko kwezobuchwepheshe bedijithali, kanye nentuthuko yomnotho ebandakanya wonke umuntu.

Egameni leBhodi, ngidlulisa ukubonga okuqotho kuNgqongqoshe weSayensi, Ezobuchwepheshe Nokuqamba Okusha, uSolwazi BE Nzimande, kanye noMnyango

WeSayensi, Ezobuchwepheshe Nokuqamba Ngiphinde ngibonge engisebenza nabo eBhodini, iBamba leSikhulu Esiphezulu Esiphethe, ithimba labaphathi abaphezulu, abasebenzi be-NRF, abacwaningi, abafundi, abasunguli bezinto ezintsha, kanye nabalingani kulo lonke Uhlelo Lukazwelonke Lokuqamba Okusha, ngegalelo labo emsebenzini ovezwe kulo mbiko.

Njengoba iBhodi elikhona njengamanje lisondela ekupheleni kwesikhathi salo sokusebenza, senza lokhu sinokuzethemba ngokubaluleka okuqhubekayo kwegunya le-NRF kanye nekhono lalesi sikhungo lokuqhubeka nokusebenzela Uhlelo Lukazwelonke Lwezocwaningo Nokuqamba Okusha lwaseNingizimu Afrika. Isigaba esilandelayo sizodinga ukuqhubeka nokugxila ekuzinzeni kobuholi, ekusimameni koxhaso lwezimali, ekumelaneni kwengqalasizinda nezinsalelo, oququkweni, ebudlelwaneni bokubambisana, kanye nenani locwaningo emphakathini. Lezi zinto eziza kuqala zizoba semqoka ekuqinisekiseni ukuthi i-NRF iyaqhubeka nokuba umlondolozo othembekile wokutshalwa kwezimali zomphakathi kwezesayensi, ucwaningo nokuqamba okusha, kanye nomgqunguzeli wolwazi oluthuthukisa intuthuko yaseNingizimu Afrika.



USolwazi Ari Sitas

USihlalo weBhodi le-NRF

I-National Research Foundation

11 August 2026

KETAPELE KA MODULASETULO

Ke tlhomphe ya ka go hlapiša Pego ya Ngwaga ka Ngwaga ya Setheo sa Dinyakisišo sa Bosetšhaba ya ngwaga wa ditšhelete wa 2025/26.

Pego ye e tšweletšwa mo nakong ye bohlokwa bophelong bja NRF, bobedi ka go akanya ka ngwaga wa ditšhelete wa 2025/26 le ka go lebelela diphetogo tša setheo tšeo di tšwelago pele ka nako ya go ngwala. Ngwaga wo o sekasekwago e be e le wa kabo ye e tšwelago pele kgahlanong le taolelo ya NRF, eupša gape le wa phetogo le nepo ye mpshafadišwego. NRF e sa dutše e le setheo se bohlokwa ka go Tshepedišo ya Bosetšhaba ya Boitlhamelo ya Afrika Borwa, yeo e nago le maikarabelo a go thekga dinyakisišo tše dibotse kudu, go godiša moloko wo o latelago wa banyakisiši, go hlokomela mananeokgoparara a bohlokwa a bosetšhaba, le go netefatša gore tsebo e tsenya letsogo ka mohola setšhabeng.

Leano la NRF la 2030, leo le tsemilwego ka go Phetogo, Boitlhamelo, Bokgoni le Tšwelopele bakeng sa Khuetsō, le tšwela pele go fa tlhako ye e kwagalago ya mošomo wo. Karolo ya Boto ke go netefatša gore leano le le phethagatšwa ka botlalo, botshepegi le tekatekano ya maleba magareng ga maikemišetšo le dilo tša nnete tša tikologo ya tshepedišo. Mo maemong a thata ditšhelete, se se hloka dikgetho tše di hlokometšwego, ditirišano tše di tiilego, le tlhokomelo ye e swarelelago go go kgotlelela ga nako ye telele ga tshepedišo ya nyakisišo le boitlhamelo.



Ngwaga wa ditšhelete wa 2025/26 o bontšhitše go kgotlelela ga NRF, maatla, le bokgoni bja go tlwaelana le maemo tikologong ye e fetogago. Mokgatlo o ile wa tšwela pele go šoma ka maatla kgahlanong le dipheho tša wona tše di rulagantšwego, mola o dutše o boloka nepišo ya wona ya maano go thušo ya ditšhelete ya ka tikri ya godingwana, thekgo ya banyakisiši, go ba le seabe saenseng, mananeokgoparara a dinyakisišo, le ditirišano. Diphihlelelo tše di bohlokwa ka gobane di tlišitšwe ka tikologong yeo e swailwego ke kgatelelo ya ditšhelete, nyakego ye e oketšegago go ralala le tshepedišo, dikgatelelo tša mananeokgoparara, le go se kgonthišege ga lefase ka bophara mo go amago tirišano ya dinyakisišo le dikelelo tša thekgo ya ditšhelete.

Go ya ka pono ya bolebeledi, Boto e ile ya dula e tsenela ditaba tše kgauswi. Go tšwela pele ga mananeokgoparara a dinyakisišo, thekgo ya ditšhelete ya tlhabollo ya mabokgoni a bašomi, phetogo go ralala le tshepedišo ya dinyakisišo, sebjalebjale sa titšithale, le go fapafapana ga thekgo ya ditšhelete ya NRF e sa dutše e le mafelo a bogareng a tlhokomelo ya Boto. Tše ga se fela ditlhohlo tša tshepedišo. Di bohlokwa kudu go NRF go phethagatša thomo ya yona bobedi lehono le ka nako ye telele.

Boto ya bjale e ngwageng wa mafelelo wa nako ya yona, yeo e felago ka la 30 Dibatsela 2026. Ka gona go maleba go lemoga seabe sa yona sa mohlakanelwa go hlhla NRF ka nako ya mathata. Ke tsere tema ya Modulasetulo ka la 1 Manthole 2025, ka morago ga ge



Moprofesara Mosa Moshabela a bile Modulasetulo. Legatong la Boto, ke leboga Moprofesara Moshabela ka boetapele bja gagwe le tirelo ya gagwe go NRF. Gape ke leboga Moprofesara Nadine Petersen le Moprofesara Refilwe Phaswana-Mafuya, bao ba šetšego ba tlogetše Boto, gomme ke ba lebogela tirišano ya bona.

NRF e laola gape diphetogo tša boetapele bja khuduthamaga le dikgoba tša mošomo ka dipotfoliong tše bohlokwa tša khuduthamaga. Boto e lemoga ka botlalo bohlokwa bja boetapele bja khuduthamaga bjo maatla le bjo bo nago le bokgoni gomme e tšwetša pele ka mafolofolo maitapišo a go maatlafatša maemo a le go tlatša dikgoba tše di lego gona. Mokgatlo o tšwela pele go phethagatša taolelo ya wona ka fase ga boetapele bja Mohlankedimogolophethiši wa Monaoswere, Ngk Angus Paterson, yo a thekgwago ke sehlopha sa khuduthamaga le bašomi.

Go tloga mafelelong a nako ya pego, tlhabollo ye nngwe ye bohlokwa ya taolo e bile go phethwa ga Tumelelano ya Bengdišere magareng ga Tona le Boto ya NRF. Se se swaya kgato ye bohlokwa ya go hlakiša ditebelelo, go maatlafatša boikarabelo le go tlišetša kamano magareng ga Bolaodiphethiši le Boto.

Ditirišano di sa le motheo go khuetšo ya NRF. Tekanyo ya maikemišetšo a dinyakišišo le boitlhamelo a Afrika Borwa e ka se rwalwe ke NRF e nnoši. E ithekgile ka tirišano ye maatla go ralala le mmušo, diyunibesithi, makgotla a mahlale, intasteri, badirišani ba boditšhabatšhaba, banyakišiši le ditšhaba. Boto e lemoga le go leboga seabe sa badirišani ba, kudukudu mo nakong yeo go yona dithibelo tša methopo di nyakago kgokaganyo ye e lego ka boomo kudu le mekgwa ye e nago le boitlhamelo kudu ya go aba ditšhelete le phethagatšo.

Boto gape e dula e gopola gore mošomo wa NRF ga se wa swanela go ahlolwa fela ka ditšweletšwa, eupša ka seabe sa yona setšhabeng. Bokgoni bja dinyakišišo bo swanetše go bolokwa, eupša gape bo swanetše go fetolela go tsebo, bokgoni, mananeokgoparara, temogo ya pholisi le boitlhamelo tše di thekgago tlhabollo ya Afrika Borwa. Se se bohlokwa kudu ka dikarolong tša go swana le maphelo, enetši, go kgotlelela tlelaemete, tšhireletšo ya dijo, tšweletšo ya maemo a godimo, phetogo ya titšithale le tlhabollo ya ekonomi ye e akaretšago bohle.

Legatong la Boto, ke leboga go tšwa pelong go Tona ya Saense, Theknolotši le Boitlhamelo, Prof B. E. Nzimande, le go Kgoro ya Saense, Theknolotši le Boitlhamelo ka thekgo ya bona ye e tšwelago pele le go tsenela. Ke leboga gape maloko a ka a Boto, Mohlankedimogolophethiši wa

Monaoswere, sehlopha sa taolo ya khuduthamaga, bašomi ba NRF, banyakišiši, baithuti, baitlhamedi le badirišani go ralala le Tshepedišo ya Bosetšhaba ya Boitlhamelo ka seabe sa bona mošomong wo o bontšhitšwego ka go pego ye.

Ge Boto ya bjale e batamela mafelelong a nako ya yona, re dira bjalo ka tshepo ka ga bohlokwa bjo bo sa felego bja taolelo ya NRF le ka bokgoni bja sehlolongwa bja go tšwela pele go direla tshepedišo ya dinyakišišo le boitlhamelo ya Afrika Borwa. Kgato ye e latelago e tla hloka nepišo ye e tšwelago pele tielelong ya boetapele, go tšwela pele ga ditšhelete, go kgotlelela ga mananeokgoparara, phetogo, tirišano le boleng bja setšhaba bja dinyakišišo. Ditlapele tše di tla ba bohlokwa go netefatšeng gore NRF e dula e le mohlokamedi yo a tshepagalago wa dipeeletšo tša setšhaba saenseng, dinyakišišong le boitlhamelong, le mohlohleletši wa tsebo ye e tšwetšago pele tlhabollo ya Afrika Borwa.



Prof Ari Sitas

Modulasetulo wa Boto ya NRF

Setheo sa Dinyakišišo sa Bosetšhaba

11 August 2026

CHIEF EXECUTIVE OFFICER'S OVERVIEW

Financial overview of the operations of the NRF

The NRF derives its income primarily from the Parliamentary Grant, contracts with the Department of Science, Technology and Innovation (DSTI), income generated through partnerships, and revenue from commercial activities such as the sale of radioisotope production. During the 2025/26 financial year, the Parliamentary Grant was R984 million, DSTI contracts amounted to R4.1 billion, other contract income amounted to R732 million, sales revenue reached R153 million, and interest income was R66 million. As a result, total NRF income increased by 12%, from R5.4 billion in 2024/25 to R6.1 billion in 2025/26.

The NRF's expenditure trends largely mirrored the increase in income. Total expenditure, including capital expenditure, increased by 13%, from R5.4 billion in 2024/25 to R6 billion in 2025/26, primarily due to higher research funding expenditure and increased investment in infrastructure.



Research funding expenditure increased by 8%, from R2.4 billion to R2.6 billion. This is attributed to increased grants claimed by Higher Education Institutions, as well as increased funding allocated by the Department of Higher Education and Training (DHET) Scarce Skills Development Fund.

Capital expenditure increased by R315 million during the year under review. The principal drivers of infrastructure expenditure included the MeerKAT extension project, the South African Research Infrastructure Roadmap (SARIR) projects at SAEON, and the commencement of costs associated with the Square Kilometre Array Observatory (SKAO) Host Buildings project.

Capacity constraints and challenges facing the NRF

The NRF continues to experience capacity constraints, particularly in attracting and retaining specialised skills in areas such as data science, engineering, digital systems and nuclear science. These challenges are compounded by the organisation's limited ability to compete fully with private sector remuneration levels.

Operational challenges also emerged during the reporting period, including infrastructure-related downtime, notably at the Separated Sector Cyclotron, and the impact of system transitions on processes such as researcher rating reviews.

Externally, fiscal constraints, exchange rate volatility and global uncertainty placed additional pressure on the organisation's operating environment. Increasing demand for postgraduate funding and science engagement services further stretched available resources



Discontinued key activities/activities to be discontinued

No major activities were discontinued during the financial year, and none are anticipated to be discontinued in the foreseeable future.

New or proposed key activities

During the Medium-Term Expenditure Framework (MTEF) period, the NRF will continue to advance several strategic initiatives aimed at strengthening its impact, including:

- Expanding research and human capacity productivity within the National System of Innovation through targeted institutional capacity interventions directed at Historically Disadvantaged Institutions, including the NRF Universities Programme and Collaborations Initiative.
- Building a future generation of thought leaders capable of pioneering solutions to emerging technological, geopolitical and environmental opportunities and challenges.
- Ensuring that research and innovation remain central to national development and occupy a prominent place in government policy formulation and implementation.
- Advancing resource mobilisation strategies to support the NRF's long-term sustainability and relevance by ensuring that funding levels are aligned with the scope of its mandate.
- Driving the digital transformation of the organisation to improve efficiency, enhance the quality and reach of services, and support sound data-driven decision-making.
- Enhancing the societal impact of investments in National Facilities through infrastructure development and research-driven innovations in products and governance.
- Increasing the focus on science engagement as a mechanism for building a scientifically informed and inclusive society.
- Investing more in climate change and artificial intelligence (AI) research to support responses to significant global changes and opportunities being driven by these developments.

Requests for roll over of funds

The NRF closed the 2025/26 financial year with minimal unspent funds amounting to R5.6 million relative to its overall budget of R6.5 billion. These funds are primarily committed to ongoing projects, procurement processes and infrastructure investments, particularly those with multi-year implementation timelines. Where necessary, applications for roll-over of funds will be submitted in accordance with National Treasury guidelines.

Supply chain management

The NRF continued to implement its Annual Procurement Plan in line with applicable legislation and National Treasury regulations. Procurement activities supported infrastructure development, operational requirements and programme delivery. The 2025/26 Procurement Plan comprised 181 planned bids with a total value of R610 million. Of these, 167 bids amounting to R643 million were awarded, representing an achievement rate of 93%. The NRF continued to strengthen its procurement processes by enhancing planning, monitoring and reporting mechanisms. The use of digital procurement platforms and strengthened internal controls contributed to greater efficiency and transparency.

All concluded unsolicited bid proposals for the year under review

The Supply Chain Management (SCM) Policy provides clear guidelines and processes for the consideration of unsolicited bids. No unsolicited bids were concluded during the year under review.

Whether SCM processes and systems are in place

Supply Chain Management (SCM) processes and systems remain in place and operational, with no material breakdowns identified during the reporting period. The NRF continues to strengthen its SCM environment through improved planning, enhanced governance oversight and alignment with National Treasury prescripts.

Challenges experienced and how they were resolved

Key challenges experienced during the reporting period included:

- Infrastructure downtime affecting research outputs and revenue streams;
- Capacity constraints in critical skills areas.

These challenges were addressed through targeted interventions, including strengthening infrastructure maintenance plans, enhancing digital systems, improving operational coordination and implementing resource mobilisation initiatives to supplement available funding.

Audit report matters in the previous year and how it 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.

Refer to page 125 of the Report of the Auditors, published as Part F: Financial Information.

Outlook/Plans for the future to address financial challenges

Despite the current South African economic outlook, 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. In addition, the NRF has established a Business Advancement function to maximise resource efficiency for the NRF operations and to significantly increase income from other sources.

Events after the reporting date

No material adjusting events were identified after 31 March 2026 that would have a significant impact on the financial position or performance of the NRF.

Economic viability

The NRF remains a financially viable and sustainable organisation. Its working capital ratio stands at 1.2:1, indicating a healthy liquidity position. Furthermore, the NRF's

total assets exceed its total liabilities by a ratio of 3.2:1. Accordingly, the NRF remains in a strong financial position and continues to be regarded as a going concern.

Acknowledgement/s or appreciation

I wish to extend my sincere appreciation to the NRF Board for its strategic guidance and oversight during the year. My gratitude also goes to the executive management team and all NRF staff for their commitment, resilience and professionalism in delivering on the organisation's mandate.

We also acknowledge the continued support of the Department of Science, Technology and Innovation and our partners across academia and the international community. Finally, I thank the researchers, students and stakeholders whose contributions continue to strengthen the National System of Innovation and enhance the impact of the NRF.

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

None.



Dr Angus Paterson

Acting Chief Executive Officer
National Research Foundation

11 August 2026

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 on 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 125.

The Annual Financial Statements set out on pages 130 to 204, which have been prepared on the going concern basis, were approved by the Accounting Authority on the 28 July 2026. 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 2026.

Yours faithfully



Chief Executive Officer (Acting)

Dr Angus Paterson

11 August 2026



Chairperson of the Board

Prof Ari Sitas

11 August 2026

STRATEGIC OVERVIEW

01

Vision

The NRF's strategic vision is one in which knowledge and research are at the epicentre of national development. It is about a knowledge and research enterprise whose products and effects bring about the advancement of the frontiers of knowledge; improve the quality of life for the people of our country; improve the competitiveness of strategic sectors and industries of our economy; provide for better protection and preservation of our national natural heritage; and lead to elevation of the technological base of our country. All of these are in order to bring about a better society through research.



02

Mission

To enable and facilitate the contribution of knowledge and scientific research to national development.



03

Values

The NRF's shared values reflect the organisation's core ethics and principles. They are lived values that inspire employees and articulate the NRF's aspirations regarding workplace behaviour and institutional culture. The NRF's values support its long-term strategic direction and the critical success factors of the knowledge enterprise being transformation, impact, excellence and sustainability. They are listed in diagram below.



Figure 1: NRF Values



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.

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:

- 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.
- Developing, supporting and maintaining National Research Facilities.
- Supporting and promoting public awareness of, and engagement with science.

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.

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 2030 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 advancements 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

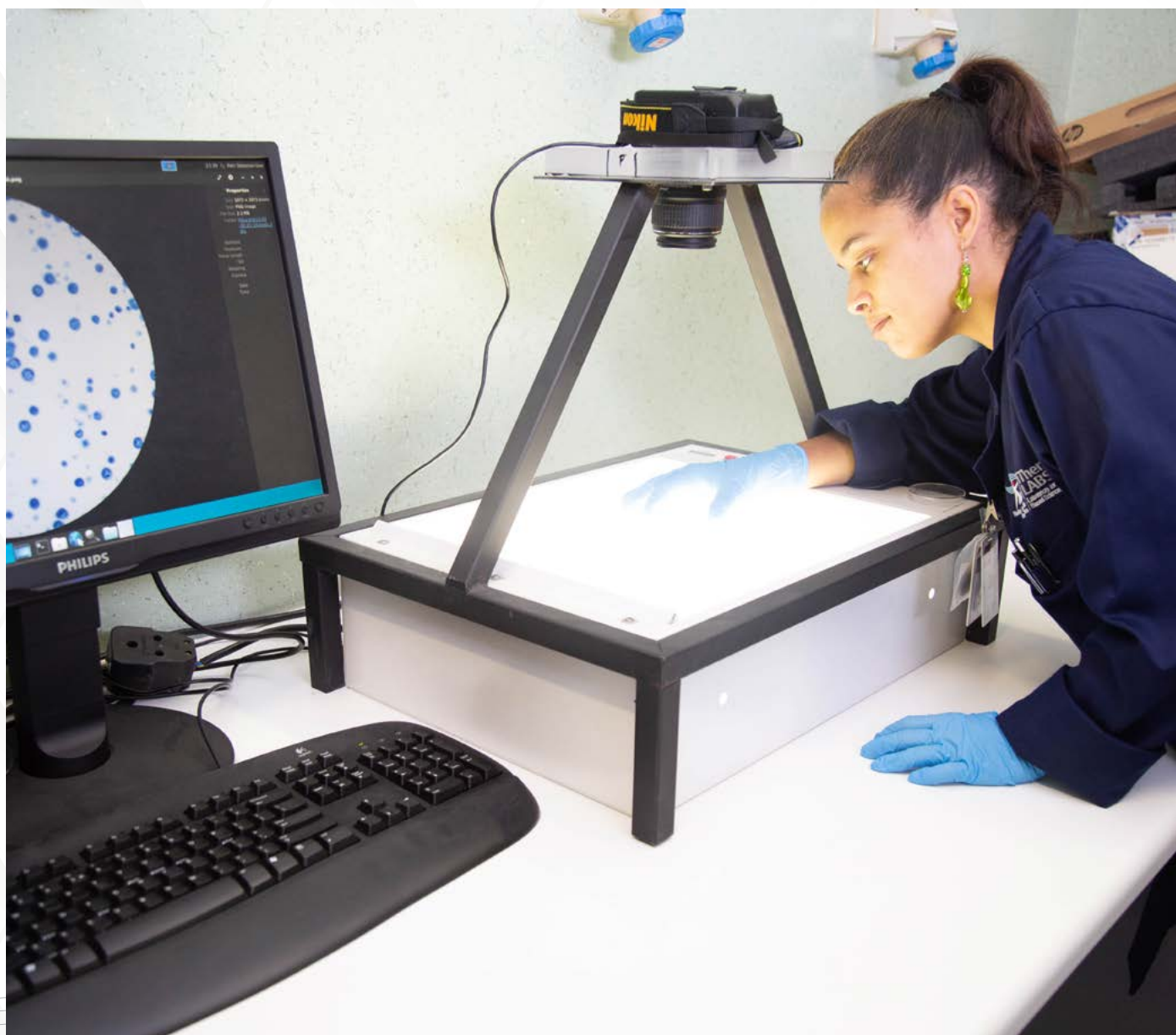
White Paper 3 emphasises a holistic approach to transformation, balancing the transformation imperative with the need for expansion and development. It advances a higher education and research sector that is responsive to the needs of a democratic society and an inclusive economy. In addition, White 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 and Antarctic, Biotechnology, Palaeosciences and Nanotechnology.



ORGANISATIONAL STRUCTURE

The NRF service delivery and internal functions are organised into four budget 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 (its organogram) allocates and assigns work in a matrix approach, with a divisional structure that ensures a unified line of sight of service delivery of programme outputs and outcomes performed by multiple operating units. The divisions 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.

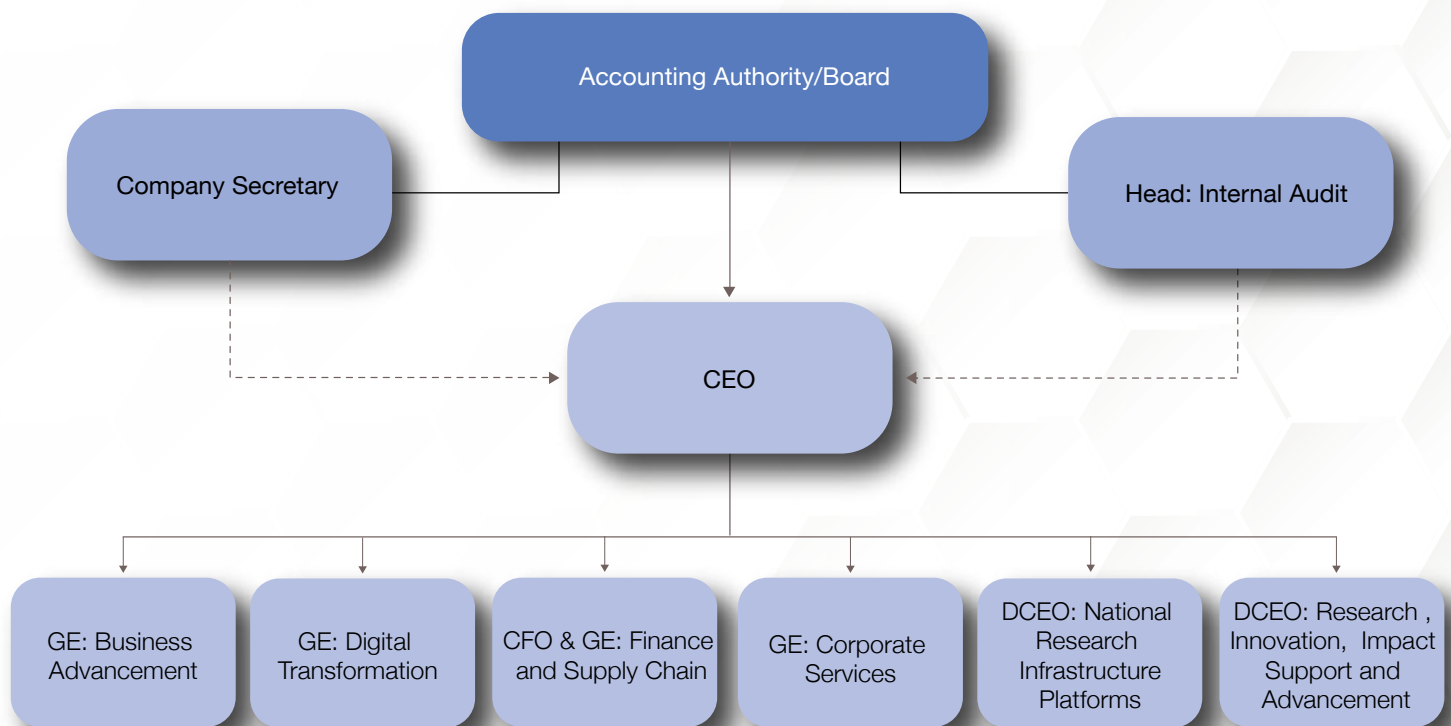


Figure 2: High-level Organisational Structure

8.1. The NRF Board Profiles



Prof Ari Sitas

Chairperson of the Board

Prof Sitas is an Emeritus Professor at the University of Cape Town and an Honorary Professor at the University of Stellenbosch, with a PhD in Sociology from the University of the Witwatersrand (1984). A social scientist, poet, dramatist and musician, he held senior academic roles at the University of KwaZulu-Natal and UCT, and served as President of the South African Sociological Association and Vice-President for Programmes of the International Sociological Association. He was the principal author of the Charter for the Future of the Humanities and Social Sciences, and served as Chair of both the National Institute for the Humanities and Social Sciences and the South African BRICS Think Tank. He was awarded the Order of Mapungubwe in Silver in 2019 for his contributions to social science, policy and creative work.



Prof Glenda Gray

Board Member

Prof Gray is a distinguished Professor and Executive Director of the Infectious Disease and Oncology Research Institute in the Faculty of Health Sciences at the University of the Witwatersrand, and a Professor in Vaccine and Infectious Disease at the Fred Hutchinson Cancer Research Center. She serves as Chief Scientific Officer at the SAMRC and has expertise in HIV vaccinology, serving as Co-Principal Investigator of the international NIH-funded HIV Vaccine Trials Network. She co-founded the Perinatal HIV Research Unit at Chris Hani Baragwanath Hospital and has achieved an NRF A-rating three times. For her research she received the Nelson Mandela Health and Human Rights Award, the Order of Mapungubwe, the EDCTP's Outstanding African Scientist Award, the John F.W. Herschel Medal (Royal Society of South Africa) and the ASSAF Science for Society Gold Medal. She is a member of the US National Academy of Medicine, the African Academy of Science, The World Academy of Sciences, the American Academy of Microbiology, and ASSAF.



Ms Lahlane Hellen Malema

Board Member

Chairperson of Board Procurement Committee

Ms Malema is a corporate attorney and board director with a 25-year career bridging complex legal practice, executive leadership, and board-level governance. She is dedicated to upholding legal and governance compliance, ethical oversight, accountability and sustainable corporate success within the public and private sector. Ms Malema possesses the ability to balance legal risk with business objectives while fostering integrity, transparency and operational excellence.

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

Dr Mabatho Ntomb'zikhona Mutshekwané (Ntombi)

Board Member



Dr Mutshekwané is the founder of the Mutsh Group of companies, which is comprised of Dr Mutshekwané 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. Nadine has the following qualifications: Higher Education Diploma, BA in Education, Honours and Master's degrees in Adult and Community Education and PhD in Teacher Education. She collaborates with international partners such as the University of Helsinki and the University of Birmingham and Hong Kong. She previously 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

Board Member

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 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

Board Member

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. Had a number of Fellowships at Harvard University and the University of Michigan, she 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 an 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 an NRF-rated scientist. She was coronated as the Queen Mother of Research and Development by the Abeadze Traditional Council of the Abeadze State, Ghana. She was the Deputy Vice-Chancellor of 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 Phaswana-Mafuya is the Council for Higher Education appointee on the Board



Prof Teboho Audrey Moja

Board Member

Chairperson of Remuneration & HR Committee

Prof Moja is an Emerita 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 has an honorary Doctorate from the University of Pretoria.

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 holds various leadership roles in the transport and logistics sector. Professionally, he plays an active role to advance the areas of development planning, sustainable built environment, and context appropriate policy choices. He holds a PhD in Engineering in the field of transportation engineering. He is a registered professional engineer with the Engineering Council of South Africa. Other current and past roles include being 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 boards; 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 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 of those years he spent as a senior manager and has spent a number of years working on operations and entities 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 HR/Remuneration and Social Ethics Committees (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, and a Master's of Business Administration. She is a certified Project Management Professional (PMI) and 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 an MSc degree in Banking and Finance from the University of London. He has spent the last 23 years at The Banking Association of South Africa (BASA), first as a General Manager: Financial Markets and currently Head of their Prudential Division. 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 is also the executive director of the Centre of Excellence in Financial Services, a private sector think tank that conducts research into friction points in the financial sector.

The NRF Corporate **Executive**

Dr Angus Paterson

Deputy CEO: National Research Infrastructure Platforms

Acting CEO: NRF



Dr Angus 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.

Dr Gugu Moche

Deputy CEO: Research, Innovation, Impact Support and Advancement

Acting Group Executive: Digital Transformation



Dr Moche is the Deputy CEO: Research, Innovation, Impact Support and Advancement and the Acting Group Executive: Digital Transformation. 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.



Mr Bishen Singh

Chief Financial Officer

Group Executive: Finance and Supply Chain

Bishen Singh is the CFO and Group Executive: Finance and Supply Chain at the National Research Foundation. His career spans across diverse functional domains in Finance, SCM, Risk Management, ICT & Business Systems, Audit and Governance, Retail, Shipping, Higher Education, Banking and Research Sectors. He is responsible for the strategic management and leadership of the Finance and Supply Chain Functions and serves on various key corporate executive structures of the NRF as well as external Boards/Councils. He holds a B.Com degree (Accounting and Industrial Psychology), B.Com 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. He is a certified Ethics Officer (The Ethics Institute) and Certified Director (IoDSA).



Dr Sepo Hachigonta

Head for Strategic Partnerships, Networking and Resourcing

Acting Group Executive: Business Advancement

Dr Sepo Hachigonta serves as Head for Strategic Partnerships, Networking and Resourcing at the National Research Foundation (NRF). He holds master's and doctoral degrees in Environmental Science from the University of Cape Town. His research interests focus on transdisciplinary science and Africa's science, technology, and innovation (STI) policy landscape.

He played a pivotal role in developing and strengthening the higher education and research ecosystem across South Africa and the region. In his current role, he spearheads the NRF's bilateral and multilateral partnerships and has led numerous programmes to enhance research capacity, science-policy linkages, and innovation systems. He has been instrumental in designing key regional initiatives, including the Southern African Systems Analysis Centre (SASAC), the Africa Open Science Platform (AOSP), and the Science Granting Councils Initiative in sub-Saharan Africa (SGCI).

An active scholar, Dr Hachigonta has authored more than 60 publications, with a specific focus on the interface between research and policy. He possesses a strong network of collaborators across Africa and beyond, with expertise spanning strategic stakeholder engagement across public and private sectors to nurture partnerships that bridge science, policy, and practice.

He also contributes to governance on national and international stages, including serving as Vice Council Chair of the International Institute for Applied Systems Analysis (IIASA).

Part B

Performance Information



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 125 of the Report of the Auditors, published as Part F: Financial Information.

OVERVIEW OF **PERFORMANCE**

The performance of the NRF against the planned targets committed in the 2025/26 Annual Performance Plan stands at the achievement of 18 out of 21. This constitutes an 86% achievement of planned annual targets.

The targets for indicators linked to the organisation's core mandate, and which contribute substantially to the Strategic Plan 2030, the STI Decadal Plan 2022–2032, and the MTDP priorities and outcomes, have been achieved and in some cases exceeded. These include:

- Stabilisation and marginal increase in the number of funded postgraduate students and funded researchers;
- Increase in rated researchers; a strong pipeline of intellectual property and know-how projects;
- Stable inflow of translated research and research management data and outputs into decision-making and policy advice; and

- Optimised and growing platform of science engagement initiatives coordinated both sectorally, and nationally.

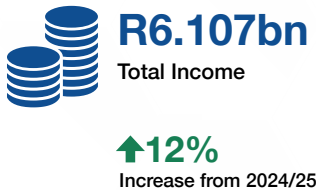
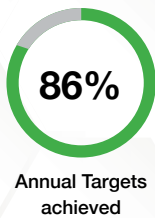
The missed targets relate to:

- Built-up backlogs that affected reviews of 2025/26 NRF-rating applications; however, the number of rated researchers grew by 7% in 2025/26 compared to 1.4% in 2024/25. The reviews of the 2025/26 rating applications are expected to be completed by mid-2026/27.
- Service and income receipt timing on services provided by NRF-SARAO for the SKAO.
- The downtime of Aging SSC resulting in lower available beam time which impacted on the overall operationally available beam time factor for nuclear research and isotope production infrastructure platforms. The lack of a functional UPS has made operations challenging during power interruptions.

NRF 2025/26

ANNUAL REPORT AT A GLANCE

Delivering Research Excellence for South Africa



1 PERFORMANCE AND DELIVERY TRENDS

Indicator	2025/26 Result	Trend Signal	Public Meaning
Annual Targets Achieved	18 of 21 targets	● Strong delivery despite constraints	Most planned commitments were delivered.
Science engagement public interventions	14 against a target of 13	● Above target	More opportunities for communities and Learners to engage with science.
Future of work skills interventions	18 against a target of 16	● Above target	Expanded STEM support for learners, students and educators
Research ratings	4 892 against a target of 4 952	● Slight shortfall	Backlogs linked to system transition are being addressed.

2 FINANCIAL AND PARTNERSHIP SNAPSHOT

INCOME AND EXPENDITURE	RESOURCE MOBILISATION
Total income increased from R5.435 billion to R6.107 billion, while total expenditure increased to R6.060 billion.	The NRF secured approximately R192 million from international and private partners, exceeding the R120 million target.
2024/25 2025/26	PARTNER FUNDING Target R120m Actual R192m 160% Achievement

3 RESEARCH INFRASTRUCTURE AND KNOWLEDGE IMPACT

Area	Evidence from 2025/26	Why it matters	INFRASTRUCTURE PERFORMANCE
Strong use of national facilities	MeerKAT receptors achieved 95% operational availability; SAEON near real-time data availability reached 95%; SALT operational availability reached 83%.	Researchers continued to access world-class platforms for discovery, data and innovation	MeerKAT 95% SAEON 95% SALT 83% iThemba Labs 65%
Operational pressure points	iThemba LABS accelerator beam time availability was 65%; below the 75% target due to breakdowns.	Ageing infrastructure and energy resilience remain strategic risks requiring sustained investment.	
Knowledge outputs	NRF National facilities produced 664 Web of Science publications; citation impact reached 1.51.	NRF research outputs remain above global and national citation benchmarks.	
Innovation pipeline	27 active intellectual property products were recorded against a target of 22.	The innovation pipeline remained stable and exceeded expectations.	Ageing infrastructure and energy resilience remain strategic risks requiring sustained investment.

4 RISKS AND OPPORTUNITIES

KEY RISKS		KEY OPPORTUNITIES
⚠ Infrastructure downtime and ageing assets		✅ Deepening international and private partnerships
⚠ Fiscal constraints and funding pressures		✅ Diversifying resource mobilisation
⚠ Shortage of scarce and specialised skills		✅ Strengthening research excellence and impact
⚠ System upgrades and transition timelines		✅ Growing innovation and knowledge conversion

OUR PURPOSE



Advance knowledge and innovation for the benefit South Africa through research funding, infrastructure, human capital development and knowledge mobilisation.

KEY MESSAGE



The NRF remained resilient and effective in a constrained operating environment, delivering strong performance in research funding, science engagement, resource mobilisation and research infrastructure, while managing pressures related to infrastructure downtime, fiscal constraints, specialised skills and system upgrades.



5 951

Postgraduate students funded

77%

Full-Cost support



3 355

Researchers Funded

29%

Above Target



228 185

Patient doses Generated from Radioisotopes



29

Technical and Policy Briefs produced

5 FINANCIAL SNAPSHOT

FINANCIAL HEALTH

The NRF remained financially viable, with a working capital ratio of 1:1 and total assets exceeding liabilities by 3.2:1

WORKING CAPITAL RATIO

1.2 : 1

ASSETS : LIABILITIES

3.2 : 1

6 HUMAN CAPITAL AND TRANSFORMATION



5 951

Post graduate students funded

77%

Full-Cost Support

Support exceeded target, strengthening the national pipeline of high-level skills.



3 355

Researchers funded

29%

Above Target

Higher grant uptake and improved grants management supported research community.



1 664

Emerging researcher grant-holders supported

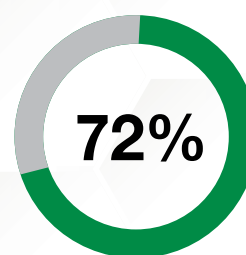
Continued investment in early-career researchers supports long-term system sustainability.



72%

Representation from designated groups at PEROMNES levels 1-7

Target exceeded by 5 percentage points, showing progress in transformation.



Representation from Designated Groups

Target exceeded by 5 percentage points

7 KNOWLEDGE AND INNOVATIONS OUTPUTS



664

Web of Science Publications



1.51

Citation Impact



27

Active Intellectual Property Products



29

Technical and Policy Briefs



Innovation pipeline remained stable and above expectations

9 EXECUTIVE SUMMARY

The NRF remained resilient in a constrained fiscal environment achieving 86% of planned targets while strengthening research funding, expanding science engagement, mobilising additional partnerships and maintaining sound financial sustainability.

PERFORMANCE

18 of 21 targets achieved



FINANCIAL HEALTH

12% Income growth



RESEARCH IMPACT

664 publications
Citation growth 1.51



PUBLIC VALUE

228 185 patient doses produced
5 951 students funded



8 PUBLIC VALUE: WHAT THE ANNUAL REPORT SHOWS



Science is reaching more people: public engagement and STEM skills interventions exceeded annual targets, expanding science literacy and learner exposure.



Research support remains strong: postgraduate and researcher funding exceeded planned targets, supporting the next generation of scientists and academics.



Partnerships are becoming more important: international and private partner funding exceeded target and helped supplement constrained public funding.



Infrastructure is both a strength and a risk: several platforms performed well, while cyclotron downtime and ageing systems affected isotope production and beam-time availability.



Governance and financial position remain stable: the NRF continued to operate as a viable going concern, with sound internal controls and active audit processes underway.

Service Delivery Environment

During the 2025/26 financial year, the National Research Foundation (NRF) operated within a dynamic service delivery environment shaped by both domestic and global events. These conditions influenced the organisation's ability to deliver on its mandate of supporting, promoting and advancing research, human capital development, science engagement, and the provision of research infrastructure in support of the National System of Innovation (NSI).

Service delivery remained focused on providing and facilitating access to funding, collaboration opportunities, and global science and research networks to enhance research impact, strengthen research funding, and develop a globally competitive skills pipeline for the knowledge economy and the future of work, while positioning science and research as indispensable drivers of social and economic development.

The organisation continued to deliver services directly to the public through expanded science engagement initiatives, including national public events and learner-focused STEM interventions, as well as through sustained postgraduate support and research funding. These interventions contributed meaningfully to strengthening scientific literacy, supporting skills development, and enhancing participation in science and innovation.

The service delivery environment was, however, influenced by a range of external factors. Globally, geopolitical uncertainty and shifting patterns of international collaboration affected research partnerships, funding flows, and the procurement of imported equipment and services. Domestically, fiscal constraints, rising inflation in critical operational inputs such as electricity and fuel, and exchange rate volatility created affordability pressures. These conditions required continued prioritisation to ensure that the organisation achieves its performance targets and remains on course to fulfil its mandate and strategic direction.

Energy security and infrastructure reliability remained key operational considerations, particularly for National Facilities that are high energy users such as NRF-SARAO and NRF-iThemba LABS. At the same time, increasing demand for NRF services, especially in postgraduate funding and science engagement, reflected both demographic pressures and national priorities for inclusive development.

Despite these pressures, the NRF maintained service delivery momentum across its programmes. However, challenges were experienced in specific areas, including infrastructure-related downtime, system upgrade transitions affecting outputs such as researcher ratings, and variability in income linked to operational disruptions.

In response, the NRF implemented targeted corrective measures, including strengthening infrastructure maintenance and renewal plans, enhancing digital systems and processes, expanding resource mobilisation efforts, and improving operational efficiencies. These measures supported continued delivery while positioning the organisation to respond to emerging demands.

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

- **Mobilisation of resources:** Resource mobilisation remained a strategic priority for the NRF during the reporting period, particularly within a constrained fiscal environment. The organisation strengthened its efforts to diversify funding sources through international partnerships, donor engagements, and collaborative funding initiatives.
- Significant progress was made in securing funding from international and private partners, contributing to the sustainability of research, human capital development, and innovation programmes. These partnerships not only provided financial support but also enabled collaboration, knowledge exchange, and access to global research networks.
- 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). The NRF continued to support the development of a globally competitive research workforce through sustained investment in postgraduate funding and researcher support. During the reporting period, thousands of postgraduate students were funded, with a strong emphasis on full-cost support and improved access to opportunities for historically disadvantaged groups.
- Support for emerging and established researchers contributed to strengthening the national research pipeline, with a significant proportion of funded researchers representing Black and female researchers, reflecting ongoing transformation efforts.

- The organisation also continued to support early-career researchers through targeted programmes, enhancing career development pathways and increasing participation in the research system. These efforts were complemented by collaborations with higher education institutions and international partners.
- Notwithstanding these achievements, challenges remained in achieving equity targets in certain categories and in attracting and retaining specialised skills. These constraints were addressed through targeted interventions, strengthened institutional partnerships, and ongoing review of funding and support mechanisms, for historically disadvantaged groups.
- Support for emerging and established researchers contributed to strengthening the national research pipeline, with a significant proportion of funded researchers representing Black and female researchers, reflecting ongoing transformation efforts.

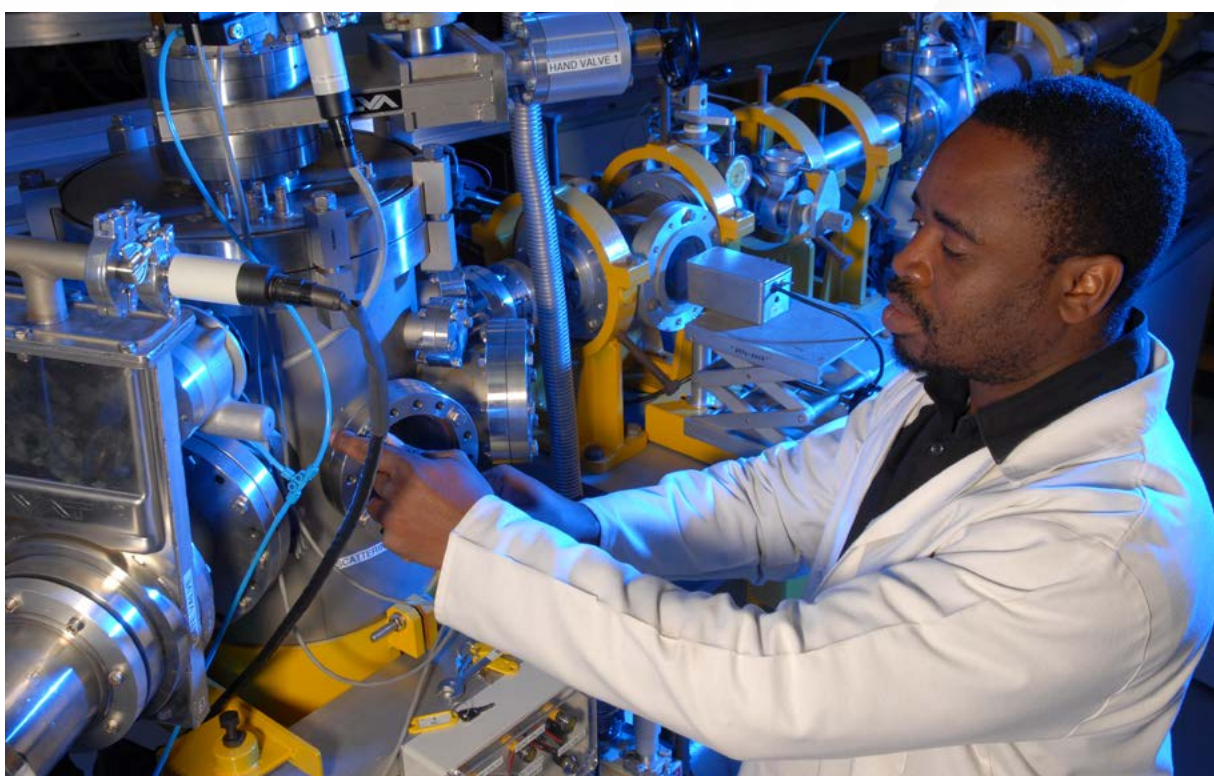
Cutting-edge research

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 sustained its contribution to cutting-edge research through support for high-impact research outputs and the advancement of innovation across its programmes and national facilities.

Research productivity remained strong, with a significant number of peer-reviewed publications produced during the year, many of which were published in high-impact journals. The continued production of policy-relevant research outputs contributed to evidence-based decision-making and national development priorities. This performance demonstrates the continued interest and demand in NRF managing nationally critical research infrastructure in support of the national science system.

The organisation also maintained a stable intellectual property pipeline, with multiple innovation projects progressing through development stages. In addition, notable scientific achievements, including internationally recognised discoveries enabled through NRF-supported infrastructure, highlighted the global relevance and impact of South African research. This underlines the spinoffs of ambitious scientific enterprise in yielding technological and policy innovations in service of society.

Research infrastructure programmes continued to support the acquisition, upgrade, and commissioning of state-of-the-art equipment across research infrastructure platforms. These investments strengthened national research capacity and enabled access to advanced scientific platforms.



Organisational environment

Technology (Information Technology)

The organisation continued its efforts to realise digital transformation outcomes to stay future fit and ensure improved value of its services to the NSI and the broader society. The organisation's technology platforms experienced minor interruptions which were timeously contained without material impact on service delivery.

NRF Operations

The organisational environment of the NRF during 2025/26 was characterised by ongoing transformation, institutional strengthening, and efforts to improve operational efficiency.

The NRF continued to align its operations with Strategy 2030 and national policy frameworks, focusing on improving coordination across programmes and enhancing integration between research, innovation, and science engagement functions. The transition towards more coordinated service delivery across diverse NRF operations continued to contribute to improved alignment of purpose, and gradual development of common support and operations systems platforms. Clarity of line of sight and accountability is assisting the organisation to realise benefits of scale and scope of contribution to national development.

Human capital management remained central to organisational performance. While progress was made in developing internal capacity and supporting staff development, challenges persisted in recruiting and retaining specialised skills and improving equity representation at senior levels.

From a financial perspective, the NRF operated under constrained conditions, necessitating strong cost containment measures, prioritisation of core activities, and enhanced financial oversight. Income diversification efforts contributed positively to financial sustainability, although pressures remained on baseline funding which finances core foundational operations.

Operational challenges encountered included infrastructure upgrade and maintenance requirements, system transition impacts, and capacity limitations. These were partly mitigated through targeted interventions, including strengthened project management, improved internal coordination, and continued investment in systems and processes where feasible. Of key concern during the year was the breakdowns impacting revenue generation of isotopes and a non-functional UPS at iThemba LABS which could not be replaced due to high cost and the lack of funding for such infrastructure. Initial engineering studies and costings have been completed and discussions are being held with the DSTI around funding modalities.

Governance and risk management systems continued to mature, with strengthened internal controls, improved compliance levels, and active management of strategic risks. Emerging risks, including those related to infrastructure resilience, geopolitical uncertainty, energy security, and technological disruption, were integrated into the organisation's Enterprise Risk Management framework.



Key policy developments and legislative changes

The NRF continued to implement its legislative mandate. There were no changes to public policy or legislation during the reporting period.

Progress towards achievement of institutional Impacts and Outcomes

The impact statement of the NRF as outlined in its Strategic Plan 2025/26–2029/30, is “National development enabled through advancing, promoting and supporting research”. To achieve this impact, the organisation has identified six strategic outcomes discussed below.

Outcome 1: Established competitive research workforce that contributes to inclusive economic growth

During the 2025/26 reporting period, NRF reported that 58% of funded grant recipients in the 2025/26 grant year comprised emerging researchers, many of whom had previously benefited from NRF-supported postgraduate funding. The Research Advancement (RA) Business Unit administers the awarding of grants through effective grants management.

Emerging researchers include postdoctoral fellows and early-career researchers in academic or research positions, some of whom have not yet obtained a doctoral qualification. A total of 1,664 active grant holders were supported, mainly through postdoctoral fellowships, Thuthuka, new Generation of Academics Programme (nGAP), Research Infrastructure Professional Programme (RIPP), Black Academics Advancement Programme (BAAP) and NRF-SASOL-Young Academic Advancement Programme (YAAP) and Y-rated awardees.

The increased grant uptake is attributed to higher grant releases and proactive engagement with institutions and grant holders, including institutional visits and onboarding sessions. NRF also strengthened collaboration with higher education institutions to accelerate grant uptake.

Outcome 2: Research that is strategically aligned to economic growth priorities

During the 2025/26 reporting period, progress towards aligning NRF-supported research with national economic growth priorities is evident with 664 publications to date. The NRF has observed a considerable increase in publications over the years, with a slight decline in 2025/26, although levels remain aligned with the historical average.

The availability of Research Infrastructure Platforms (RIPs) enables research that contributes directly to knowledge generation for societal benefit. National Facilities assess this through Web of Science (WoS) publication output, the proportion of NRF journal articles published in journals with an Impact Factor (JIF) ≥ 3 , and the category-normalised citation impact (measured annually) as an indicator of quality. The NRF also measures the proportion of peer-reviewed publications produced by NRF-supported researchers relative to total peer-reviewed outputs in the National System of Innovation (NSI). The NRF ensures the optimal availability of its research platforms to support researchers and students, whose work contributes to scholarly publications. Publication outputs are influenced by several factors, including improved operational availability of research platforms and the establishment of open-access archives, which facilitate greater utilisation of data by the scientific community. These, among other factors, contribute positively to publication outcomes.

Outcome 3: Responsiveness of funded research to societal challenges

The available evidence indicates strong and consistent alignment of NRF-funded research outputs to the Societal Grand Challenges, particularly within the environmental and biodiversity domains, although measurement remains partly indicative.

Overall, while quantitative system-wide reporting is still maturing, the qualitative evidence suggests that NRF-funded research, particularly within its National Facilities is strongly oriented towards addressing key societal and environmental challenges.

At least four engaged research projects took place. The Grasslands Node collaborated with the Mahlatini Development Foundation to quantify spring water flows in three villages in the Northern Drakensberg, contributing to improved local water resource management. In addition, the node's Maputaland Coastal Plain (MCP) Landscape Long-Term Ecological Research (LTER) platform includes a component focused on identifying alternative, water-sustainable economic activities for local communities, reflecting an integrated approach to environmental sustainability and livelihoods.

Multiple participatory initiatives were undertaken:

- Community-based research with the Keiskamma Trust;
- Teacher training programmes to strengthen science engagement;
- Stakeholder-driven projects in aquaculture and invasive species management; and
- Multi-stakeholder policy initiatives, such as the tilapia study, contributing to evidence-based decision-making.



Outcome 4: Responsive, relevant and credible research of NFs

The NRF National Facilities demonstrate high levels of utilisation of research infrastructure platforms, indicating strong demand and effective deployment of available capacity, notwithstanding operational challenges. The NFs are used extensively globally and nationally by the large number of HEIs, Science Councils and NGOs.

Technology portfolios and IP are expanding at National Facilities, largely driven by in-house engineering capabilities. Most knowledge generated is applied to enhance research infrastructure, while commercialisation is undertaken in line with regulations governing IP from publicly funded research, with a focus on transformation and local uptake.

NRF technology portfolios and IP, led by National Facilities, contribute to addressing societal challenges such as poverty, inequality, public health, and the environment.

Outcome 5: Capable National Science System

The NRF has commenced implementation of its Universities Programmes and Collaborations, which consists of bespoke interventions aimed at improving the research and human capital capacity of Historically Disadvantaged Institutions (HDIs). Five interventions are currently underway in line with expectations set in Strategic Plan 2025/26–2029/30. About 63% of NRF funding goes to the 10 universities with the highest research outputs; and 83% of SARCHI chairs are hosted at the top-output universities. The NRF has recently implemented a number of key initiatives to address the apartheid spatial HEI inequities through a dedicated SARCHI programme in which 41 chairs were awarded.

The review of the NRF rating system is underway to improve its value proposition and ensure its effectiveness in line with the NRF strategic pillars of Transformation, Innovation, Excellence and Sustainability for Impact (TIES4I). NRF

and the DSTI continued to invest in building capacity for national coordination of the science engagement initiatives and reposition its flagship interventions for higher impact, which will see implementation of a repositioned national science event from a one-week event to a month-long event in 2026/27. The national infrastructure platforms are maintaining their cutting edge and globally competitive status with infrastructure projects portfolio scope of expansion, digitisation and maintenance being continuously optimised through engagements with the DSTI, National Treasury and the NRF global partners. The infrastructure managed by the NRF is critical for the sustainability and competitiveness of the national science system.

Outcome 6: A diverse and increased funding from partners to support NRF sustainable R&D projects

For Outcome Indicator, Percentage increase in the Rand value of partnerships for funding research, skills development and access to infrastructure.

The NRF has made meaningful progress in strengthening and diversifying its partnership funding base, although the overall percentage increase is still being consolidated.

The NRF has a stable income stream derived from several sources including the parliamentary grant; DSTI contracts; partner leveraged funds; and other income including radioisotope sales. Significant progress was made in securing funding from international and private partners, supporting the sustainability of research, human capital development, and innovation programmes. These partnerships provided not only financial resources but also opportunities for collaboration, knowledge exchange, and access to global research networks.

INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

Overview of the NRF Budget Programme

Programme 1: Administration

Purpose

Programme 1 comprises support service functions and enterprise-wide coordination capabilities to achieve synergies; share services; realise economies of scale; and provide strategic direction through 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.

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), various applicable laws. National Treasury regulations and prescripts 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; and conceptualises new partnerships and programmes with non-traditional partners of the NRF. It also

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 enhance their 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 to mutually leverage additional resources for collaborative large-scale, multidisciplinary, impact-focused research of national, regional, and global relevance. The purpose 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 service functions and 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 2: Science Engagement

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.

Functions

Programme 2 focuses on science engagement primarily by 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 2030 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 Strategic Outcomes 3: Responsiveness of funded research to societal challenges and Outcome 5: Capable National Science System. The following outputs over the MTEF period are identified to ensure alignment with NRF Strategy 2030:

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

Engaging the public 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.

Supporting 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 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.



Programme 3: Research and Innovation Support and Advancement

Purpose

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

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 2030:

- 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 NRF Strategy 2030 outcomes:

Outcome 1: Established competitive research workforce that contributes to inclusive economic growth.

Outcome 2: Research that is strategically aligned to economic growth priorities.

Outcome 3: Responsiveness of funded research to societal challenges.

Outcome 5: Capable National Science System.

Outcome 6: Diverse and increased funding from partners to support NRF's sustainable R&D projects.

Programme 4: National Research Infrastructure Platforms

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, as well as those South Africa are invested in.
- Support of research infrastructure platforms not formally declared as National Research Facilities.
- Advancement of Science Engagement.
- Development of Human Capacity.
- Development of Institutional Capacity.
- Provision of global Access to Infrastructure.

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 underpins all of these core science disciplines. They support research of strategic importance and give national and international researchers access to “big science” infrastructure.



astronomy and geodesy facilities. NRF-SARAO is primarily an enabler of scientific research through the provision of world-class research platforms to an external 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. The Sutherland-based research facilities are the backbone of this success, with SALT as the flagship. The Sutherland site capabilities are world-class, leveraging international solid connections and collaborations.

Programme 4 interventions and activities are designed and implemented to contribute to NRF Strategy 2030 outcomes:

Outcome 2: Research that is strategically aligned to economic growth priorities.

Outcome 4: Responsive, relevant and credible research of NFs.

Outcome 5: Capable National Science System.

Outcome 6: Diverse and increased funding from partners to support NRF's sustainable R&D projects.



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, SSC, for example, is used for basic nuclear and hadron physics research, as well as radioisotope research. It is also used for the production of medical isotopes for 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 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 that 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

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. Table 8 below provides an account of performance against the predetermined objectives for the 2025/26 financial year. The table includes output indicators and targets for the four NRF Programmes.

Table 1: Outcomes, Output Indicators and Targets for 2025/26

Outcome	Output	Output Indicator	Audited Actual Performance 2023/24	Audited Actual Performance 2024/25	Planned Annual Target 2025/26	Actual Achievement 2025/26	Deviation from planned target to Actual Achievement 2025/26	Reasons for Deviation
PROGRAMME 1: ADMINISTRATION								
Capable national science system	Compliance to PFMA	Outcome of annual audit by AGSA	Clean audit	Clean audit achieved	Unqualified	Clean audit achieved	N/A	N/A
	Financial sustainability	Prudent financial management	New	Break-even financial position	Break-even financial position	Break-even financial position	N/A	N/A
	A transformed leadership and management cohort	Proportion of employees from designated groups at Peromnes levels 1–7	69%	70.4%	67%	72%	5%	Target exceeded by 5% Result of success from targeted recruitment.
A diverse and increased funding from partners to support NRF sustainable R&D projects	Resources mobilised from non-governmental sources	Revenue obtained from private and international partners (excl. SKA and isotope sales) (R million)	New	95	120	192	72	Target exceeded by 60% The deviation is due to more funding received from partners.

Outcome	Output	Output Indicator	Audited Actual Performance 2023/24	Audited Actual Performance 2024/25	Planned Annual Target 2025/26	Actual Achievement 2025/26	Deviation from planned target to Actual Achievement 2025/26	Reasons for Deviation
PROGRAMME 2: SCIENCE ENGAGEMENT								
Capable National Science System	Facilitate and/ or support interventions focusing on the public	Number of public engagements with and in science interventions	16	17	13	14	1	Target exceeded by 8% Target exceeded due to additional interventions through review and update to implementation of science engagement activities/events.
	Develop, support and/ or implement STEM education and career engagement interventions for youth.	Number of interventions supporting the development of skills for the future of work	20	19	16	18	2	Target exceeded by 12% Exceeded due to additional interventions through review and update to implementation of science engagement activities/events.
	Develop, Support and/ or implement interventions that build science engagement capacity	Number of interventions to build SE capacity across the NSI	8	8	6	6	N/A	N/A

Outcome	Output	Output Indicator	Audited Actual Performance 2023/24	Audited Actual Performance 2024/25	Planned Annual Target 2025/26	Actual Achievement 2025/26	Deviation from planned target to Actual Achievement 2025/26	Reasons for Deviation
PROGRAMME 3: RESEARCH AND INNOVATION SUPPORT AND ADVANCEMENT								
Established competitive research workforce that contributes to inclusive economic growth	NRF-funded postgraduate students	Number of NRF-funded postgraduate students	6 179	5 936	5 610	5 951	341	Target exceeded by 6% Exceeded due to more claims on awarded funding. Operational efficiencies and active grants management resulted in 2% increases in the claim rates at Honours, and Doctoral levels respectively.
Research that is strategically aligned to Economic growth priorities	NRF-funded researchers	Number of NRF-funded researchers	3 261	3 212	2 601	3 355	754	Target exceeded by 29% More claims on new awards and carry forwards from prior years. Operational efficiencies and active grants management resulted in a general increase of 12% in research grant funding claim rate from the 2024 to 2025 academic year. This includes a 17% increase in the claim rate at emerging researcher level.
Responsiveness of funded Research to societal challenges								
Capable National Science System	NRF-rated researchers	Number of NRF-rated researchers	4 590	4 655	4 952	4 892	-60	Target missed by 1.2% It is an improvement on the prior year's performance but the target was marginally missed due to not completing some review activities on time.

Outcome	Output	Output Indicator	Audited Actual Performance 2023/24	Audited Actual Performance 2024/25	Planned Annual Target 2025/26	Actual Achievement 2025/26	Deviation from planned target to Actual Achievement 2025/26	Reasons for Deviation
	University Development Programme and Collaborations	Number of interventions for HEIs participating in the University Development Programme and Collaborations	New	New	5	5	N/A	N/A
	Research information to support NSI decision-making	Number of external datasets incorporated into the NRF Research and Development Information Platform	New	5	3	3	N/A	N/A
PROGRAMME 4: NATIONAL RESEARCH INFRASTRUCTURE PLATFORMS								
Research that is strategically aligned to economic growth priorities	Income from services	Foreign income (R million) derived from NFs activities/operations	240	306	376	348	-28	Target missed by 7% Due to delayed income at NRF-SARAO and interruption of isotope production at NRF-iThemba LABS.
	Products and Services	Number of patient doses generated from radioisotopes produced by NRF-iThemba LABS	224 000	192 233	209 000	228 185	19 185	Target exceeded by 9% Exceeded due to strong patient-use supply through better performance of 11 MeV and new production capacity from 70 MeV.



Outcome	Output	Output Indicator	Audited Actual Performance 2023/24	Audited Actual Performance 2024/25	Planned Annual Target 2025/26	Actual Achievement 2025/26	Deviation from planned target to Actual Achievement 2025/26	Reasons for Deviation
	Technology knowhow and IP	Number of active intellectual property products produced or completed (registered or not) at the end of the relevant reporting period	16	27	22	27	5	Target exceeded by 23% IP and know-how pipeline has a longer lead time and therefore resulting in stable pipeline.
Responsive, relevant and credible research of NFs.	Policy and Technical Briefs	Number of technical and policy briefs completed and approved for publication by NFs.	24	27	23	29	6	Target exceeded by 26% More briefs were produced to support policy and technical discussions during the G20 Ocean Summit.
Capable National Science System	Operational Availability of NRF research infrastructure platforms	Percentage (%) operationally available beam time (in hours) of accelerator platforms – NRF-iThemba LABS	New	60% (10 595/17556)	75% (13 226/17556)	65% (11 443/17556)	-10%	Target missed by 10% Due to breakdown period that surpassed planning assumptions.
		Percentage (%) research fleet days (in days) at sea (ACEP) – NRF-SAIAB	New	36% (84/236)	34% (80/236)	37% (88/236)	3%	Target exceeded by 3% Due to favourable weather conditions and minimal unplanned maintenance.

Outcome	Output	Output Indicator	Audited Actual Performance 2023/24	Audited Actual Performance 2024/25	Planned Annual Target 2025/26	Actual Achievement 2025/26	Deviation from planned target to Actual Achievement 2025/26	Reasons for Deviation
		Operational (in days) availability of near real-time research infrastructure platform data – NRF-SAEON	New	90% (275/306)	85% (260/306)	95% (290/306)	10%	Target exceeded by 10% Maintenance efforts delivered more uptime performance across the real time platform.
		Percentage (%) operational time (in hours) availability of SALT – NRF-SAAO	New	94% (3 083/3 273)	80% (2 603/3 273)	83% (2 714/3 273)	3%	Target exceeded by 3% Good recovery from effects of extended maintenance shutdown early in the year.
		Percentage (%) operational time (in hours) availability of 64 MeerKAT receptors – NRF-SARAO	New	97% (531 347/548 352)	90% (493 517/548 352)	95% (519 255/548 352)	5%	Target exceeded by 5% Due to consistent maintenance of the 64 MeerKAT receptors.

Programme Performance for 2025/26

Programme 1: Administration

During the period under review, Programme 1 delivered on the following activities and milestones:

Maintaining a sound system of internal control

During the period under review, the Auditor-General South Africa (AGSA) finalised the 2024/25 audit in July 2025. The organisation maintained its clean audit status as per the previous reporting period. The NRF, together with the AGSA, commenced the process to prepare for the 2025/26 annual audit. Prescribed accountability plans and reports that were due for submission to relevant authorities were submitted in accordance with applicable statutes. These include the 2026/27 Annual Performance Plan and the 2025/26 Quarterly Performance Reports and Financial reports to the DSTI, the Department of Planning, Monitoring and Evaluation (DPME), as well as the National Treasury.

Resource mobilisation

Driving financial diversification remains a key priority for the NRF. During the year under review, NRF assessed multiple data providers and identified Candid as the strategic partner for fundraising mapping. A Candid license was subsequently procured to strengthen donor prospecting. In parallel, the cleaning and optimisation of the alumni database was initiated, laying the foundation for more targeted engagement and fundraising. These initiatives advance the data infrastructure necessary to support the NRF's resource mobilisation objectives.

During the FY, the NRF received approximately R192 million from international and private partners, including a R72 million advance payment from Fondation Botnar for the 2025/26 and 2027 periods.

Key contributions include:

- Fondation Botnar: USD5 million for the u'GOOD research programme.
- German Research Foundation (DFG): R12 million for GRC initiatives and HDI-related projects.
- Mozilla Foundation: R2 million for emerging researcher programmes at HDIs.
- European Union: R5 million through the Partnering for Impact Grant for the Presidential PhD Programme (PPhP), matched by the NRF for a total of R10 million supporting 15 PhD scholars.
- Carnegie Corporation of New York: R9 million for emerging researcher projects.
- British Council (UK): R4 million for student projects with IASA.
- DAAD (Germany): R5 million for student support projects.

Strategic partnership, networks and thought leadership

In addition to maintaining and strengthening existing institutional relationships, the NRF led the formalisation of several new strategic partnerships to expand global reach and enhance national innovation capacity:

- Renewing the MoU with the UK Science and Technology Facilities Council (STFC), reaffirming long-term collaboration in research and innovation infrastructure.
- Signing a new MoU with the Social Sciences and Humanities Research Council of Canada (SSHRC) to strengthen bilateral research partnerships, including piloting in the South Africa–Canada University Network.
- Formalising the agreement with the Technology Innovation Agency (TIA) to support the translation of research into tangible technological innovations.

The NRF remains a key contributor to the National System of Innovation, regionally and globally, through strategic engagements that strengthen support systems, advance research collaborations, and enable South Africa's participation in the global science landscape. During the period under review the NRF continued to play an active and stabilising role in guiding the governance and strategic direction of the Global Research Council (GRC), contributing across all key structures and processes.

This included participation in and coordination of the GRC Governing Board meeting (12 March 2026), the Executive Support Group, the Collaboration and Neutrality Task Group engagements (27 January 2026), the Programme Committee deliberations (28 January 2026), and the International Steering Committee meeting (12 February 2026). Through these platforms, the NRF supported continuity in decision-making, advanced priority thematic areas, and ensured alignment between governance, programme development, and emerging strategic considerations.

Substantive progress has been made during the 2025/26 review period on the intellectual and programmatic agenda for the GRC 2027 Annual Meeting in Cape Town, co-hosted by the NRF and the German Research Foundation (DFG). The discussion paper on Curiosity-Driven Research is now at an advanced stage of development, informed by earlier Scientific Advisory Committee engagements and regional inputs.

The NRF remains a long-term institutional anchor within the GRC. Although its elected Governing Board term ends in May 2026, its role continues through co-hosting the 2027 Annual Meeting and ongoing contributions to the GRC Executive Secretariat. This continuity positions the NRF as a key steward of the GRC's institutional stability, governance, and strategic direction. Overall, these efforts underscore the NRF's sustained leadership in advancing the GRC's governance, inclusivity, and programmatic priorities towards 2027.

Programme 2: Science Engagement

During the reporting period, Programme 2 reflects sustained implementation momentum, strong annual performance, and continued consolidation of programme systems. Programme 2 exceeded its annual targets in all three indicators, positioning the NRF through NRF-SAASTA as fit to coordinate and advance national science engagement objectives, and contributing to the NRF 2030 Impact Statement: Empowered Society Through Science.

While performance remained strong, implementation continued to require active management of contextual constraints. These included uneven science engagement capacity across provinces and business units, infrastructural limitations affecting operational readiness, and staggered adoption of collaboration and reporting tools to strengthen the timely collection of performance information.

Public engagement with and in science

- Public engagement interventions focus on diverse audiences, raising awareness of and fostering appreciation for science and its applications. During the 2025/26 financial year, 14 qualifying interventions were implemented against an annual target of 13. Sixty two (62) public events or clustered initiatives were delivered across the general, environmental, astronomy, indigenous knowledge, and related science engagement streams. Figures 1 and 2 illustrate the intervention activities across the NRF operations and its corresponding geographical footprint, while Table 2 shows interventions and events per area of intervention.

Performance on this indicator was strengthened by a combination of planned and opportunistic public-facing platforms, including conferences and symposia, public science lectures, viewings and tours, public mass participation events, national science platforms, and engaged research activities with structured public components. Collectively, these interventions encouraged public participation, expanded the visibility of science, and enhanced both national and international exposure for South African science engagement.

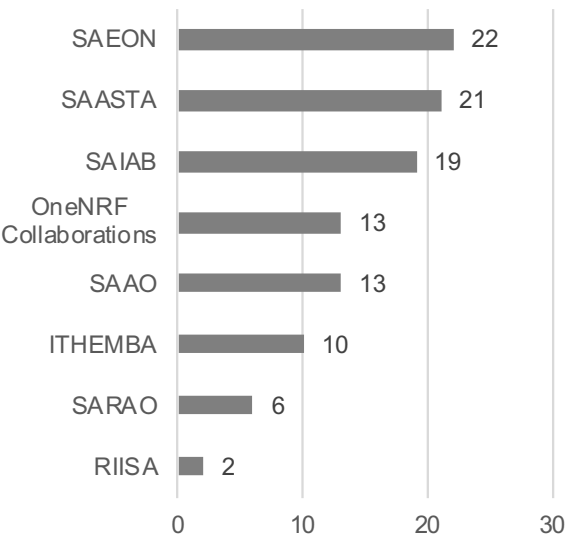


Figure 1: Public Events Participation: NRF Business Unit Contribution (Estimated)

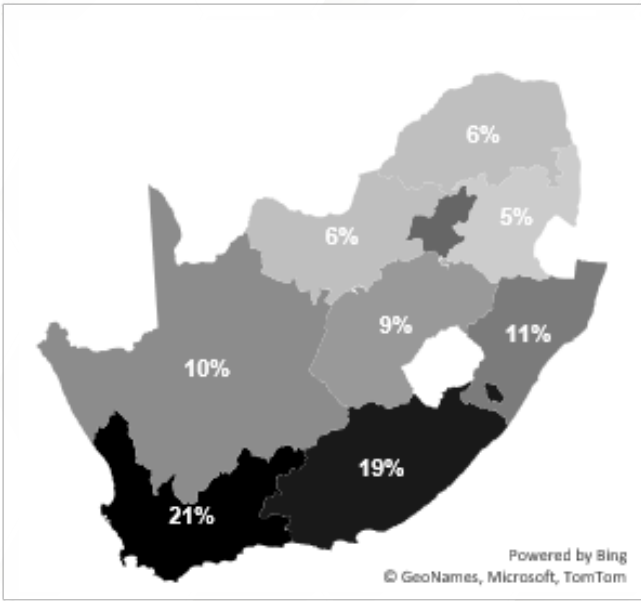


Figure 2: Presentation of estimated provincial spread of events for KPI1: Public



Table 2: Public engagement in and with science interventions

Area of intervention	Number of interventions	Number of events/ initiatives
Public festivals	0	1
Public career exhibition	1	2
Public mass participation	2	12
Public national events	2	2
Public Webinars and Seminars	1	2
Public Conferences and Symposia	3	17
Public Science Lectures, Viewings, and Tours	4	15
Public Research Infrastructure Awareness	0	1
Engaged Research for Society and Citizen-based Science	1	6
Public Science Communication Campaigns	0	4
Total	14	62

In the Spotlight

Science Under African Skies — Pre-SONA Outreach and a Shared Eclipse Experience

In February 2026, the South African Astronomical Observatory (SAAO) hosted a memorable OneNRF science engagement experience in the Western Cape, combining high-level outreach, learner participation, and public astronomy into a single, well-coordinated programme. The Pre-SONA Ministerial Outreach held on 12 February 2026 at SAAO in Cape Town, brought learners from Fezeka High School in Gugulethu and Siyabulela Primary School in Langa together with scientists, policymakers, industry representatives, university students, science communicators, journalists, and members of the public. Reaching 300 participants, the event created a rare platform for direct interaction with astronomers, engineers, scientific infrastructure, and the Minister of Science, Technology and Innovation, Prof Blade Nzimande.

As part of the programme, a coordinated OneNRF exhibition platform showcased the breadth of the NRF system with contributions from multiple NRF facilities. SAEON, through the Egagasini Node, together with SAPRI, EFTEON, and the Fynbos Node, presented engaging displays on marine, polar, freshwater, terrestrial, and biodiversity research, including virtual reality experiences and exhibits linked to South Africa's work in the Southern Ocean, Marion Island, Gough Island, and Antarctica. The momentum of the outreach continued on 17 February 2026 through a partial solar eclipse observation programme at the SAAO site, Siyazakha Primary School, Observatory Junior, Bergvliet High School, and Nyanga Taxi Rank, with viewing support also distributed to science centres and members of the public. Although the eclipse covered only 5% of the Sun, it offered a compelling and accessible opportunity for diverse audiences to witness an astronomical event first-hand and to strengthen their understanding of Sun–Moon–Earth relationships. Together, these activities reflected the power of collaborative science engagement to connect learners and communities with research, public leadership, and the wonder of the universe.



Interventions supporting the development of skills for the future of work

Developing STEM skills for the future of work is essential in preparing learners and students to navigate and contribute meaningfully to a rapidly evolving technological and economic landscape. A range of coordinated interventions, including subject-specific workshops, Olympiads and fairs, career guidance initiatives, role-modelling campaigns, and the development of educational materials, are being implemented to foster the growth of STEM competencies among learners and educators across South Africa.

These interventions aim to enhance critical thinking, problem-solving, digital literacy, and collaboration; key skills required for future careers in STEM fields. Learner and educator workshops provide professional development opportunities and pedagogical support, equipping educators with tools and strategies to better engage learners in STEM subjects. Olympiads and competitions, particularly in science and astronomy, offer structured platforms for learners to apply knowledge, demonstrate creativity, and develop scientific reasoning. The development and dissemination of high-quality STEM educational materials further complement classroom and outreach efforts, ensuring that learners have access to contextually relevant resources. Additionally, career guidance and role-modelling campaigns introduce learners to professionals in STEM fields, encouraging aspirations, promoting the visibility of diverse career pathways, and enhancing learners' confidence and motivation.

During 2025/26 financial year, 18 qualifying interventions were implemented against an annual target of 16, generating 115 learner, student, and educator focused events or clustered initiatives nationally. Delivery spanned the full learner and educator development pathway and included interventions in Olympiads and competitions, STEM career development services, STEM culture creation in schools, STEM content workshops and camps, STEM talent development and tours, research projects in education, train-the-trainer workshops, and STEM curriculum support workshops. The strongest activity volume was recorded in STEM content workshops and camps, followed by STEM curriculum support workshops and career development services. Collectively, these interventions strengthened STEM progression, expanded exposure to research environments and future careers, and reinforced educator capability to support curriculum-aligned and enquiry-based STEM learning.



In the Spotlight

Blue Schools Growing Ocean Stewards Across Inland and Coastal Communities

The Blue Schools Programme stands out as a powerful example of how science engagement can build a lasting STEM culture in schools while helping learners make meaningful connections between science, society, and the environment. Led by SAEON in partnership with DSTI, the programme brought together scientific learning, creativity, field-based exploration, and educator support in a way that made ocean literacy both accessible and relevant. Rather than functioning as a one-off intervention, it created a richer learning experience that encouraged learners to investigate environmental issues, apply scientific methods, and express their understanding in thoughtful and engaging ways.

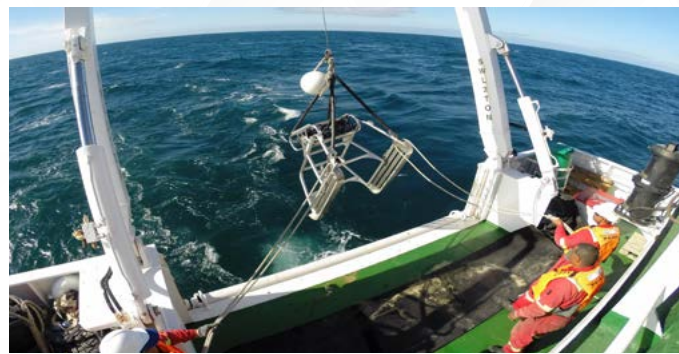
A major feature of the programme was the National Blue Schools Conference hosted at the Nelson Mandela University Ocean Sciences Campus in Gqeberha. Here, learners presented projects on algal blooms, plastic pollution, marine biodiversity, and climate change demonstrating critical thinking, creativity, and a growing ability to apply science to real-world challenges. The programme was further enriched through educator and learner workshops, laboratory exposure, a harbour boat trip, and a visit to Addo Elephant National Park. These experiences gave learners direct exposure to scientific environments and ecological systems, strengthening their understanding through active participation rather than passive learning.

The programme also expanded through transdisciplinary science camps across multiple SAEON Nodes in Kimberley, Sodwana Bay, and Gqeberha, broadening its reach across both inland and coastal communities. Learners engaged in water quality testing, data interpretation, plastic pollution investigations, ocean literacy activities, species identification through iNaturalist, and citizen science approaches, all of which strengthened inquiry and observation skills. At the same time, arts-based methods such as collage, storytelling, photography, posters, poetry, and performance created space for learners to communicate scientific ideas in personal and imaginative ways. This combination of scientific rigour and creative expression gave the programme both educational depth and strong visual impact.

What makes the Blue Schools Programme especially compelling is the way it brought together learner participation, educator development, fieldwork, environmental stewardship, and cross-disciplinary learning into a single, sustained intervention. By showing learners that ocean systems are connected to their own lives and communities, whether inland or coastal, the programme helped position science as something lived, relevant, and empowering. In doing so, it nurtured curiosity, responsibility, and a stronger sense of identity in science among young participants.

Table 3: Interventions to support the development of skills for the future of work

Area of intervention	Number of interventions	Number of events/ initiatives
Talent Identification in Olympiads and Competitions	1	5
STEM Career Development Services	2	15
STEM Culture Creation in Schools	3	16
STEM Content Workshops and Camps for Learners	3	30
STEM Talent Development and Tours for Learners and Students	2	9
Engaged Research in Education for Learners, Students, and Educators	1	3
Train-the-Trainer Workshops for Educators	3	11
STEM Curriculum Support Workshops for Educators	3	26
Total	18	115



Building science engagement capacity across the NSI

Interventions are aimed at achieving the following goals:

- ensure more impactful science engagement by researchers, the media, science communicators and other stakeholders;
- develop the capability to engage varied audiences in research and with current trends and research in science communication; and
- develop high-quality, impactful, and ethical resources that will enhance science engagement for the public.

During the 2025/26 financial year, 6 qualifying interventions were implemented against an annual target of 6. These were implemented through 22 capacity-building events or initiatives. Delivery covered training for science communication, research and researcher capacity building, STEM workforce exposure, training for science engagement and information centres, and STEM network creation. Performance under this indicator reflected stable implementation across the year, with activities consolidated into coherent intervention frameworks. These interventions strengthened the enabling environment for the delivery of sustainable science engagement by improving institutional capability, supporting professional learning, reinforcing quality assurance processes, and strengthening platforms such as science centres and related support networks. Table 4 indicates interventions and corresponding events and initiatives per area of intervention.

Table 4: Interventions to build science engagement capacity across the NSI

Area of intervention	Number of interventions	Number of events/ initiatives
Training for Science Communication	2	10
Research and Researcher Capacity Building	1	5
STEM Workforce Exposure	1	3
Training for Science Engagement and Information Centres	1	1
STEM Network Creation	1	3
Total	6	22

Programme 3: Research and Innovation Support and Advancement

Programme 3 targets were exceeded, with the exception of the target on rated researchers. This target was not met due to a system upgrade; however, the review of the 2025 rating applications will be completed in July 2026, and it is anticipated that the number of rated researchers may increase by more than 900.

Building a transformed Human Capital Development (HCD) pipeline

Funding of Postgraduate Studies

During the reporting period, a total of 5,951 awards were claimed by new and continuing postgraduate students across all levels of study. The high uptake rate reflects active awarding aligned with the DSTI-NRF Postgraduate Student Funding Policy and the Annual Performance Plan (APP) targets, supported by a 15% overallocation of new awards. Of the students funded, 77% received full-cost support (FCS) and 23% received partial-cost support (PCS) .

The target for students with disabilities (1%) was exceeded by 1.5 percentage points, achieving 2.5% overall. The representation of Black South African students was not achieved, with actual performance at 86%, reflecting a 4% shortfall. In contrast, the target for female South African students was exceeded by 9%, reaching 60%. The positive variances are attributed to effective grants management and the allocation of additional and replacement awards to offset cancellations of provisional awards not taken up by the deadline. B = Black; F = Female.

Figure 3: Awards by Study Level: Total, FCS and PCS

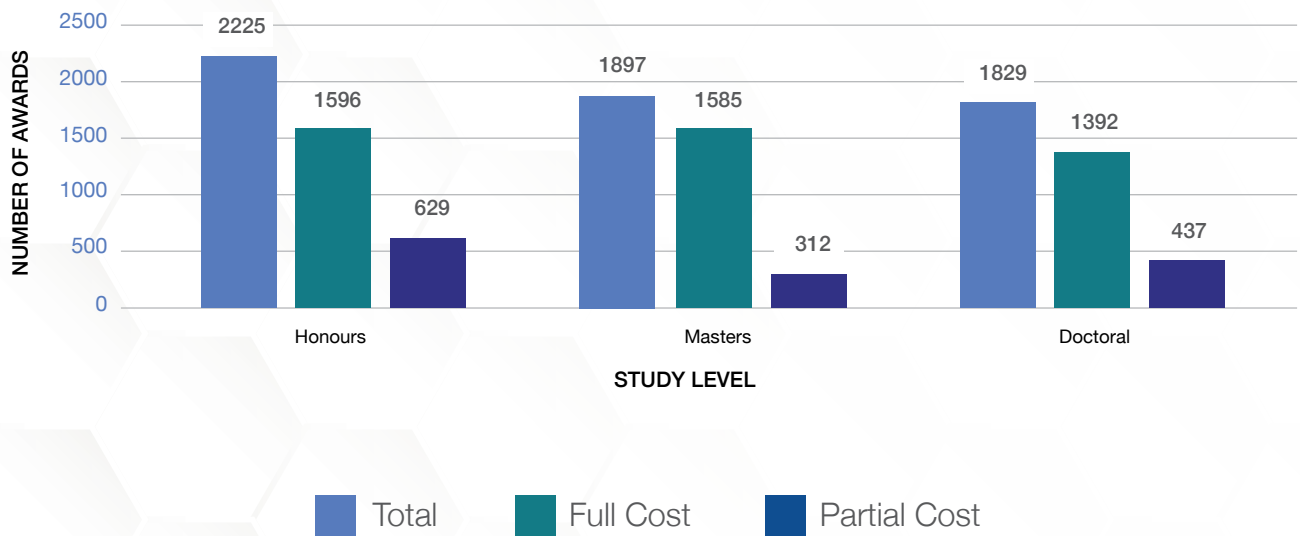


Figure 4: Demographic by Study Level

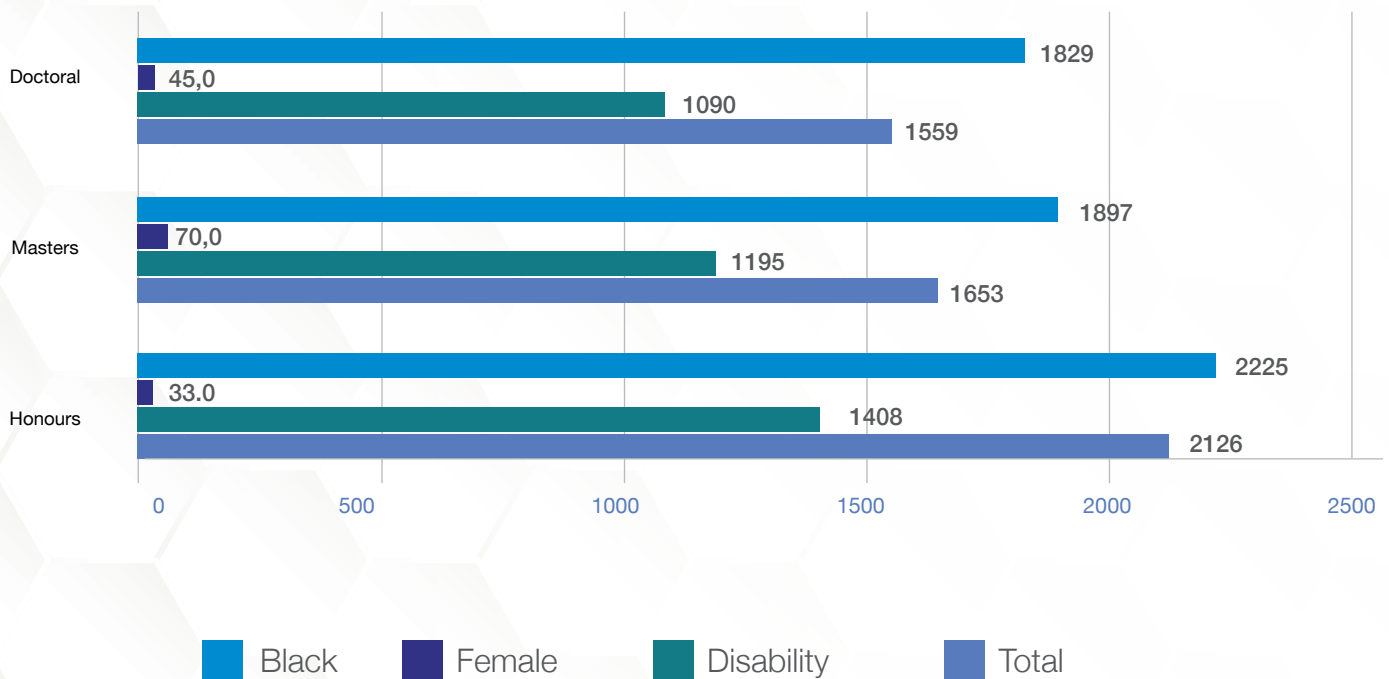
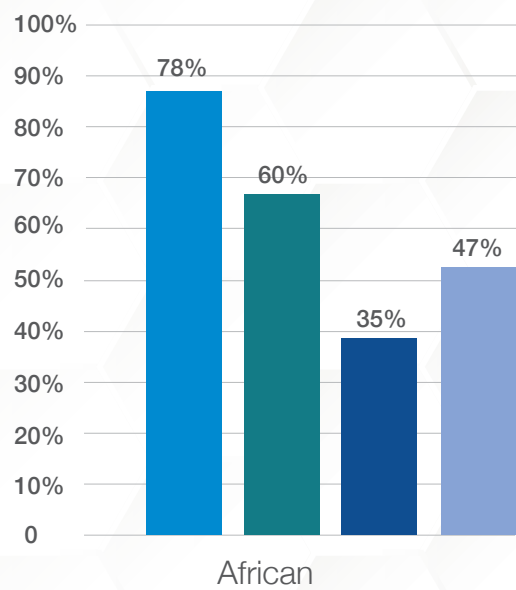
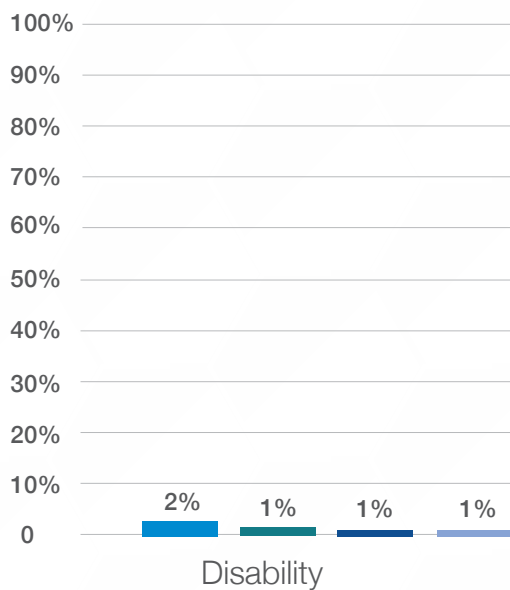
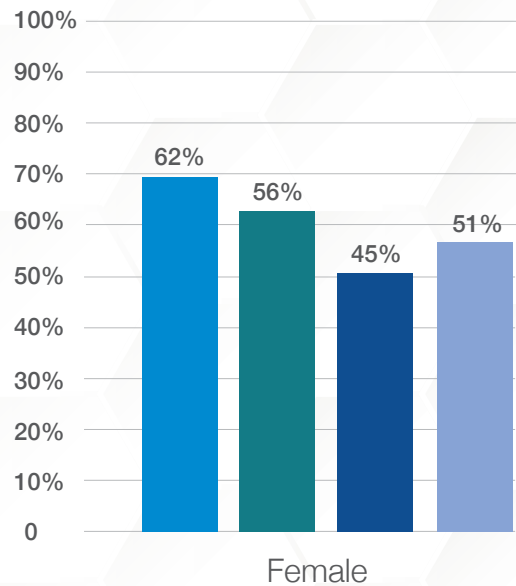
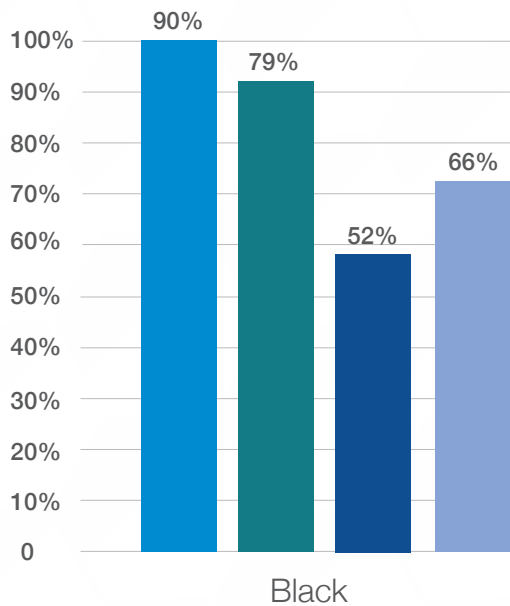


Figure 5: Democratic profile of funded HCD pipeline



PG Emerging Established All researchers

Overall, the NRF's support not only recognises the achievements of Coloured, Black, and African-rated researchers who are pivotal in fostering a world-class research ecosystem, it also strengthens South Africa's research capacity by promoting excellence, equity, and sustained academic leadership.

Research Infrastructure

Strategic Research Equipment (SRE) and the National Equipment Programme (NEP)

The National Equipment Programme (NEP), through a competitive process, provides funding for the acquisition, upgrade, or development of state-of-the-art research equipment for South African public research institutions. A total of R120.80 million was awarded against the 2021/22 NEP grant budget. Of the twenty-one (21) NEP grants awarded, eighteen (18) equipment items have been fully commissioned, and one additional item was commissioned during the 2024/25 financial year. The remaining two (2) equipment items will be commissioned in the 2026/27 financial year. An amount of R2.70 million is not yet released, pending commissioning.

Under the 2022/23 NEP call, twenty-three (23) grants totalling R135 million were awarded against the 2023/24 budget. The cohort comprised eight (8) Black males, six (6) Black females, five (5) White males, and four (4) White females. All awardees initiated procurement during 2023/24 and requested an initial 80% disbursement. Of the awarded funds, R58 million was carried forward into 2024, with R52.65 million (91%) released for expenditure. Institutions claimed and received R52.5 million (99.72%) of this amount. An additional R1.45 million was later claimed and disbursed, bringing total expenditure to R53.95 million. To date, fifteen (15) state-of-the-art equipment items have been commissioned nationally. Two grant holders are still expected to complete commissioning in the 2026/27 financial year.

Table 9 presents the three (3) state-of-the-art research equipment items commissioned by institutions in the 2025/26 financial year. All items were awarded during the 2023/24 funding cycle.

Table 9: State-of-the-art research equipment commissioned in 2025/26

No.	Institution	Equipment Name	Investment Amount
1	University of Fort Hare	ZX 300 Wind LIDAR	R2 903 541.00
2	Nelson Mandela University	Catalyst Characterisation System (Chemisorption Analyser)	R4 456 188.00
3	University of the Witwatersrand	Invitrogen-EVOS M7000 Imaging System	R1 487 988.00
Total Investment Amount			R8 847 717.00

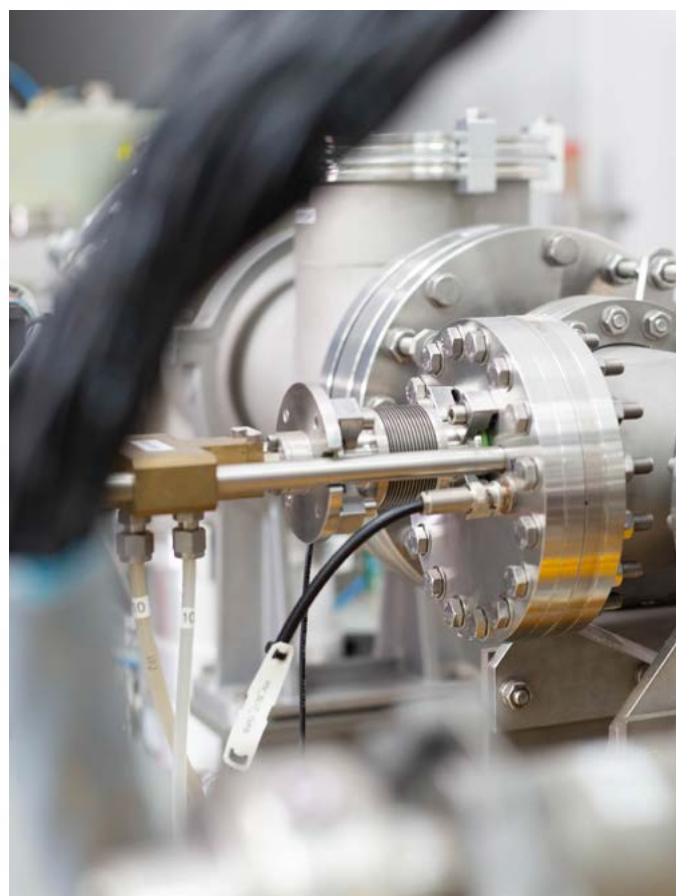
For the 2025/26 NEP Call, twenty eight (28) applications were approved, amounting to R170.39 million in grant funding. Awards were made to 68% Black applicants (15 males and 4 females) and 32% White applicants (5 males and 4 females). Additionally, 37% of the awarded institutions are Historically Disadvantaged Institutions (HDIs).

All twenty eight (28) grants were accepted. Twenty-three (23) awardees submitted pro-forma invoices, resulting in the release of R103.04 million (60%) for expenditure. Of the funds released, institutions claimed R56.55 million (55%), and 100% of the claimed amount was disbursed by the NRF by the fourth quarter of the financial year.

Of the twenty eight (28) awarded grants, only the University of the Free State successfully commissioned its equipment by the fourth quarter of 2025/26, as reflected in Table 11.

Table 10: Research equipment commissioned to date from the 2025 NEP Awardees

No.	Institution	Equipment Name	Investment Amount
1	University of the Free State	Leica Upright Microscope DM6 Laser Microdissection (LMD) system	R2 988 970.00



Research and Innovation Rewards Programme (RIRP)

The National Research Facilities' Research and Innovation Reward Programme (RIRP) aims to enhance the quality and quantity of research outputs produced by research staff and students affiliated with the National Research Facilities (NFs). The programme provides monetary awards for eligible high-quality research outputs generated within the NFs. Rewarded outputs include:

- Peer-reviewed publications indexed on the Web of Science authored by staff of the National Research Facilities.
- Completed Masters and PhD degrees awarded by South African universities to students supervised or co-supervised by staff of the National Research Facilities.
- Patents resulting from research conducted by staff of the National Research Facilities.

Institutional Grants

The Centres of Excellence (CoE) core researchers implement each Centre's research agenda and projects and may be based at the host, co-host or collaborating institutions. Eight (8) DSTI-NRF CoEs and two (2) national institutes, NITheCS and the Institute for the Preparedness and Prevention of Pandemics (IP3), are currently supported. Of the original DSTI-NRF Flagships, only the Tshwane University of Technology (TUT) Flagship remains active, although it received no funding in 2025.

By the end of 2025/26, the demographic profile of the ten (10) Directors and two (2) Co-Directors remained unchanged, comprising five (5) females (42%) and seven (7) males (58%), all South African citizens, including the newly appointed IP3 Interim Director.

In the 2025/26 financial year, the NRF allocated R94.10 million to the second CoE cohort. A total of R103.37 million was claimed and paid, due to the inclusion of 2024 carry-forwards, 2023 reconciliation amounts, mitigation grants and the reinstated annual increase, processed with the second tranche after scholarship deductions.

A saving of R1.04 million was recouped from students who were found to be in full-time employment or whose studies no longer aligned with the CoE mandate. These funds will be returned to the affected CoEs in the 2026 tranches.

NITheCS received an allocation of R38.23 million, while R40.16 million was claimed and paid, also reflecting approved carry-forwards and reconciliation amounts.

IP3 was awarded R60 million for 2025/26, but the funds were not disbursed due to delays in finalising and approving its business plan. The rollover is critical to ensure continuity in establishing and operationalising the Institute and to support planned activities for 2026.

Research Development Information Platform

Following a well-received Data Science presentation at the Research Administrators Workshop during August 2025, seven institutions requested access to the Research Development Information Platform (RDIP). Additional functionality was deployed within the RDIP resulting in the number of institutions gaining access to the platform increasing to 30 institutions representing 155 users. During the last quarter of 2025/26, the Creative Output module was enhanced to include keywords and language fields. The Research Output submission module was improved and the average time to upload and process an institution's file improved from 20 minutes to 2 minutes. The Master Journal List was updated before the module went live for the 2026 reporting process. Considerable progress was made in the development of Institutional Reports to be included in the RDIP early in the next reporting period.

The following new data sets were developed and made accessible to internal and external stakeholders during the reporting period:

- Dashboard displaying all SARCHI funded projects since inception.
- Institutional financial dashboard where individual institutions can access and monitor grants expenditure.
- Rating dashboard: enabling institutions to view the number of rated researchers and their respective categories.

The NRF, in line with its Strategy 2030 and STI Decadal Plan commenced implementation interventions to support the research, human resources and administrative capacity of the HDI and Universities of Technology (UoT) through its Flagship Universities Programmes and Collaborations (UPC). During 2025/26 six interventions have progressed beyond initiation with some already delivering services. The following are being reported for 2025/26:

- UPC-Institutional Research Teams Development.
- UK-STFC/NRF-UPC Research Infrastructure Platforms Programme (Strand 3).
- The BCDI 2030 SA Future leaders Scholarship is specifically targeted at HDIs and will be implemented in a partnership between the Toronto Metropolitan University, Universities South Africa, and the NRF.
- The Research Accelerator Fund for Space Innovation.
- SARChI HDI Call.

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 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

The South African Isotope Facility (SAIF) achieved a significant technical milestone on 24 February, successfully completing target bombardment using a dual proton beam from the 70 MeV cyclotron at 200 μ A per target. Although migration of isotope production to the 70 MeV accelerator remains ongoing, this achievement confirms the readiness and robustness of the facility's upgraded irradiation systems.

MeerKAT Extension

The MeerKAT extension project aims to install 13 additional dishes through international investment. The project is currently delayed and NRF-SARAO is in discussions with the contractor to conclude the outstanding issues including electrical work, defects and as-built drawings. An accelerated schedule is planned.

Steerable Optical Telescopes

The NRF-SAAO steerable telescopes continued to perform exceptionally well, maintaining average uptime above 98%. The 1-metre telescope mirror was successfully recoated in February 2026, following the 1.9-metre mirror aluminisation completed in August 2025. The Intelligent Observatory team also hosted collaborators from the UK's Hartree Centre as part of the STFC-funded Artificial Intelligence project, which continues to progress well.

Human Capacity Development

The National Research Facilities (NFs) continue to invest in intensive human capacity development through designated student-support programmes, primarily implemented in partnership with NRF Programme 3. The HCD activities for the reporting period are outlined below:

- The SAINTS Summer School was hosted at NRF-iThemba LABS (Cape Town) from 12 to 30 January 2026. Thirty students from thirteen South African universities participated, ranging from recent graduates to doctoral candidates. The School, funded by the SA-JINR programme, covered topics including Radiation Safety, Radiation Biology, Nuclear Physics, Particle Physics, Radiochemistry and Monte Carlo radiation-transport modelling. A distinctive feature of this year's School was a collaboration with the Academy of Scientific Research and Technology (ASRT) in Egypt, which enabled livestreamed presentations to students based in Egypt. NRF-iThemba LABS researchers currently co-supervise thirty-seven (37) postgraduate students, of whom thirty-one (31) are engaged in nuclear and particle physics projects. Nineteen (19) students are registered for PhD studies and eighteen (18) for Master's programmes.

- Two Master's and two PhD degrees were awarded to NRF-SAAO-supervised students by the University of Cape Town. A number of students presented their work at the annual African Astronomical Society conference held in Botswana from 22–27 March 2026. NRF-SAAO played an important role at the conference, facilitating workshops on SALT proposal tools, science communication and astro-tourism.
- Through its HCD programme, NRF-SARAO has awarded more than 2,000 scholarships since 2005, contributing to the development of a new generation of scientists, engineers, and researchers in the fields of radio astronomy and related disciplines. It also manages a graduate training programme that supports development of a pipeline for critical skills. These efforts reflect NRF's long-term commitment to nurturing talent and building expertise within South Africa and across the continent.
- NRF-SAEON, The Graduate Student Network (GSN) Induction took place at Fynbos Node in Cape Town on 11–12 March 2026. The session was attended by the incoming committee. This in-person induction provided the new committee with an essential opportunity to meet colleagues before beginning their two-year term. It also allowed them to learn directly from the outgoing committee regarding expectations, tools, and available resources. The aim of the GSN is to encourage, engage build and promote sustainability, academic excellence and communication among postgraduate students in South Africa through research projects in line with the NRF-SAEON scientific scope.

A robust NRF-SAIAB supervision pipeline has been established, with 106 postgraduate students successfully guided to completion. The supervised 106 postgraduate students include 50 Black female students and 20 Black male students, demonstrating meaningful demographic transformation. Additionally, over 40 new postgraduate applications have been received for 2026, many from Historically Black Universities (HBUs). There is a notable trend of increasing progression into postdoctoral and emerging researcher programmes. The active submission of funding applications for postdoctoral and PhD positions for the 2026 intake further demonstrates this upward trajectory. High throughput is consistently maintained, as evidenced by numerous MSc and PhD completions, including Honours degrees awarded with distinction. Structured training initiatives, international exchanges with institutions in the UK and Sweden, and access to advanced technical platforms have collectively contributed to improved completion rates and overall programme success.

Research Infrastructure Platforms resilience

NRF-SAAO faces critical challenges with SALT following the 2025 maintenance shutdown, as the Spherical Aberration Corrector (SAC) optics show severe coating deterioration.



As previously reported, ongoing degradation of the Spherical Aberration Corrector (SAC) coatings remains a significant risk to SALT.

NRF-SARAO faces funding gaps in meeting SKA hosting obligations. Furthermore, challenges persist in recruiting critical skills and filling hard-to-fill positions, particularly in attracting and retaining candidates from designated groups and in improving the representation of females at professionally qualified levels and above.

NRF-iThemba LABS experienced a series of power interruptions which affected operations in throughout 2025/26, resulting in loss of Separated Sector Cyclotron beam time and reduced isotope production. Post maintenance start-up often experienced additional beam time losses due to system failures associated with ageing infrastructure, including power-supply components for the SSC magnets. Following completion of the start-up process, the SSC operated with minimal interruptions and delivered beam exclusively for radioisotope production, with no beam time allocated to the subatomic research programme during this period.

NRF-SAEON Data Centre maintained 99.9% uptime availability at the uLwazi Node. A total of 214 platform and data users were recorded across the different SAEON platforms exceeding the internally set target of 130, where 90% of students were from designated groups. During the reporting period, the real time research infrastructure network showed an average uptime of 94.7%, despite challenges of theft and maintenance downtime.

Access to National and Global Research Infrastructure Platforms

The specialised infrastructure at the TAMS laboratory in Gauteng was utilised for sample analyses through the Accelerator Mass Spectrometer (AMS) and the Environmental Isotope Laboratory (EIL). The AMS supported two commercial and eight academic projects, while the EIL facilities supported eight commercial and two academic projects. At the Tandetron laboratory in Cape Town, the vibrating sample magnetometer (VSM) provided analytical support to six academic projects during the last quarter of 2025/26. In addition, the accelerator facilitated beam time access for a research project at Rhodes University.

NRF-SAIAB expanded its global footprint through international collaborations and open-access biodiversity data, while strengthening transformation through inclusive participation and regional capacity development. It provides unique research platforms spanning ecosystems to genes, supporting priorities like food security, rural livelihoods, water management, and marine planning. Through DSTI-funded ACEP, state-of-the-art marine infrastructure is shared nationally via a competitive open call, enabling collaborative, high-impact research. This infrastructure is made accessible to partnering researchers and institutions across South Africa through a competitive open call process, which is re-advertised every three years. By facilitating the use of this advanced equipment, ACEP promotes collaborative, high-impact marine research and strengthens national capacity in marine science.

Research Productivity and Knowledge Impact

The availability of the Research Infrastructure Platforms (RIPs) enables research activities that directly contribute to knowledge generation for societal benefit. The National Facilities assess this through Web of Science (WoS) publication output, the proportion of NRF-affiliated journal articles published in journals with an Impact Factor (JIF) ≥ 3 , and the category-normalised citation impact at year-end, which is an accepted measure of research quality. Annually, the NRF also reports on the proportion of peer-reviewed publications produced by NRF-supported researchers relative to the total number of peer-reviewed publications generated within the National System of Innovation (NSI).

The overall number of peer-reviewed publications by authors affiliated to the NRF National Facilities as listed on the Web of Science (WoS) for 2025/26 stands at 664 against an internally set benchmark of 615. The performance of 664 WoS publications for 2025/26 presents a notable decline compared to the 744 average of the preceding two years (2023/24–2024/25), although its only marginally lower than the historical average of 699 for publications over the last 5 years. Performance on publications and related indicators is not fully within the NRF's control. NRF NFs ensure maximum availability of the research platforms for researchers and students who publish papers as an output. Various factors contribute to publication outcomes, including improved

operational availability of the research platforms, and open access archives that facilitate greater data utilisation by the scientific community, amongst others. The latest 3-year rolling average for NRF publications is 717, ahead of the aspirational 655 3-year rolling average target per the NRF Strategy 2030.

The notable decline in publications for 2025/26 resulted in a slightly lower 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), with 2025/26 ending at 2.3% compared to an average over the last 5 years of 2.7%.

A total of 644 journal articles were published in the Web of Science in 2025, of which 435 (67.5%) had an impact factor (JIF) ≥ 3 , against an internal benchmark of 65.1%. The JIF measure is discipline specific, with Astronomy & Geodetic Sciences and Nuclear Sciences consistently showing higher ratios compared to Biodiversity & Environmental Sciences. The performance for 2025/26 is aligned with historical trends, though slightly below the latest 5-year average of 69.2%.

NRF actual performance on the category normalised citation index for 2025/26 was 1.51, exceeding the global average of 1.00 and above the overall category normalised citation index for South Africa of 1.24 (NRF +22% above SA). This citation is in line with historical rates, with the exception of 2024/25 which, at 1.64, was above normal average citation. All NFs fared above the global average of 1.00, and for 2025/26 most NFs also exceeded the average for South Africa of 1.24. In line with the JIF trends, Astronomy & Geodetic Sciences and Nuclear Sciences continue to track higher citations compared to Biodiversity & Environmental Sciences.

NRF-iThemba LABS contributed the highest number of publications (236 or 36%) to total NRF publication performance of 664. A total of 229 journal articles were published, of which 186 (81.2%) had an impact factor (JIF) ≥ 3 . Citation impact of NRF-iThemba LABS research output was 1.44, surpassing the global average of 1.00 and the national average for the year of 1.24.

NRF-SAIAB contributed 146 (22%) publications to the NRF total. These outputs reflect high-quality research across estuarine and marine systems, freshwater biodiversity, invasive species management, and aquatic ecology. Key findings were published in reputable, high-impact journals, including the Journal of Fish Biology, Ecological Engineering, and the Zoological Journal of the Linnaean Society. A total of 142 journal articles were published, of which 34 (23.9%) had an impact factor (JIF) ≥ 3 . Citation impact of NRF-SAIAB research output was 1.26, exceeding the global average of 1.00 and the national average for the year of 1.24.

NRF-SAEON contributed 83 (13%) publications to the total for NRF. A total of 79 journal articles were published, of which 45 (57%) had an impact factor (JIF) ≥ 3 . Citation impact of NRF-SAEON research output was 1.08, exceeding the global average of 1.00 and falling slightly below the national average for the year of 1.24.

NRF-SAAO-affiliated researchers contributed 104 (16%) publications to the total for NRF, falling 12% below an internal benchmark of 119 as well as prior year performance of 128. This decline was directly driven by the notable decline in the overall number of peer-reviewed papers based on data from SALT, dropping from a peak of 86 in 2024/25 to 34 in the current reporting period. While the number of papers fell short, the quality of the facility's publication output was favourable, with 92 (91.1%) out of a total of 101 journal articles published having an impact factor (JIF) ≥ 3 . This ratio was the highest across the facilities in the current reporting period, while in the previous year NRF-SAAO output presented the highest JIF ratio. Citation impact of NRF-SAAO research output was 1.46, exceeding the global average of 1.00 and the national average for the year of 1.24, again reflecting the high quality of the publication output from the facility.

NRF-SARAO contributed 107 (16%) publications to the total for NRF. Notably, researchers funded through NRF-SARAO produced 101 papers, surpassing the internal annual target of 12, underscoring the Observatory's scientific leadership and global relevance. A highlight was the discovery of the

most distant and luminous 'megamaser' by (then) PhD student Dr Thato Manamela of the University of Pretoria. The discovery of this 'space laser' was enabled by MeerKAT's exquisite sensitivity and aided by the gravitational lensing and magnification provided by a fortuitously aligned massive intervening galaxy. These systems are signposts of galactic collisions, and the discovery of this one 8 billion light-years away – half-way across the universe – portends the discovery of many more such systems with MeerKAT and SKA-Mid, providing a new probe of galactic evolution across cosmic time.

A total of 105 journal articles were published by NRF-SARAO-affiliated researchers, of which 87 (82.9%) had an impact factor (JIF) ≥ 3 . Citation impact of NRF-SARAO research output was 2.39, significantly exceeding the global average of 1.00 and the national average for the year of 1.24. The high citation is consistent with the latest three-year average from 2022/23 to 2024/25 of 2.39, which saw a remarkable improvement from years prior to 2022/23 when the average citation was ~ 1.50 .

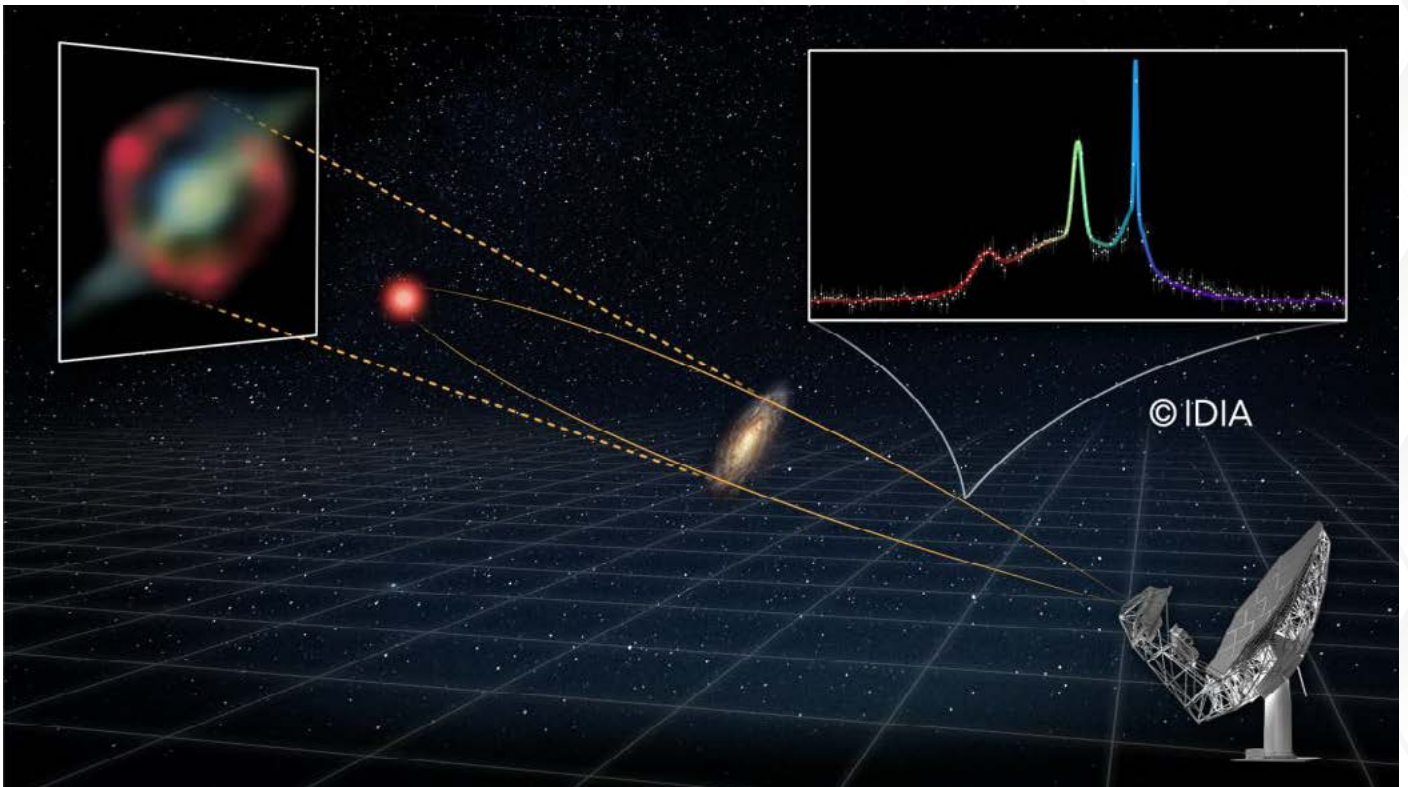


Figure 6: Composite of the discovery of an OH (hydroxyl) megamaser system located at a redshift of $z=1.027$ (ring in upper left inset as seen by the Hubble Space Telescope and red dot in artist's impression; rainbow-coloured MeerKAT spectrum at upper right at frequencies near 830 MHz) in the gravitational lens system HATLAS J142935.3-002 836 located at a redshift of $z\sim 2$ (green galaxy in Hubble image and spiral galaxy in artist's impression). Based on a paper by Manamela et al. accepted for publication in the Monthly Notices of the Royal Astronomical Society.

Research translation for knowledge and societal impact

Policy Briefs For Decision-Making

The decadal plan highlights the need for South Africa to update its policy responses to better integrate Science, Technology and Innovation (STI), including in addressing environmental degradation. In response, the NRF has established a structured pathway to strengthen the role of science in policymaking by promoting evidence-based decision-making in support of sustainable development and conservation. Since the start of 2025/26, 29 policy briefs have been completed, exceeding the annual target of 23.

As the hosts of G20 Ocean Summit, NRF-SAEON convened several working groups with international partners and scientists. This resulted in the production of a number of high-level policy briefs to support engagements among ministries and decision makers.

IP and Know-How

The NRF intellectual property (IP) portfolio remains strong at 27 active intellectual property products under development, reflecting continued long-term innovation activity. At this stage the portfolio is pre-revenue with funding obtained from the technology portfolio, primarily the TIA via the Seed Fund which has accumulatively amounted to R9 million. These funds have contributed to growing the portfolio and positioning it for follow-on support that will allow the technologies to progress closer to commercialisation. Four projects are

currently positioned for commercialisation which will increase the potential for revenue generation.

A detailed proposal is being developed to expand the mechanical workshop's precision manufacturing capabilities, enabling it to play a more significant role within the innovation value chain. The initiative aims to strengthen precision manufacturing at the NRF-SAAO and establish a hardware incubator that fosters innovation. This will ensure that national facilities have access to the infrastructure required for technology and product development, as well as downstream manufacturing.

300um Integral Field Unit has successfully completed laboratory characterisation, demonstrated excellent throughput and confirmed the integrity of its design and assembly. Many lessons were learned and several improvements were implemented during this phase of the SMI 300 development. These improvements focused on the design and optimisation of the optical and fibre assemblies to enhance throughput performance and ease of assembly. Following hardware assembly, the unit was characterised to determine the focal ratio degradation (FRD) and flux throughput see figure 7. Together, these parameters define the overall throughput and performance of the system. The integration of the 300 μm IFU into the Robert Stobie Spectrograph on the SALT is scheduled for April 2026, after which it will transition into routine astronomical operations. Commissioning activities planned for May 2026 will include participation from the Principal Investigator, Dr Sabyasachi Chattopadhyay currently based at the University of Hawaii.

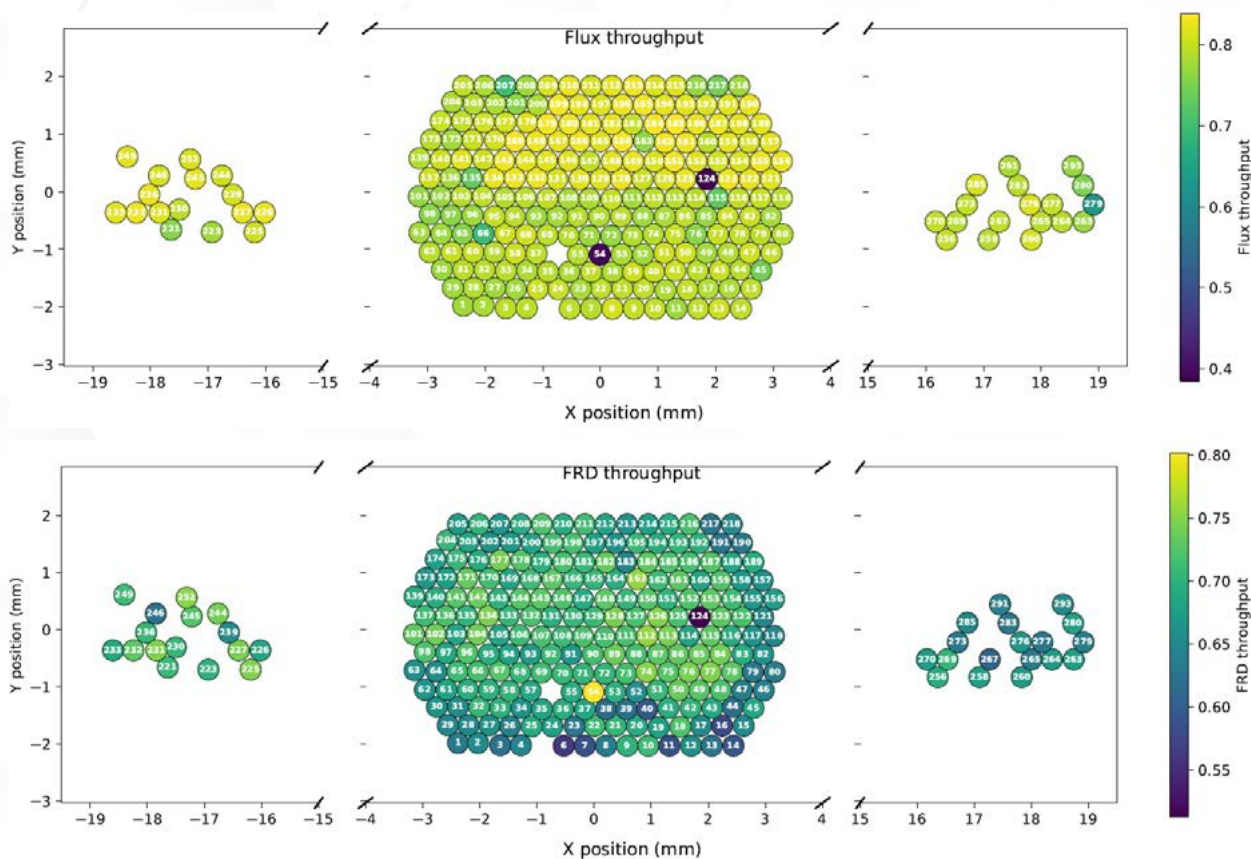


Figure 7: The measured flux and FRD results from the Slitmask Integral Field Unit SMI-300

NRF hosted the Inaugural NRF-SARAO Innovation Awards on Monday, 30 March 2026. The event was dedicated to honouring the inventors, engineers and researchers who have pushed the boundaries of technology and expanded our understanding of the universe. More than 20 recipients were honoured at the event, paying tribute to their contributions toward innovations such as the NRF-SARAO Visitor's Management System, Software Projects, Handheld Bluetooth Detector, Digital Tabletop Precision Milling Machine, Tart-in-a Box, Low-cost engineering prosthetic limb, Immersion cooled server housing, and a GPS Calibrator.

NRF-iThemba LABS successfully renewed the registration of the Ge-68/Ga-68 generator in India until September 2028. The quality systems of the Nuclear Medicine Department were audited from 2 to 3 February 2026 to assess readiness for the Health Canada audit following the submission of the Drug Master File.

Linking performance with budgets

Table 11: Expenditure, including capital expenditure, Trends per Programme 2025/26

Programme	2024/25			2025/26		
	Estimate	Actual Expenditure	(Over)/Under	Estimate	Actual Expenditure	(Over)/Under
	R'000	R'000	R'000	R'000	R'000	R'000
Programme 1	193 703	220 371	(26 668)	266 144	214 677	51 467
Programme 2	121 388	126 580	(5 192)	135 548	147 577	(12 029)
Programme 3	2 543 049	2 607 416	(64 367)	2 716 855	2 817 919	(101 064)
Programme 4	3 025 899	2 607 662	418 237	3 539 169	3 050 403	488 766
Total	5 884 039	5 562 029	322 010	6 657 716	6 230 576	427 140

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 as grants; or indirectly, where each party retains its 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 and 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.

Revenue collection

The NRF total income in 2025/26 is lower than budgeted by R373 million. This is mainly due to contract funding revenue aligning to deliverables with corresponding expenditure accounted for in the year in which the expenditure is incurred. NRF income is largely dominated by contract funding (80% in 2025/26), 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 DSTI contract income decreased by R339 million due to less top-up funding required from the DSTI to cover SKAO obligations and the later than planned placement of contracts for the SKAO buildings. Other contract income decreased because of delayed and lesser activities on SKAO as contracts.

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 capital projects in progress, specifically within NRF-SARAO.

Table 12: Revenue Collection 2025/26

Sources of revenue	2024/25			2025/26		
	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	985 793	941 446	(44 347)	983 623	983 623	-
DSTI contract income	3 927 196	3 524 968	(402 228)	4 503 105	4 164 321	(338 784)
Other contract income	619 195	691 876	72 682	758 954	732 272	(26 682)
Sales revenue	149 579	143 447	(6 132)	171 041	153 454	(17 587)
Interest received	53 501	96 503	43 002	58 512	65 823	7 311
Other Income	4 838	36 810	31 972	5 092	7 693	2 601
Total Income	5 740 102	5 435 050	(305 052)	6 480 327	6 107 186	(373 141)

CAPITAL INVESTMENT

Table 13: Infrastructure Projects Expenditure 2025/26

Project Name	Total Estimated Cost (Original)	Total Estimated Cost (Latest)	2024/25			2025/26		
	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-SARAO: MeerKAT Extension	545,000	555,000	17,100	17,047	53	-	-	-
NRF-SARAO: SKA Engineering Operations Centre (EOC)	142,000	363,000	36,000	35,800	200	217,300	216,600	700
NRF-SARAO: SKA Science Processing Centre (SPC)	607,000	607,000	4,950	4,874	76	48,000	47,932	68
NRF-SARAO: SKA Science Operating Centre (SOC)	450,000	450,000	2,100	2,000	100	17,000	16,900	100
NRF-SARAO: SKA Regional Centre (SRC-ZA)	25,000	25,000	-	-	-	-	-	-
NRF-SARAO: National Park Game Fence	60,000	76,000	-	-	-	80,000	76,606	3,394
NRF-SARAO: SKA Northern Cape Visitor's Science Centre	32,000	31,000	4,000	3,928	72	1,550	1,500	50
NRF-SARAO: SKA Dark Fibre	128,000	128,179	-	-	-	52,000	53,700	(1,700)
NRF-iThemba LABS: SAIF	550,000	592,233	1,750	1,739	11	-	-	-
NRF-iThemba LABS: LeRiB Phase 1 (Low Energy Radioactive Ion Beams)	31,000	32,000	-	-	-	372	373	(1)

Project Name	Total Estimated Cost (Original)	Total Estimated Cost (Latest)	2024/25			2025/26		
	R'000	R'000	Budget R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Budget R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
NRF-iThemba LABS: Technology Innovation Platform (TIP) Phase 2	20,000	20,000	460	454	6	-	-	-
NRF-iThemba LABS: D-block HVAC Replacement and Upgrade	16,000	51,000	-	-	-	-	-	-
NRF-iThemba LABS: SAINTS Infrastructure	11,000	11,000	-	-	-	-	-	-
NRF-SAEON: SAPRI	75,000	75,000	26,825	31,320	(4,495)	26,164	34,740	(8,577)
NRF-SAEON: SMCRI	635,500	635,500	43,215	40,475	2,740	47,078	46,349	729
NRF-SAEON: EFTEON	509,500	509,500	23,262	26,520	(3,258)	23,569	23,334	236
TOTAL	3,837,000	4,161,412	159,662	164,157	(4,495)	513,033	581,035	(5,002)

The MeerKAT+ Extension project expands the MeerKAT array through international investment. Its key milestones include the installation of 13 additional dishes, together with the supporting infrastructure required for the extension. The project progressed well during the financial year, with practical completion achieved for the civil infrastructure works. SARAO is in discussions with the contractor to conclude the outstanding issues, including electrical work, defects and as-built drawings. Upon resolution, payment will be made to the contractor in the new financial year. The MeerKAT+ Extension back-end deliverables which include the Correlator, and Digitiser & Computer Server Infrastructure are also progressing, with completion expected during the next financial year.

The SKA Dark Fibre project provides for the installation of a fibre link between the Northern Cape and Cape Town, connecting the SKA Science Processing Centre (SPC) and other computing hubs. This infrastructure is essential for transporting the large volumes of data generated by the MeerKAT antennas to the SPC and related facilities. After initial administrative delays in previous years, the NRF/SKAO contract was signed in Q2 of 2025/26, and the first payment was made at the end of September 2025. The contract will be implemented over the next 12 months. SKAO will manage the contract and its deliverables, while SARAO will retain the right of use of the infrastructure.

The latest total estimated cost for the SKA Northern Cape Visitor's Science Centre project implementation is R150 million, including design. The tender for the design of the building was awarded in 2024 and the design work was completed during the 2025/26 financial year. Tender specifications are to be completed and the tender is planned to be advertised in 2026/27, subject to approval by the NRF Board and the DSTI commitment on funding the currently estimated funding shortfall of R50 million.

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 estimated 24–30 months to contract completion. The project is on track to be completed by the end of the 2026/27 financial year.

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 September 2024. Phase 1 (design) of the SPC has been completed. An approved prepayment of R47.9 million was made in 2025/26 towards the contract. Design work for the SOC is in progress and on track to be completed by the end

of the 2026/27 financial year. Once design for the SOC is completed, the tender for construction for both the SOC and the SPC will be advertised, after which project implementation (construction) will commence.

The final tender award for the National Park Game Fence (MeerKAT Boundary Fence) project was finalised in Q4 of 2024/25. Significant progress was made on the project during 2025/26, marking practical completion of the project by year-end. 95% of the project costs have been paid with the balance (retention funds) to be paid over the next twelve months.

The SKA Regional Centre (SRC) project is in its planning phase. Development of requirements and specifications for assets was undertaken in 2024/25. The project will be capacitated and implemented in a phased manner. SARAO has requested funding from the Budget Facility for Infrastructure (BFI) and the decision is expected to be completed within the current MTEF. Staff planning will commence in the interim. Hardware is planned to be acquired from 2026/27.

The South African Isotope Facility (SAIF) project comprised three (3) project 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. The project was fully completed by the end of the 2024/25 financial year and minor snags for the SAIF Infrastructure were corrected in 2025/26, hence no capital investment expenditure was recorded for the project in 2025/26.

The Low Energy Radioactive Ion Beams (LeRIB) project aims to establish a research platform designed to produce low-energy radioactive ion beams. It forms part of Phase 1 of the South African Isotope Facility (SAIF), complementing the new



70 MeV cyclotron and laying the foundation for a future Rare Ion Beam (RIB) facility. In short, LeRiB is a cornerstone project that will allow South African researchers to create and study rare radioactive beams, deepening the understanding of how elements form in the universe, while also producing new isotopes with medical and industrial applications. Phase 1, project design and scoping of the building, was completed by the end of Q2 2025/26. Expenditure reflected relates to the LeRiB research facility's ongoing expenses. Additional funding is to be secured for Phase 2 (construction) of the project.

Progress towards implementation of Phase 2 of the Technology Innovation Platform (TIP) project is on hold as funding is still to be secured. Additional funding is required for the development of a cleanroom facility to support detector maintenance, refurbishment and future detector development activities. Hence no capital investment expenditure was recorded for the project in 2025/26.

The D-block HVAC project is to redesign and upgrade the airflow system for the Nuclear Medicine Production Department to ensure an improved production facility for radioisotope and radiopharmaceutical production in compliance with Good Manufacturing Practice (GMP) requirements. Tender processes for the project were completed during the 2025/26 financial year and the bid was tabled for NRF Board approval in April 2026. At the time of writing the bid was approved by the NRF Board and project planning for implementation is underway.

Approximately R11 million is to be secured for the SAINTS Infrastructure project. The project entails building infrastructure for laboratory facilities and student accommodation to enable human capacity development. The project will commence as soon as funding is secured, hence no expenditure was recorded for the project in the 2025/26 financial year.

The DSTI officially launched the South African Research Infrastructure Roadmap (SARIR) in 2016. The SARIR initiative is a high-level strategic and systemic intervention to provide research infrastructure across the entire public research system, building on existing capabilities and strengths, and drawing on future needs. The overall objective of SARIR is to provide a strategic, rational, medium to long-term framework for planning, implementing, monitoring and evaluating the provision of research infrastructures necessary for a competitive and sustainable national system of innovation (NSI). Three (3) of the thirteen (13) large research infrastructures developed as part of SARIR are currently managed by the NRF, namely the South African Polar Research Infrastructure (SAPRI); The Shallow Marine and Coastal Research Infrastructure (SMCRI) and the Expanded Freshwater and Terrestrial Environmental Observation Network (EFTEON). It should be noted that, due to the ongoing nature of these projects, total expenditure reported is a combination of significant operational expenditure as well as capital expenditure, unlike the other projects discussed above, where expenditure is primarily related to capital expenditure. Performance assessment for the SARIR projects is also not

purely related to capital project progress and expenditure milestones but is of a holistic or overall research infrastructure platform performance nature. These three NRF hosted SARIR projects are further discussed below.

The South African Polar Research Infrastructure (SAPRI) was established in 2021 to ensure coordination of South African marine and Antarctic research as a national Big Science programme, providing seamless access to existing and new research infrastructure required to develop and enhance long-term observations of South Africa's marine and polar region. The ultimate objective of SAPRI is to enable balanced research growth across marine and 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):

- Data, Products and Society (DPS);
- Long-term Observations on Land (LTO-Land);
- Long-term Observations of the Ocean (LTO-Ocean); and
- 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. The total estimated cost of the project is R1 billion over 15 years.

A total of R34.7 million was spent on the project over the 2025/26 financial year, R28.5 million (82%) of which related to operational expenditure and R6.2 million (18%) related to capital expenditure. SAPRI total expenditure is on average 33% of the total expenditure for SARIR.

SAPRI delivered a productive year marked by successful field operations, international engagement, and strategic leadership in marine and polar science. Key achievements for the year included:

- successful completion of the Marion Island overwintering team rotation;
- participation in major global platforms including the Ocean20 Summit and the G20 Social Summit;
- SAPRI team representation at the Science Forum South Africa;
- SAEON leadership appointment as the GOOS OCG (Global Ocean Observing System – Observation Coordination Group) co-chair and a member of the OceanObs'29 planning committee, attending the inaugural meeting in Xiamen in November 2025;
- successful glider deployments and infrastructure upgrades; as well as

- strengthened stakeholder partnerships with the signing of a new funding agreement with the University of Cape Town and an addendum with Stellenbosch University.

Operational highlights included successful and extensive fieldwork, outreach and workshops, as well as significant progress made with regards to container laboratory refurbishment.

Key challenges experienced by the SAPRI over the current financial year include:

- no codified MoUs, Terms of Reference, or Service Level Agreements defining the exact roles of SAPRI and its key stakeholders including the Department of Environmental, Forestry and Fisheries (DFFE);
- limited expedition berth allocation for take-over team members on the Marion Island, server/data access issues affecting real-time monitoring; as well as
- space constraints at the Foretrust office facilities.
- SAEON has initiated planning in collaboration with uLwazi and the SMCRI Two Oceans Sentinel Site to address the capacity issues at the Foretrust facility.

Strategic risks for the SAPRI include the funding cycle duration, with the short-term contract (until March 2027) limiting long-term planning and resulting in employment insecurity. Another risk is the less-than-optimal data sharing collaboration among stakeholders and the intergovernmental department relationship with the DFFE.

While SAPRI continues to demonstrate strong scientific and global impact, long-term sustainability and full impact requires stable funding frameworks, improved data governance, stronger institutional collaboration particularly across government departments, and increased staffing capacity.

The Shallow Marine and Coastal Research Infrastructure (SMCRI) was established in 2016 to develop an array of cutting-edge instruments and physical research platforms around the coast of South Africa and its sub-Antarctic islands to collect long-term reliable data for scientific research, enabling decision makers to formulate appropriate environmental policies that will lessen the risk and vulnerability of the coastal zone to climate and global change. The SMCRI is tapping into South Africa's geographical advantage by providing access to cutting-edge research platforms and data at appropriate spatial and temporal scales in all the coastal biogeographic regions from all three oceans to stimulate innovative research and Intellectual Property (IP) generation that is of global relevance. Hosted at SAEON's Elwandle Coastal Node, the project's key activities are:

- Manage, govern, and coordinate the infrastructure-built project;
- Develop, integrate, commission, manage and maintain 15 coastal research platforms; and
- Encourage, manage, and track stakeholder involvement to ensure use and acknowledgement of Research Infrastructure (RI) platforms.

Out of the 3 SARIR projects, SMCRI's expenditure is the highest, at 44% contribution to total SARIR expenditure. A total of R46.3 million was spent on the project over the 2025/26 financial year, R30.4 million (66%) of which related to operational expenditure and R15.9 million (34%) related to capital expenditure.

The SMCRI (and Elwandle Node) delivered a highly successful year of scientific and operational performance, meeting or exceeding most strategic objectives. The SMCRI demonstrated sustained operational excellence across research platforms, data infrastructure, scientific output, and stakeholder engagement. The SMCRI continues to play a critical role in advancing marine and coastal research in South Africa, while contributing to global scientific initiatives, signifying a highly positive return on the infrastructure investment.

Performance highlights for the year include a total of 237 Long-Term Ecological Research (LTER) and research trips which were successfully completed, alongside the analysis of 15,228 samples in the biogeochemistry laboratory, the majority of which were processed for external stakeholders. The Observations Database expanded significantly, with 3,843,030 new observations uploaded for the year, supported by growing user engagement and data accessibility. The SMCRI achieved notable advances in scientific outputs, demonstrating the global significance of SMCRI research, producing 18 peer-reviewed publications, including a high-impact article in Nature Communications, coupled with 3 technical reports and 4 policy briefs. Science engagement activities reached a total of 1,521 beneficiaries, comprising 1,164 learners, 88 students, 81 educators, and 257 members of the public, reflecting the SMCRI's continued commitment to broad-based outreach and capacity development. Key initiatives included school outreach programmes in the Eastern Cape, educator training workshops on scientific methods, and community engagement during Marine Week.

Positive performance across the platform's key operational performance milestones for the year included:

- Research trips completed: 113 on the Coastal Craft Platform.
- Deployments undertaken: 437 BRUV/Lander/SCUBA/Drop Camera deployments, and 101 ROV dives by the MaRIP platform.
- Arrays monitoring: The Acoustic Tracking Array Platform (ATAP) has 94 active arrays monitoring ~1,030 active tags and 46 species around the coast of South Africa. This signalled growth in monitoring capacity from ~970 in Q1 tracking 38 species.
- Users registered: 88 new SMCRI platform users were registered and 15,174 new users of SMCRI databases and websites were recorded for the year (total 15,262), reflecting increased visibility and utilisation of SMCRI data platforms. Significant growth in digital engagement was observed, particularly in Q4 with 7,250 (47%) of the total users for the year of 15,262.
- Knowledge disseminated: 31 conference presentations and 14 scientific talks were delivered by the SMCRI/Elwandle Node representatives.

The collaboration with SA Hyperbaric Medicine (formerly known as Bay Hyperbaric Medicine) has benefited a number of patients that would otherwise not have had access to hyperbaric oxygen therapy. Over the reporting period, a total of 565 chamber dives were logged through the collaboration with SA Hyperbaric Medicine, totalling 1,013 hours. Furthermore, there was extensive collaboration with various national entities over the year, including the DFFE, CMR, WRC, STS, NMU, SANCOR, IMT, Blue Action Fund, DoEL, ACEP, SAICCO, ORI, MCEN and NTF. Staff participated in 26 international engagements related to workshops, webinars, reporting on projects and to establish and develop new collaborations. International entities engaged were EU-KADI, ILTER, GERI, Blue Africa Biodiversity, Nigerian Hydrographic Agency, ICOS, UNESCO, CHARM, Nippon Foundation – Nekton Ocean Census, Blue Africa Carbon and Biodiversity and NEON (USA). These engagements strengthen SMCRI's global research footprint.

Despite these achievements, challenges related to workforce capacity, infrastructure reliability (particularly electricity supply), and transformation targets of platform users impacted performance in specific areas. Corrective measures have been identified and are being implemented.

The Expanded Freshwater and Terrestrial Environmental Observation Network (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 long-term ecological research (LTER) sites and seeks to expand that with the addition of six well-instrumented EFTEON nodes. The project's key activities are:

- Manage, govern, and coordinate the EFTEON Project.
- 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 of biodiversity, productivity and social ecological interactions, especially those related to the provision, management and use of ecosystem services.

- Encourage, manage, and track stakeholder involvement to ensure use and acknowledgement of RI platforms.

A total of R23.3 million was spent on the project over the year, R18.9 million (81%) of which related to operational expenditure and R4.4 million (19%) related to capital expenditure. EFTEON total expenditure was 22% of the total expenditure for SARIR for the year.

The EFTEON demonstrated strong operational, scientific, and strategic performance during the 2025/26 financial year. The EFTEON continuous observation network recorded high data recovery, with all stations operating above 98% uptime (including a Q1 high of 99%), a reflection of network reliability, strong technical capability, effective maintenance systems, and resilience to environmental and operational disruptions. Significant progress was achieved in expanding observation capacity, improving data management systems, and strengthening national and international collaborations. EFTEON delivered sustained performance across its thematic domains – biogeochemistry, hydrology, biodiversity, meteorology, and atmospheric composition – while continuing to support postgraduate research and scientific engagement. Key milestones included the installation of high-altitude monitoring infrastructure, contributions to global datasets such as FLUXNET, and the publication of environmental data on public platforms. Overall, the programme continues to play a critical role in South Africa's long-term environmental observation and research system.

Key performance highlights for the year included:

- Installing the Namahadi Pass weather station at 3,092m in the Northern Drakensberg, the highest active EFTEON station in South Africa implemented in partnership with the University of the Free State;
- Deploying new atmospheric, hydrological, and biogeochemical monitoring systems and strengthened redundancy through additional instrumentation and spares; and
- Securing funding with an award of a ~R20 million NRF/SAEON EFTE contract supporting instrumentation and technician training and development through to 2029.

Scientific contributions included successful data submission to FLUXNET 2025 and European Fluxes Database Cluster, the first publication of real-time raw flux data on SAEON platforms and active participation in global networks (ILTER, ESA, atmospheric science bodies). There was progress on thematic research evidenced by advancements across biogeochemistry (greenhouse gas monitoring); hydrology (water monitoring systems, strategy development), biodiversity (long-term vegetation monitoring) and meteorology and atmospheric composition (ozone, aerosol systems).

In terms of data and systems development, positive progress was made towards standardised data and metadata management, development of EFTEON data management procedures and SOPs, and improved coordination across landscapes. However, data management capacity remains a key constraint, with limited dedicated personnel and incomplete quality-controlled data pipelines.

Operationally, six landscapes maintained stable operations and monitoring programmes, and continued to support postgraduate student research and scientific engagement. Significant investment was made towards technical, safety, and compliance training for staff.

Partnerships and stakeholder engagement was achieved through strong collaboration with universities, SANParks, and national agencies, active participation in international platforms including FLUXNET, IILTER, ESA and continued community engagement through workshops, outreach, and stakeholder forums.

Despite these achievements, operational challenges experienced included limited data management capacity affecting data processing and quality control, supply chain constraints causing procurement delays, critical staffing gaps, and the absence of a Social-Ecological Systems scientist. Targeted corrective actions are underway to address these limitations and support continued programme growth.

EFTEON is well-positioned for continued growth, with strong infrastructure, expanding scientific contributions, and increasing integration into global environmental observation systems. Addressing data management and operational constraints will be critical to unlocking the full value of its growing data assets and research capabilities.



NRF EMPLOYMENT INITIATIVES

CONTRIBUTING TO GOVERNMENT-WIDE SKILLS DEVELOPMENT

In fulfilling its primary mandate of contributing to national development, the National Research Foundation (NRF) supports, promotes and advances research and human capacity development through funding and the provision of essential research infrastructure. These interventions facilitate the generation of knowledge, innovation, and development across all fields of science and technology, including the humanities, social sciences and Indigenous knowledge systems. The organisation contributes to the 2024–2029 Medium-Term Development Plan (MTDP), Strategic Priority 1: Driving inclusive growth and job creation. The table below presents the employment opportunities created through various learning and development initiatives.

The South African Radio Astronomy Observatory (SARAO), a National Facility of the NRF, is dedicated to positioning South Africa as a global leader in radio astronomy. Beyond our scientific mission to design and construct the SKA telescope, we are committed to driving positive socio-economic change in the communities where we operate. This report outlines job creation achieved through our construction and operational activities during the 2025/26 period, highlighting our progress in local employment, subcontracting, and the empowerment of Small, Medium, and Micro-sized Enterprises (SMMEs).

Local Impact Summary: Impact derived from Construction based activity, delivered through contractors of NRF-SARAO and/or SKAO.

Table 14: Local Impact Summary - Impact derived from Construction based activity, delivered through contractors of NRF|SARAO and/or SKAO

Initiative/Programme	Local Employment	Local Spend/ Subcontracting Value	Training/Skills Development Summary
NRF-SARAO Operations	110 employed (73% from local communities)	R8 650 877 (Direct Local Spend Q1–Q4)	Not Applicable
SKA INFRASTRUCTURE 1 PROJECT (PAJV) SKAO contract	451 locally employed people (target was 350) Youth : 190 Male : 156 Female : 64	16 Local Subcontractors appointed R22 194 921.49	Training for 16 subcontractors (Safety, HR, Accounting, etc.) + 10 completed NQF Level 4 Construction Supervisory Training 3x FET N6 Intern placements
CONSTRUCTION OF SKA ENGINEERING OPERATIONS CENTER (WBHO) SARAO contract	150 employed Youth Female : 10 Youth Male: 77 Adult Female: 19 Adult Male: 44	R15 607 890.46 in contracts for 9 local subcontractors	Redbook training for subcontractors + 10 completed NQF Level 4 Construction Supervisory Training
FENCING OF MEERKAT NATIONAL PARK (Hyman Master Fence) SARAO contract	20 Local Employment (Mainly Van Wyksvlei) Youth : 0 Male : 20 Female : 0	R10 273 268 in contracts for 3 local sub-contractors + R5 986 946.90 in procurement	30 locals trained (First Aid, Fire Fighting, SHE Rep, Budgeting, Food Safety, Tools Safety)
REACH & HIRAX Guest Instruments UKZN projects	22 locally employed people	R2 123 300.97 Local Spend	On-the-job training on the construction of Dih structures

4.3 Local SMME Development and Support

NRF-SARAO Implements a Local Economic Development programme which aims to reduce barriers to participation in opportunities emanating from the SKA project. In doing so, it also aims to foster a sustainable local economy that is able to supply demands of the area surrounding the SKA and beyond. To this end, major skills gaps, beyond those provided for by the HCD programme were identified. Interventions to address these gaps have been done, including the training interventions by contractors as stated above, as well as its partners. The following training interventions were implemented in 2025/26:

Activity	Beneficiaries
Youth entrepreneurship day in partnership with the SEDFA.	25 beneficiaries
Training on tendering skills.	17 SMMEs
Workshop and assisting with compliance documentation, including SARS Tax Clearance, CIDB registration, and Central Database of Treasury registration, and conducting skills needs assessments.	48 SMMEs
Trained on building skills facilitated by NHBRC.	24 emerging contractors
Collaborated with the Pixley Ka Seme District to host the Global Entrepreneurship Day in Carnarvon.	Entrepreneurship Development/ Event Hosting
Youth Entrepreneurship Day in partnership with the SEDFA.	17 SMMEs



Table 15 : 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 – 2025/26	Actual spend – 2025/26	How many months 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 disadvantaged youth.	18	18	Included in NYS Budget	Not Provided	12 months	Apr 2024–March 2026
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 million	R14 974 165.16	12 months	12 months
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	R161 000.00	12 months	12 months
Postdocs training	Postgraduate Post-doctoral Fellows are hosted by the NRF-SAEON and are given access to use the SAEON research platforms (research equipment, vehicles and research sites). Work experience	6	6	R7.5 million	R284 999.54	3 years	24–36 months
Graduate in Training (SARAO)	To provide unemployed graduates with valuable work experience.	38	38	R16.4 million	R16 402 697.35	36 months	3-year cycle

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 – 2025/26	Actual spend – 2025/26	How many months 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 skill set.	23	23	R1.3 million	R1.3 million	36 months	3-year cycle
Postdocs training	Provide opportunities to young graduates to fulfil the primary mandate of the NRF to contribute to national development.	1	1	R572 462	R190 821	36 months	3-year cycle
SAIAB Internship	To provide unemployed graduates with valuable work experience and skills to enhance their employability.	3	3	R364 248	R91 062	12 months	12 months
SAIAB Volunteer	To provide unemployed graduates with valuable work experience and skills to enhance their employability.	1	1	N/A	N/A	5	5 months
The SAASTA Volunteer Programme	To provide unemployed graduates with valuable work experience and skills to enhance their employability.	3	3	R22 260	R22 260	12	12 months
Participation in the DSI-HSRC Internship Programme	To provide unemployed graduates with valuable work experience and skills to enhance their employability.	6	6	R37 463	R37 463	24	24 months

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 – 2025/26	Actual spend – 2025/26	How many months is the training/ employment?	Start to End Period (of the current cycle being implemented)
Participation in the Diplomics Programme	To provide unemployed graduates with valuable work experience and skills to enhance their employability.	4	4	R1.4 million	R90 752	12	12 months
PDP Post doctoral 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	R10.7 million	R633 333	36	3-year cycle
Post doctoral Fellowships – SAIAB funded	Provide opportunities to young graduates to fulfil the primary mandate of the NRF to contribute to national development.	7	7	R3.2 million	R527 500	12	12 months
SAIAB Bursaries Supervised Students	Provide opportunities to young graduates to fulfil the primary mandate of the NRF to contribute to national development.	4	4	R284 827	R108 604	12	12 months
SAIAB Supervised Students	Provide opportunities to young graduates to fulfil the primary mandate of the NRF to contribute to national development.	106	106	N/A	N/A	12	12 months
Joint Marine Laboratories	Establish marine laboratories at 4 historically disadvantaged universities, Fort Hare, Walter Sisulu, Zululand and Western Cape.	36	36	N/A	N/A	36	3-year cycle
Postdoctoral NRF Fellowship (Full Cost)	Support early career researchers with full funding for research, and mentorship, enhancing academic and industry employability.	3	3	R4.4 million	R4.4 million	2–4 years	Jun 2022–Mar 2029
Postdoctoral DSTI Fellowship	Provide postdoctoral researchers with project-specific funding to advance international collaborative research.	2	2	R2.2 million	R2 000 613	1 year 8 months–2 years 11 months	May 2024–Oct 2027

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 – 2025/26	Actual spend – 2025/26	How many months is the training/ employment?	Start to End Period (of the current cycle being implemented)
Postgraduate NRF Full Cost Scholarship	Provides full-cost bursaries for postgraduate students, covering tuition, living allowance, and research expenses to develop research skills and enhance employability.	15	15	R1.2 million	R1 243 996	24–36 months	Mar 2024–Mar 2028
Postgraduate NRF Partial Cost Scholarship	Covers tuition only or partial funding for postgraduate students to support research training and academic progression.	9	10	R1.2 million	R1 174 256	24	Feb 2024–Mar 2027
Postgraduate Other Scholarships/Private Funding	Students supported through private, other, or TBC scholarships contributing to research outputs and skills development.	6	7	R1.1 million	R1.1 million	24–60	Feb 2021–Apr 2028
Postgraduate students placed at NFs (iThemba LABS), bursaries paid in April 2026	Developing Industry-Relevant Skills.	19	19	Not Provided	R236 537.00	12	Apr 2026–Mar 2027
Postdocs training (iThemba LABS)	Developing the Next Generation of Researchers.	12	12	R4.8 million	R3.8 million	12	Apr 2025–Mar 2026
Internships (iThemba LABS)	To provide unemployed graduates with valuable work experience and skills to enhance their employability.	18	18	R500 000	R423 300	12	Apr 2025–Mar 2026

Part C

Governance



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 V). 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.

PORTFOLIO COMMITTEES

The Parliamentary Portfolio Committee (PPC) on Science, Technology and Innovation of the National Assembly processes legislation and conducts oversight pertaining to the work of the NRF. During the 2025/26 financial year, The PPC held an oversight meeting on 22 April 2025 and, furthermore, received a briefing on the NRF 2024/25 Annual Report and audit outcomes on 7 October 2025.

EXECUTIVE AUTHORITY

In terms of the Public Finance Management Act (PFMA) and the applicable Treasury Regulations, the Executive Authority requires the NRF to submit prescribed plans and statutory reports within stipulated timeframes. During the 2025/26 financial year, the NRF duly submitted all required plans and reports to the Executive Authority in accordance with these requirements. No concerns or issues were raised by the Executive Authority with respect to the submissions.

Accounting Reports or Plans	Date of Submission
First Quarterly Report 2025/26	21 July 2025
End of Term Strategic Plan 2020–2025 Assessment Report	29 July 2025
Annual Report 2024/25	22 August 2025
Second Quarterly Report 2025/26	20 October 2025
Third Quarterly Report 2025/26	20 January 2026
Fourth Quarterly Report 2025/26	20 April 2026



THE ACCOUNTING AUTHORITY/ BOARD

Introduction

The NRF Board is appointed by the Minister of Science, Technology and Innovation 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.

The Board 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:

- Exercise the duty of utmost care to ensure reasonable protection of the assets and records of the public entity.
- Act with fidelity, honesty, integrity and in the best interest of the public entity in managing the financial affairs of the public entity.
- On request, disclose to the executive authority (the Department of Science, Technology and Innovation (DSTI) 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:

- Retain full and effective control and provide effective and ethical leadership in the best interest of the NRF.
- Inform and set the strategic direction of the NRF and ensure that strategy, risk, performance and sustainability considerations are effectively integrated and appropriately balanced.
- Determine and set the tone for, as well as support the NRF values in order to ensure the principles of an ethical culture, and the requirements of being a responsible corporate citizen.
- 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.
- 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:
- Maximise returns.
- Increase sustainability.
- Safeguard the people, assets and reputation of the NRF.
- Ensure an effective control environment and compliance with applicable laws and regulations.
- Ensure robust and effective oversight through:
 - The appropriate constitution of Board committees;
 - The relationship and discourse with executive management in implementing the strategies, decisions, values and policies; and
 - The effective approach to governance, integrated reporting, risk management and combined assurance.
- Ensure that the organisation has appropriately constituted effective Board committees as required by the PFMA, the Companies Act, and recommended best corporate governance practice.
- Ensure that there is an effective risk based internal audit.

- 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.
- Through the NRF executive management, acting in accordance with the powers determined by the Board, the Board will:
- Give effect to the mandate, objectives and purpose of the NRF with regard to the resources and instruments available.
- 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.
- Determine the strategy to achieve the NRF's purpose and implement NRF values.
- 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.
- 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.
- Approve the NRF Annual Financial Statements (AFS).
- Approve the NRF Annual Performance Report (APR) and the related Key Performance Indicators before submission to the Department of Science, Technology and Innovation (DSTI).
- Review the updated NRF strategic risk register on an annual basis.
- Approve comprehensive NRF human resource development strategies and plans.
- 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.
- 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.

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 with respect to 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 1 April. The Board is compliant with respect to alignment with the NRF Board Charter.



Composition of the Board

Table 16: Board members as of 1 April 2025 to 31 March 2026

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 Aristides Sitas	Chairperson of the Board	01-Dec-25	Active	Doctor of Philosophy, University of the Witwatersrand, Johannesburg	Social Science	None	None	9
Prof Matlagolo Mosa Moshabela	Previous Chairperson of the Board	01-Dec-22	Resigned 30 November 2025	MBCoB, UKZN; Diploma HIV (SA), Colleges of Medicine of South Africa; Master's in Family Medicine, University of Limpopo (MEDUNSA); PhD: Public Health, University of the Witwatersrand; MSc: Demography and Health, London School of Hygiene and Tropical Medicine.	Public and Global Health	Africa Health Research Institute (AHRi) – Director; University of Cape Town (UCT) – Employee; University of KwaZulu-Natal (UKZN) – Honorary Professor.	None	18
Dr Len Konar	Non- Executive Board Member	01-Dec-22	Active	BCom, University of Durban; PGD in Accounting, University of Durban; Chartered Accountant (South Africa); Certificate in Tax Law, UNISA; Certificate in Electricity Tariffs, University of Stellenbosch; Master of Accounting Sciences, University of Illinois; Doctor of Commerce, UNISA; Certification in Risk Management Assurance, USA.	None	The Automotive Industry Development Centre (AIDC) – INED appointed 1 February 2025; Human Sciences Research Council (HSRC) – INED appointed 1 February 2022; OBP – INED appointed 1 April 2 024.	None	36

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
Dr Mathetha Thabo Mokonyama	Non- Executive Board Member	01-Jul-24	Active	PhD Engineering, University of Pretoria, 2015; Master of Engineering Transportation Engineering, University of Pretoria, 2005; Bachelor of Science in Civil Engineering, University of Witwatersrand, 1999.	Sustainable development, transport planning, decision support, operations modelling, service design and experimental design.	Ayota Infratech Solutions – since August 2008; Annual Transport Convention – since June 2023; CSIR – Employee.	None	20
Dr Mabatho Ntombi-zikhona Muthushekane (Ntombi)	Non- Executive Board Member	01-Dec-22	Active	Entrepreneurship in Emerging Economies, Harvard; PGD in Health Technology; Management PG Dipl HTM, UCT; MBL, UNISA (SBL); MBOHB, Sefako Makgatho University (MEDUNSA); Bachelor of Medicine and Surgery.	Emergency medicine, healthcare technologies, digital transformation in healthcare, and SMME development.	Sizekhaya Holdings – NED; Mutsh Medical International (Pty) Ltd – Shareholder; Blue Sands CC – Shareholder; Maatho (Pty) Ltd – Shareholder; Fourth Digital (Pty) Ltd; Dr Mutshekane Inc.; Mutshekane Trust – Investments; Sizekhaya (Pty) Ltd – NED; Houghton Medical Center (Pty) Ltd – Investments; Dikento Property (Pty) Ltd – Investments.	None	25
Mr Mark Brits	Non- Executive Board Member	01-Dec-22	Active	MSc in Financial Management, University of London; BCom, UNISA.	None	Centre of Excellence in Financial Services (COEFS); Banking Ass. of SA.	None	27

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
Mr Mavuso Martin Shabalala	Non- Executive Board Member	01-Jul-24	Active	Bachelor of Social Sciences Degree; Master of Business Leadership (MBL) Degree; Global Remuneration Professional (GRP) certification.	HR Professional	Eaglet Advisory and Coaching Pty Ltd. – Director; Donga Strategic Capital cc – Member; Tibusiso Consolidated Investments cc – Member; Cassavac Advisory and Forensics – Director; Joburg Ballet NPC – Director; Southern African Institute of Government Auditors (SAIGA) – Council Member; SPIDDI Investments Pty Ltd. – Director.	None	33
Ms Funeka Nomasundu Khumalo	Non- Executive Board Member	01-Jul-24	Active	Bachelor of Science, Chemistry, UCT, 1992–1 996; Project Management, Project Management Institute (PMI), 2013; MBA, GIBS, 2009–2010.	Science and Chemistry	None	None	41
Ms Lahlane Hellen Malema	Non- Executive Board Member	01-Dec-22	Active	Admitted Attorney of High Court LLB & B. PROC; University of Limpopo.	Legal practice, legal and governance compliance, ethical oversight, accountability, and sustainable corporate success within the public and private sector.	Malema Attorneys Water Tribunal Legal Practice Council South African Forestry Company - NED - Ekurhuleni Metro Municipality until February 2026	None	36

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 Glenda Gray	Non-Executive Board Member	01-Oct-18; second term 01-Dec-22	Active	MBBCH, University of the Witwatersrand; FCPaed (SA), College of Medicine, South Africa; DSc (honoris causa, SFU); Doctor of Law (honoris causa, Rhodes University).	Medical Science, HIV vaccinology, paediatric infections and clinical research, and product development.	Access to Advanced Health Institute (AAHI) – NED; African Potential Trust – NED; Centre for Educational Research and Innovation (GERI) – NED; HCRISA – NED; caready – NED; Global HIV Vaccine Enterprise at the IAS – International AIDS Society – Committee; NSTF Awards Adjudication Committee/Panel – Committee; NAM – Committee; GARDP (Global Antimicrobial Research and Development Partnership) – Advisory; Presidency National Order Advisory Council – Advisory; Scientific Advisory Board RI-MUHC, McGill Research Institute – Advisory; UCT Council – Advisory.	None	23

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 Nadine Petersen	Non-Executive Board Member	01-Oct-18; second term 01-Dec-22	Active	Higher Diploma in Education (with distinction), Rand College of Education; BA Education (with distinction), University of South Africa; BEd Honours (cum laude), Rand Afrikaans University; MEd (cum laude), Rand Afrikaans University (Minor dissertation: The experience of women academics in a male-dominated environment); PhD, University of Johannesburg (Thesis: Community service learning in teacher education: about 'otherness' and locating the self).	Teacher Education; Higher Education Management; Higher Education and Training; Adult and Community Education	None	None	15
Prof Pamela Maseko	Non-Executive Board Member	01-Dec-22	Active	PGDip in Higher Education, Rhodes University, 2017; Doctor of Philosophy, Rhodes University, 2011, Sociolinguistics; Certificate in Assessor's Course, Rhodes University, 2010, Assessment in HE; Master of Arts, Rhodes University, 2007, Language Policy Studies; Bachelor of Arts (Hons), UWC, 1994, Sociology of Language, Literary Studies.	Sociolinguistics and Language Policy	None	None	27

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 Pumla Gobodo- Madikizela	Non- Executive Board Member	01-Dec-22	Active	PhD in Psychology, UCT, 2000; Master's in Clinical Psychology, Rhodes University, 1984; Honours in Psychology, Fort Hare University, 1978; BA in Social Work, 1977.	Psychology	Institute for Justice and Reconciliation – Board; Hillary & Dorothy Champion Trust.	None	14
Prof Refilwe Phaswana- Mafuya	Non- Executive Board Member	01-Apr-19; second term 01- Dec-22	Active	PhD, UNIN, 1999–2002; MSc (Epi), LSHTM, 2016, University of London; PG Diploma (Epi), LSHTM, University of London, 2013; MA(SW), 1998, University of the North (UNIN), 1997–1998; BA(SW), 1995, University of the North (UNIN), 1991–1994.	Epidemiology, Public Health and Behavioural Sciences, Education Management and Governance	South African Medical Research Council; University of Johannesburg; Pan African Centre for Epidemics Research; Pan African STEM Achievers; RPM Research Academic and Strategy Consultancy (Pty) Ltd.	None	7
Prof Teboho Audrey Moja	Non- Executive Board Member	01-Dec-22	Active	Ph.D., University of Wisconsin, 1985; M.Ed., University of Witwatersrand, 1982; B.Ed., University of the North, 1979; B.A., University of the North, with distinction, 1977.	Education and Policy	None	None	32

Committees

Table 17: Board Committee meetings 01 April 2025 to 31 March 2026

Committee	No. of meetings held	No. of members	Name of members
NRF Board	4 – Board Meetings 4 – Special Board Meetings 10 – In-Committee Board Meetings 1 – Strategic Planning Workshop	14 (Excluding NRF CEO)	As per “Composition of the Board”
Audit & Risk Committee (ARC)	4 – ARC Meetings 2 – Special ARC Meetings 2 – In-Committee ARC Meetings	5	Dr Len Konar (Chair) Dr Ntombi Mutshekwane Ms Lahlane Malema Prof Glenda Gray Ms Funeka Khumalo *Dr Mathetha Mokonyama (Resigned in March 2025)
Board Procurement Committee (BPC)	3 – BPC Meetings	6	Ms Lahlane Malema (Chair) Mr Mark Brits Prof Nadine Petersen Dr Mathetha Mokonyama Ms Funeka Khumalo Mr Mavuso Shabalala *Dr Len Konar (Not a member but a permanent invitee)
Remuneration & HR Committee (RHRC)	5 – RHRC Meetings 2 – Special RHRC Meetings 1 – In-Committee RHRC Meeting	5	Prof Teboho Moja (Chair) Prof Pamela Maseko Ms Funeka Khumalo Prof Glenda Gray Mr Mavuso Shabalala
Research Development Committee (RDC)	2 – RDC Meetings 2 – Special RDC Meetings	6	Prof Pamela Maseko (Chair) Prof Teboho Moja Prof Pumla Gobodo-Madikizela Mr Mark Brits Prof Refilwe Phaswana-Mafuya Dr Ntombi Mutshekwane *Dr Mathetha Mokonyama (Member since 1 April 2026)
Ad-hoc Committee	5 – Board Ad-hoc Committee Meetings	4	Prof Mosa Moshabela Mr Mavuso Shabalala Mr Mark Brits Ms Funeka Khumalo
Board Review Panel	6 – Board Review Panel Meetings	5	Prof Mosa Moshabela Dr Len Konar Prof Pamela Maseko Prof Teboho Moja Ms Lahlane Malema Mr Mavuso Shabalala (Not a member but a permanent invitee)

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

- 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 18: Remuneration of Board members 01 April 2025 to 31 March 2026

Name	Remuneration (R)	Other allowance	Other re-imbursements	Total
Prof Matlagola Mosa Moshabela (Chair – Resigned and served until 30 Nov 2025)	171 636.50	Nil	Nil	171 636.50
Prof Ari Sitas (Chair – New Appointment from 1 Dec 2025)	103 031.74	Nil	386.10	103 417.84
Dr Len Konar	155 479.50	Nil	Nil	155 479.50
Dr Mathetha Mokonyama	Public office bearer hence does not receive remuneration			
Dr Ntombi Mutshekwane	107 266.32	Nil	Nil	107 266.32
Mr Mark Brits	102 022.40	Nil	Nil	102 022.40
Mr Mavuso Shabalala	154 182.96	Nil	Nil	154 182.96
Ms Funeka Khumalo	159 720.13	Nil	Nil	159 720.13
Ms Lahlane Malema	140 009.74	Nil	Nil	140 009.74
Prof Glenda Gray (Public office bearer until 01 April 2025)	62 314.32	Nil	Nil	62 314.32
Prof Nadine Petersen	62 946.48	Nil	Nil	62 946.48
Prof Pamela Maseko	103 265.32	Nil	Nil	103 265.32
Prof Pumla Gobodo-Madikizela	42 312.00	Nil	Nil	42 312.00
*Prof Refilwe Phaswana-Mafuya	Nil	Nil	Nil	Nil
Prof Teboho Moja	105 195.69	Nil	391 389.56	496 585.25

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 V 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 CE, ensuring appropriate independence and authority in the execution of risk management activities.

The NRF's risk management approach draws on internationally recognised frameworks, such as the Committee of Sponsoring Organisations of the Treadway Commission (COSO) and ISO 31 000, 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 using residual risk ratings, which consider the strength, design and effectiveness of mitigating control measures.

During the year under review, the Board refined and updated the NRF's strategic risk profile through a structured and inclusive review process considering the evolving external environment, emerging threats and strategic priorities.

This resulted in the addition of one strategic risk (Artificial Intelligence), bringing the total to twelve, as well as the identification of two additional risks within the broader NRF Risk Profile. The Risk Appetite and Tolerance Statement was also reviewed to ensure continued alignment with organisational context and stakeholder expectations.

The NRF employs an integrated ERM and Compliance Management System to support both top-down and bottom-up risk assessments. This enables quarterly updates of operational risk registers, ongoing tracking of mitigation actions and structured reporting to management, the ERM Committee and governance structures. Core ERM processes continued to be executed during the year, supported by the implementation of the Risk Management Plan and coordinated assurance activities.

The ERM Committee and Risk Champions continued to provide strategic and operational oversight of risk management practices, supporting the refinement of risk registers, the elevation of emerging risks and the promotion of a risk-aware culture across the organisation. Emerging risk considerations during the year included geopolitical developments, funding constraints, infrastructure resilience and the increasing impact of technological disruption, including artificial intelligence.

Specialist risk areas such as Health and Safety, Asset Protection, Fraud and Corruption, and Cybersecurity continued to receive focused attention and adequate risk transfer (e.g. Insurance). The NRF completed its 9th Annual Fraud Risk Self-Assessment, which confirmed that controls remain generally effective and that overall fraud risk remains low, supported by ongoing control enhancements and awareness initiatives.

Overall, the ERM programme remains well-established and embedded, with the NRF sustaining a Level 5 ("Managed") maturity rating. This reflects consistent application of risk management practices, integration into decision-making processes and continued progress towards an optimised, forward-looking risk management capability.

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.

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:

- ICT Audits: Cybersecurity - Vulnerability Assessment and Penetration Testing, Post Implementation Review (ERP), Application Controls, ICT Network and Infrastructure and Data Management);
- Governance Audits: Corporate Governance, Fraud Management, Compliance Audit, Strategy and Annual Performance Plan, Audit of Pre-determined Objectives and Combined Assurance;
- HR Audits: Structural Realignment, Employee Development and Performance Management, Conditions of Employment and Remuneration and Benefits;
- Finance and SCM Audits: Contract Funding Management, Fixed Asset Management, Supply Chain Management and Funding Management;
- Operational Audits: Higher Education Institutions, Science Engagement Advisory Review, Information and Knowledge Management, Occupational Health and Safety, Internal and External Communication, Next Generation and Emerging Researchers Grants,

Strategic Investment and Impact Grants, Records Management, Hosting Requirements Contract Management; and

- Quarterly follow-up audits on internal and external audit findings.

The Audit and Risk Committee is satisfied that the National Research Foundation's Internal Audit Function operates effectively in accordance with its approved Charter, supported by adequate and objective internal audit policies and procedures, and that it has effectively addressed the key 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 19: Audit committee members as of 01 April 2025 to 31 March 2026

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 16	External	N/A	01 Dec 2022	-	8
Dr Ntombi Mutshekwane	Refer to table 16	External	N/A	01 Dec 2022	-	6
Ms Lahlane Malema	Refer to table 16	External	N/A	01 Dec 2022	-	8
Prof Glenda Gray	Refer to table 16	External	N/A	01 Dec 2022	-	5
Dr Mathetha Mokonyama	Refer to table 16	External	N/A	01 Jul 2024	13 Mar 2025	0
Ms Funeka Khumalo	Refer to table 16	External	N/A	01 Jul 2024	-	8

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.

During the 2025/26 financial year, the Ethics and Compliance Function implemented several initiatives, in collaboration with other divisions, to strengthen the organisation's compliance environment. Key highlights included:

- Continued strengthening of the compliance management framework through the maintenance of a comprehensive Compliance Universe.
- Regular compliance risk assessments and targeted awareness initiatives.
- Ongoing monitoring of PFMA and National Treasury requirements, supported by compliance calendars and reporting mechanisms, ensured alignment with applicable legislative and regulatory obligations.

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

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.

Apart from subscribing to the National Anti-Corruption Hotline (NACH) managed by the Public Service Commission (PSC), the NRF has an independently managed Vuvuzela Hotline in place, providing independent and confidential reporting channels. Employees may also report matters through internal channels, with all cases managed confidentially by the Ethics Office. Both hotlines operate 24/7, with call centre agents available to assist in all official South African languages. Awareness is reinforced through email signatures, posters, the intranet, and organisation-wide campaigns. Throughout the reporting period, various fraud awareness communications were shared. In addition, during the 2025/26 financial year, the NRF hosted two virtual Fraud and Ethics awareness sessions across all divisions and business units. These sessions reinforced the organisation's commitment to ethical conduct, strengthened awareness of fraud risks, and equipped staff with practical tools to prevent, detect, and report misconduct.

During the year, the NRF completed its 9th Annual Fraud Risk Self-Assessment, confirming that controls remain generally effective and that overall fraud risk remains low. Continued awareness campaigns strengthened governance oversight through the Fraud and Corruption Prevention Committee (FCPC), and enhancements to reporting channels contributed to increased utilisation and confidence in the system.

The FCPC is established to ensure that all reports are thoroughly investigated in accordance with the 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.

MINIMISING CONFLICT OF INTEREST

Conflicts of interest within the NRF are managed in accordance with the Code of Ethics, Values and Business Conduct policy. Employees are required to disclose any external interests on a regular basis, and newly appointed employees must submit declarations within 30 days of appointment.

As part of the prescribed regulatory framework and NRF Supply Chain Management policy, Bid Adjudication Committee members and all officials involved in procurement processes are required to declare any potential conflicts of interest and recuse themselves where necessary.

During 2025/26, the NRF enhanced its conflict-of-interest management through the automation of declarations via the Employee Self-Service platform and the implementation of a centralised gift register. These initiatives improved consistency, auditability and transparency, strengthening governance over ethical disclosures.

CODE OF CONDUCT

The NRF's Code of Ethics, Values and Business Conduct provides the foundation for ethical behaviour and decision-making across the organisation. It is supported by policies, procedures and ongoing awareness initiatives aimed at promoting a culture of integrity, accountability and professionalism.

The Ethics and Compliance function plays a central role in embedding ethical conduct through awareness programmes, ethics surveys and advisory support to management and employees.

During the year under review, ethics management was further strengthened through increased awareness initiatives, improved utilisation of reporting channels and the integration of ethics considerations into organisational processes. Ongoing policy reviews within the People and Culture environment supported alignment with legislative requirements and reinforced expected standards of conduct across the NRF. A robust review of the Code of Ethics, Values and Business Conduct is underway including alignment with best practices, prescripts on gifts and perceived conflict of interest.

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. We 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 our 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.

Key components of the NRF's SHE framework include incident management systems, regular committee engagements, independent reviews and continuous monitoring of safety performance indicators.

During 2025/26, the NRF demonstrated continued improvement in SHE maturity, with multiple facilities achieving 100% compliance in Occupational Health and Safety assessments and overall improvements in safety performance indicators. The SHEQ Management Forum, chaired by the CEO, remained a key governance platform driving accountability and alignment, while increased focus on near-miss reporting and preventative measures contributed to a more proactive safety culture.

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.



BOARD SECRETARIAT

The Board Secretariat serves as a central source of professional support and guidance to the Board and the NRF Corporate Executive. The incumbent responsible for the Corporate and Board Secretariat is not a director of the organisation but maintains a direct and independent line of communication with the Chairperson of the Board, thereby supporting effective governance and decision-making.

During the year under review, the Board Secretariat played a key role in supporting governance-intensive processes, including facilitating Board and Committee engagements on sensitive matters such as executive recruitment processes and related ad hoc committee deliberations. This ensured procedural integrity, appropriate oversight and alignment with governance frameworks.

SOCIAL RESPONSIBILITY

The NRF recognises its role as a responsible corporate citizen and is committed to contributing to social, economic and environmental development in line with its mandate. Social and ethics matters are integrated into organisational activities and monitored through structured reporting to the Board and its Committees.

The NRF continues to promote transformation, stakeholder engagement and sustainable development through various initiatives aligned to national priorities and governance frameworks.

During 2025/26, key progress included the implementation of the new Employment Equity Plan, the rollout of disability inclusion initiatives, sustained B-BBEE performance and continued progress in environmental sustainability, including energy efficiency and resource management. These initiatives support the NRF's societal licence to operate and reinforce its commitment to ethical leadership and responsible governance.

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 of King V. To ensure effective governance, the NRF Board has distributed oversight responsibilities among its committees, with coordinated reporting through the GRLC function to enable integrated oversight and accountability.

The NRF monitors compliance with legislation, regulations and best practice across five key areas: social and economic development; good corporate citizenship; environment, health and public safety; stakeholder relations; and labour and employment.

During the year, progress was achieved in advancing transformation and ethical business practices, including the implementation of the Employment Equity Plan (2025–2030), disability inclusion initiatives and sustained B-BBEE performance, with the NRF maintaining a Level 1 status.

In the area of environment and sustainability, the NRF reported improved energy efficiency and reduced consumption, supported by the rollout of solar photovoltaic installations and battery storage solutions across facilities. These initiatives contributed to lower reliance on diesel and improved environmental performance.

Health and safety performance continued to improve, with multiple facilities achieving 100% compliance in OHS assessments and strengthened oversight through established SHEQ governance structures.



AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2026.

Audit and Risk Committee Responsibilities

The Audit and Risk Committee reports that it has complied with its responsibilities arising from Section 51 (1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 27.1. The Audit and Risk Committee also reports that it has adopted appropriate, formal terms of reference as outlined in its Audit and Risk Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Audit and Risk Committee recognise its duty to serve the public's interest and confirms that it has diligently upheld this critical responsibility. The Audit and Risk Committee functioned without hindrance, limitations or threats to its independence throughout the reporting period.

The Audit and Risk Committee confirms that it applied professional scepticism and provided counsel in the execution of its duties, critically evaluating information placed before it, requested additional information when necessary and continuously assessed whether internal audit, management and other providers of assurance maintained high ethical and professional standards.

The Audit and Risk Committee has internalised the relevant requirements of the Global Internal Audit Standards™ in its work and has aligned both the Internal Audit Function and Audit Committee Charters.

Audit and Risk Committee Composition and Meeting Attendance

The Audit and Risk Committee consist of six (6) independent members, with five (5) external members and one (1) from within the public service. The Committee is properly constituted, with a balanced representation of independent members with a diverse and appropriate mix of qualifications, expertise and experience.

The Committee convened eight (8) times during the year, with four (4) being ordinary meetings and the remainder having special or in-committee meetings. All members are required to duly declare any conflict of interest at the start of meetings. There was no material conflict of interest declared during the year.

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.

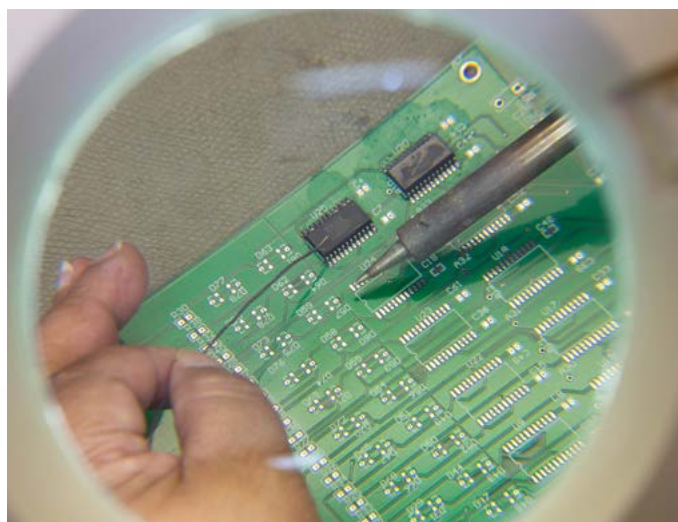
The Chairperson of the Audit and Risk Committee reports to the Board quarterly about the Audit and Risk Committee's deliberations, challenges, decisions, recommendations, and approvals as per its Terms of Reference.

Audit Committee Focus Areas

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 financial, operational, compliance, and risk management.

The following was reviewed during the year under review:

- Effectiveness of the internal control systems;
- Effectiveness of the Internal Audit Function;
- Effectiveness of Risk Management;
- Adequacy, reliability and accuracy of financial and performance information;
- Adequacy and effectiveness of Information and Communication Technology (ICT) Governance;
- Issues found during internal and external audits;
- Compliance with legal and regulatory provisions;
- The quality of the in-year management and quarterly reports submitted in terms of legislation; and
- Combined assurance situational analysis, operational activity plan and reporting dashboard.



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.

Internal Audit reviews for 2025/26 indicate that the organisation's overall environment is "satisfactorily effective", and provides reasonable assurance that business objectives were consistently met throughout the 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 Head: Internal Audit attends Corporate Executive Committee meetings as an observer.

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:

- ICT Audits: Cybersecurity - Vulnerability Assessment and Penetration Testing, Post Implementation Review (ERP), Application Controls, ICT Network and Infrastructure and Data Management);
- Governance Audits: Corporate Governance, Fraud Management, Compliance Audit, Strategy and Annual Performance Plan, Audit of Pre-determined Objectives and Combined Assurance;
- HR Audits: Structural Realignment, Employee Development and Performance Management, Conditions of Employment and Remuneration and Benefits;
- Finance and SCM Audits: Contract Funding Management, Fixed Asset Management, Supply Chain Management and Funding Management;
- Operational Audits: Higher Education Institutions, Science Engagement Advisory Review, Information and Knowledge Management, Occupational Health and Safety, Internal and External Communication, Next Generation and Emerging Researchers Grants, Strategic Investment and Impact Grants, Records Management, Hosting Requirements Contract Management; and
- Quarterly follow-up audits on internal and external audit findings.

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

Internal Audit activities and performance 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 has adopted the Global Internal Audit Standards issued by the Institute of Internal Auditors (IIA), thus strengthening its commitment to uphold professionalism, independence, quality and ethics. The Internal Audit Function undertakes a Quality Assurance and Improvement Programme (QAIP) that involves continuous internal assessments and annual internal self-assessment to measure its effectiveness. Periodic External Quality Assessment Reviews (EQAR) are conducted by suitably qualified independent assessors to ensure that the Internal Audit Function is compliant with the Global Internal Audit Standards and to identify opportunities for further development.

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. Internal Audit is effective and has managed relevant organisational risks.

Programme Performance Information Management

The Audit and Risk Committee confirms that management and quarterly reports issued during the year comply with statutory requirements.

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

- Review and comment on compliance with statutory requirements and programme performance information in line with 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; and
- 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 and 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.

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.

We have reviewed the Annual Financial Statements prepared by the public entity, with the following focus areas:

- Significant financial reporting judgements and estimates contained in the Annual Financial Statements;
- Clarity and completeness of disclosure and whether disclosures have been properly contextualised, including matters relating to any irregular, fruitless and wasteful expenditure; Adjustments to accounting methods and procedures;
- Significant adjustments resulting from the Audit;

Conclusion

The Audit and Risk Committee is satisfied that it has diligently discharged its responsibilities for the year under review in accordance with its Terms of Reference. Following its review, the Committee concludes that the organisation's governance, risk management, and internal control systems were broadly effective, offering sufficient assurance for the reliability of financial and performance reporting. The Committee further confirms its support for the Annual Financial Statements and will continue to provide independent oversight and constructive counsel to strengthen accountability, compliance and overall organisational performance.

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Dr Len Konar

Chairperson of the Audit and Risk Committee
NATIONAL RESEARCH FOUNDATION

11 August 2026

- 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 going concern assumption and determination.

The review of the Annual Financial Statements and the Annual Report for the 2025/26 financial year was done at the Audit and Risk Committee's meeting held on 9 July 2026 and recommended to the Board for approval on 28 July 2026.

Auditor-General's Report

We have reviewed the public entity's implementation plan for audit issues raised in the prior year and we are satisfied that the matters have been adequately resolved.

The Audit and Risk Committee concur and accept the conclusions of the Auditor-General on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements should be accepted and read together with the report of the Auditor-General.

B-BBEE COMPLIANCE PERFORMANCE INFORMATION

In February 2026, the NRF received confirmation that it had been awarded a Level 1 B-BBEE Certificate. This achievement affirms the commitment of all NRF staff to the implementation of the organisation's transformation strategies and programmes.

The NRF's journey towards achieving the Board's targeted B-BBEE Level 2 certification commenced in the 2021/22 financial year. A Supply Chain Management (SCM) Transformation Working Group, comprising a cross-functional team, was established to drive structured and coordinated efforts to advance SCM transformation within the organisation and ensure compliance with Section 13G of the B-BBEE Act.

The Working Group developed a roadmap to support Corporate SCM in maximising the value of transformation initiatives in the short, medium and long term, and to improve the organisation's B-BBEE rating. In 2022 the Board set a target of achieving Level 2 within a five-year period.

Notably, the NRF progressed from not submitting compliance reports to the B-BBEE Commission in the 2018/19 and 2019/20 financial years, to full compliance with the B-BBEE Act. This resulted in a Level 2 rating in 2023, followed by Level 1 ratings in both 2024 and 2025. This represents a significant organisational achievement and demonstrates the NRF's commitment to addressing the legacy of the past and advancing a more inclusive and equitable society.

Achieving a Level 1 scorecard rating for two consecutive years extends beyond Procurement and Supply Chain Management. The scorecard elements encompass a range of measures and reflect the NRF's broader commitment to transforming the equity profile of the South African research workforce, strengthening its performance as a knowledge enterprise, and enhancing the relationship between science and society. It further signals progress towards building a diverse and inclusive learning organisation.

This achievement reinforces the NRF's commitment to accelerating transformation through preferential procurement and skills development. The Level 1 B-BBEE Certificate stands as a testament to the collective effort of all business units and departments in attaining this milestone.

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 20: 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?	No	NRF does not issue any of the listed items.
Developing and implementing a preferential procurement policy?	Yes	The NRF had a SCM and Preferential Procurement Policy in order to comply with the requirements of the B-BBEE Act. The NRF Board recently approved a stand-alone Preferential Procurement Policy in support of the B-BBEE Act and Public Procurement Act.
Determining qualification criteria for the sale of state-owned enterprises?	No	Not applicable.
Developing criteria for entering into partnerships with the private sector?	Yes	In terms of procurement, all requests are issued openly or through procurement by other means.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	No	The NRF is currently developing an ESD Programme and drafting an ESD Strategy in support of SMMEs. A call will be issued in terms of the ESD programme for potential beneficiaries to join the programme.

Part D

Human Resource Management



INTRODUCTION

Overview of HR matters at the public entity

During the 2025/26 financial year, the National Research Foundation continued to advance its People & Culture (P&C) agenda in alignment with Vision 2030 and the strategic pillars of Transformation, Innovation, Excellence and Sustainability for Impact (TIES4I). The P&C function served as a strategic enabler across the organisation, driving people-centred initiatives that supported the NRF's mission to enable and facilitate the contribution of knowledge and scientific research to national development.

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

The organisation remained focused on strengthening organisational capability through strategic talent management, employee wellbeing, and leadership development initiatives. Key priorities included:

- Fostering an inclusive, transformed, and high-performance culture; enhancing employee engagement.
- Reduced workplace conflict and improved employee relations through the promotion of fairness, inclusivity, and mutual respect.
- Greater employee participation and contribution towards organisational transformation and business priorities.
- Advancing the representation of designated groups across leadership, management, and supervisory levels. (Peromnes 1–7)

The proportion of employees from designated groups at Peromnes levels 1–7 increased to 72.3% in 2025/26, compared to 67% in 2024/25. This reflects sustained progress over the past two years in advancing transformation, equity, and inclusivity within senior leadership and management structures. The continued upward trend demonstrates the NRF's commitment to building a representative workforce through targeted recruitment, internal promotions, and focused talent development initiatives. The organisation will continue to prioritise these interventions to further strengthen representation and support its transformation objectives.

Competitive Rewards – Progress on the migration from Peromnes to Paterson Grading System

Significant progress toward building a fit-for-purpose organisation and ensuring competitive rewards continued through the Job Profiling and Evaluation project, which supports the transition from the Peromnes to the Paterson grading system. High completion rates have been achieved across both core and support functions. Quality assurance of the generic core job profiles are 90% completed, and the first phase of verifying job grading outcomes is currently underway. In addition, a sample analysis of Salary Benchmark report based on the new grading system has been developed.

A Fit-for-Purpose Organisation Aligned to People and Business Priorities – Migration of employees to the new structures.

The NRF successfully completed the migration of 100% of employees into the newly approved organisational structures within the Corporate Office during the 2025/26 financial year.

In support of institutional sustainability, the P&C function continued to embed sound governance, effective performance management, and integrated learning and development practices across the National Research Foundation. Emphasis was also placed on promoting employee wellness, strengthening diversity and inclusion, and creating an agile and responsive work environment that enables employees to contribute meaningfully to the NRF's strategic objectives and national development priorities.

Key strategies to attract and recruit a skilled and capable workforce

Strategies Implemented to Attract and Recruit a Skilled and Capable Workforce

In alignment with the strategic objectives of the National Research Foundation and the evolving demands of a science, technology, and research-driven environment, several key strategies were implemented during the 2025/26 financial year to attract, recruit, and retain a skilled and capable workforce.

Targeted and Inclusive Recruitment

The NRF continued to implement targeted recruitment strategies aimed at attracting high-calibre talent across critical and scarce skills areas. Recruitment processes promoted employment equity, diversity, and inclusion in support of the organisation's transformation agenda, with focused efforts to improve the representation of designated groups at leadership, management, supervisory, and specialist levels.

Inclusive and Competency-Based Selection

Selection and appointment processes were guided by competency-based assessment principles to ensure fairness, objectivity, and alignment to organisational capability requirements. Structured interview methodologies and governance controls were applied to support the appointment of suitably qualified and competent candidates who align with the NRF's values and strategic priorities.

Competitive, Fair and Transparent Compensation

The organisation maintained a competitive, fair, and transparent remuneration framework aligned with market benchmarks and internal equity principles. Reward practices were regularly reviewed to support talent attraction and retention, while ensuring compliance with governance requirements and promoting employee value proposition enhancement.

Onboarding and Retention Integration

The NRF strengthened onboarding and integration processes to support employee engagement, productivity, and long-term retention. Newly appointed employees were provided with structured induction programmes and access to organisational resources aimed at facilitating a smooth transition into the organisation and enabling meaningful contribution to institutional objectives from the outset.

Employee performance management framework

During the 2025/26 financial year, the NRF continued to strengthen its Employee Performance Management Framework to promote a high-performance culture, accountability, and alignment between individual performance commitments and organisational strategic objectives. All employees were formally contracted on performance agreements, and performance reviews were conducted. This ensured structured monitoring of performance, regular feedback, and fair and consistent evaluation of employee contributions, thereby supporting continuous development and improved organisational effectiveness.

Employee wellness programmes

Employee wellness and well-being remained key pillars of a productive and healthy workplace culture within the NRF. The Employee Wellness Programme provided a comprehensive range of services, including holistic support interventions available to all employees. These services comprised confidential counselling referrals addressing trauma, legal, and financial well-being needs as well as occupational therapy support where required, including functional assessments to assist employees in managing work-related or health-related challenges.

In addition, annual wellness engagements were conducted, offering employees opportunities to participate in activities such as physical exercise sessions, fun walks, health screenings, and other wellness-promoting initiatives. The programme further incorporated monthly Mindful Mondays to support mental well-being, as well as a Compassionate Basket initiative to provide support to employees during periods of bereavement and personal loss.

Policy development

The People & Culture (P&C) function has embarked on a comprehensive review of all 54 existing P&C policies as part of a broader policy rationalisation and governance enhancement initiative. It is currently more than 50% completed. The objective of this exercise is to streamline and modernise the policy framework by consolidating related and overlapping policies, thereby reducing duplication, improving clarity, and ensuring greater consistency in application.

Highlight achievements

The Employment Equity Plan was approved on 1 September 2025, providing a structured framework to advance transformation and ensure equitable representation across the organisation. In January 2026, the People & Culture function successfully submitted the Employment Equity report to the Department of Employment and Labour and subsequently received a certificate of compliance, demonstrating adherence to statutory requirements and reinforcing the organisation's commitment to employment equity and workforce transformation.

- The NRF strengthened its commitment to becoming a Disability Confident employer through a series of focused inclusion initiatives. Key highlights included the rollout of disability awareness talks and sensitisation sessions aimed at enhancing organisational understanding and fostering an inclusive culture. Progress was also made in promoting disability disclosure, with an emphasis on encouraging voluntary and informed participation by employees.
- The Management Development Programme (MDP) contract was awarded to the Gordon Institute of Business Science (GIBS) to design and deliver management development programmes across four levels, FMDP, PMDP, SMDP, and EDP over a three-year period.

Challenges faced by the public entity

A key challenge encountered relates to the complexity of P&C managing multiple interconnected organisational development (OD) initiatives simultaneously. The interdependencies between these initiatives have increased implementation complexity, requiring careful sequencing, coordination, and alignment to mitigate the risk of duplication, misalignment, and delays.

The job evaluation process experienced several challenges during the period under review, including delays in implementation and completion of scheduled evaluations.

Future HR plans/goals

- Invest in skills development, leadership training, and succession planning.
- Transition from Peromnes to Paterson Job Grading System.
- Embrace digital HR systems and analytics to enable smarter decision-making.
- Collaborate with academia, industry, and government to develop talent and drive transformation.



HUMAN RESOURCE OVERSIGHT STATISTICS

Personnel related expenditure

Table 21: Personnel cost by programme/activity/objective

NRF Personnel Cost	Occupational level	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel Expenditure as a % of total expenditure (R'000)	Total Employees	Average Personnel cost per employee (R'000)
	Programme 1 - Corporate	214 677	126 701	12%	108	1 173.16
	Programme 2 - Science Engagement	147 577	45 081	4%	63	715.58
	Programme 3 - Research Innovation and Impact Support and Administration	2 817 919	128 236	12%	156	822.03
	Programme 4 - National Research Facilities	3 050 403	799 282	73%	1 037	770.76
	TOTAL	6 230 576	1 099 301	100%	1 364	805.94

Table 22: Personnel cost by salary band

NRF Personnel Cost	Occupational level	Personnel Expenditure (R'000)	Personnel Expenditure as a % of total expenditure (R'000)	No. of employees	Average Personnel cost per employee (R'000)
	Top Management	17 944	2%	5	3 588
	Senior Management	70 917	6%	35	2 026
	Professionally qualified, experienced specialists and mid-management	515 212	47%	446	1 155
	Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	461 299	42%	746	618
	Semi-skilled and discretionary decision-making	21 714	2%	77	282
	Unskilled and defined decision-making	12 212	1%	55	222
	TOTAL	1 099 301	100%	1 364	805

Table 23: Performance rewards

Programme/activity/objective	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	1 967 023	17 944	14%
Senior Management	1 858 350	70 917	14%
Professional qualified	5 863 016	515 212	43%
Skilled	3 782 324	461 299	28%
Semi-skilled	74 689	21 714	1%
Unskilled	47 415	12 212	0.3%
TOTAL	13 592 817	1 099 301	100%

Note: The performance bonuses reflected above relate to the 2024/25 performance cycle and were paid to employees during the 2024/25 financial year, following the finalisation of performance evaluations and the required approval processes. Executive bonuses for 2023/24FY were also paid in the 2025/26FY but excluded from this figure."

Table 24: Training costs

Programme/activity/objective	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 – Corporate	126 701	3 478	2.75%	329	R10 572
Programme 2 – Science Engagement	45 081	484	1.07%	385	R1 258
Programme 3 – Research Innovation and Impact Support and Administration	128 236	1 203	0.94%	53	R22 713
Programme 4 – National Research Facilities	799 282	3 634	0.45%	1 091	R3 331
TOTAL	1 099 301	8 800	0.8%	1 858	R4 736

Employment and vacancies

Table 25: Employment and vacancies

Programme/ activity/objective	2024/25 No. of Employees	2025/26 Approved Posts	2025/26 No. of Employees	2025/26 Vacancies	% of vacancies
Programme 1 – Corporate	109	137	108	29	21%
Programme 2 – Science Engagement	63	75	63	12	16%
Programme 3 – Research Innovation and Impact Support and Administration	157	225	156	69	31%
Programme 4 – National Research Facilities	1 019	1 078	1 037	41	4%
TOTAL	1 348	1 515	1 364	151	10%

Table 26: Vacancies

Programme/ activity/objective	2023/24 No. of Employees	2024/25 Approved Posts	2025/26 No. of Employees	2025/26 Vacancies	% of vacancies
Top Management	6	7	5	2	29%
Senior Management	35	58	35	23	40%
Professional qualified	428	478	446	32	7%
Skilled	751	836	746	90	11%
Semi-skilled	75	81	77	4	5%
Unskilled	53	55	55	0	0
TOTAL	1 348	1 515	1 364	151	10%

NOTE: Explanations on Vacancies and Measures to Attract and Retain Staff:

- Efforts to fill the mentioned vacancies included internal and external recruitment processes, targeted advertising, competency-based selection, and where necessary, executive search interventions. In some instances, suitably qualified internal candidates were not available due to the specialised technical and scientific skills required.
- Certain vacancies remained unfilled for longer than six months because of recruitment lead times, budget considerations, and challenges in sourcing scarce skills in the labour market.
- To attract and retain employees, the organisation continued to implement competitive remuneration practices, employee wellness and engagement initiatives, leadership development, and targeted talent management interventions.

Employment changes

The Professional Qualified category recorded the highest growth, increasing from 428 to 446 employees, supported by targeted recruitment to strengthen critical research, scientific, and specialist capabilities. The Skilled and Semi-skilled categories also experienced modest growth as part of operational support and service delivery enhancement initiatives.

The reduction in Top Management positions reflects natural attrition, while Senior Management levels remained stable

despite employee movements during the period. The NRF continued to prioritise the attraction and retention of suitably qualified talent to support strategic objectives and ensure organisational sustainability.

Turnover trends during the reporting period were largely influenced by resignations, retirements, and expiry of fixed-term contracts. To address workforce movement and minimise operational disruption, the organisation implemented targeted recruitment, and talent management interventions. The table below shows the employment changes.

Table 27: Employment changes

Salary band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	6	0	3	5
Senior Management	35	2	5	35
Professional qualified	428	33	26	446
Skilled	751	85	65	746
Semi-skilled	75	7	5	77
Unskilled	53	10	6	55
Total	1 348	137	110	1 364

Table 28: Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	3	2.8%
Resignation	66	61%
Dismissal	2	1.9%
Retirement	15	14%
Ill health	0	0%
Expiry of contract	22	20.4%
Other	0	0%
Total	108	100%

During the reporting period, a total of 108 employees exited the organisation for various reasons. The majority of separations were due to resignations (66 employees; 61%),

followed by expiry of fixed-term contracts (22 employees; 20.4%) and retirements (15 employees; 14%). A small number of exits were attributed to death (3 employees; 2.8%) and dismissals (2 employees; 1.9%), while no exits were recorded due to ill health or other reasons.

The high proportion of resignations reflects normal labour market mobility, with employees leaving primarily for career advancement opportunities, retirement planning, or personal circumstances. Contracts expiring were largely associated with time-bound project-based appointments aligned to research and programme funding cycles. Retirements reflect the natural ageing profile of the workforce and planned exits in line with retirement policy provisions. Dismissals were related to disciplinary processes concluded during the period.

To mitigate the impact of staff turnover and ensure business continuity, the NRF implemented timely recruitment processes. Critical and scarce skills vacancies were prioritised for expedited recruitment, and internal talent pipelines were strengthened to support continuity in key roles. In addition, where appropriate, fixed-term contracts and acting appointments were utilised to ensure uninterrupted delivery of operational and research-related outputs while permanent recruitment processes were underway.

Table 29: Labour relations: Misconduct and disciplinary action

Nature of disciplinary action	Number
Verbal Warning	1
Written Warning	2
Final Written Warning	2
Dismissal	3
Grievances	13

Equity Target and Employment Equity Status

There is a significant need to improve on Senior Management in both Male and Female categories, at the same time there is slight improvement in the representation of designated groups in Middle Management. In addressing the gaps and as part of the strategic focus of the NRF, the organisation is developing a transformed NRF that reflects the demographics of the SA Economically Active Population. The NRF has a concerted effort to ensure representation of the designated groups, and female employees in particular from Top Management to Middle Management levels in line with the NRF APP and the Employment Equity Plan. This is monitored at different levels of the business. At Business Unit level it is monitored through Employment Equity and Skills Development Committees. At the Executive level it is monitored by CorpEx and the Board Cycle Reports. Governance of this work is part of the NRF EE Policy and will be aligned to the Senior Leadership Performance Management Agreement. Robust initiatives are in place in collaboration with Disability South Africa to establish a disability-confident NRF. This initiative includes disability awareness and training, disability-accessibility audit, and the voluntary declaration.

Table 30: Employment Equity Stats

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2	2			1	1	1	1
Senior Management	9	14	1	2	0	1	9	8
Professional qualified	122	140	42	42	14	14	101	105
Skilled	210	246	99	101	9	13	40	43
Semi-skilled	20	18	30	28	0	0	0	1
Unskilled	13	11	4	4	0	0	0	0
TOTAL	376	431	176	177	24	29	151	158

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	3						
Senior Management	7	13	1	3	2	2	2	4
Professional qualified	88	103	12	18	6	8	38	40
Skilled	257	246	62	66	17	17	35	34
Semi-skilled	12	14	14	13	0	0	1	1
Unskilled	20	19	14	15	1	1	0	0
TOTAL	385	398	103	115	26	28	76	79

Table 31: EE People living with disability

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management				
Senior Management				
Professionally qualified	3	3	3	0
Skilled	1	1		2
Semi-skilled			2	2
Unskilled				
TOTAL	4	4	5	4

Part E

PFMA Compliance Report



IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

1.1 Irregular expenditure

a. Reconciliation of irregular expenditure

Description	2025/2026	2024/2025
	R'000	R'000
Opening balance	7 397	0
Adjustment to opening balance		
Opening balance as restated		
Add: Irregular expenditure confirmed		7 415
Less: Irregular expenditure condoned		
Less: Irregular expenditure not condoned and removed	(7 397)	(18)
Less: Irregular expenditure recoverable ¹		
Less: Irregular expenditure not recoverable and written off		
Closing balance	0	7 397

A service provider was appointed in 2023/24 where the award of R7 436 792 did not comply with the CIDB Act, Treasury Regulations and the PPPFA in terms of the CIDB grade of the service provider. Total expenditure incurred for 2023/24 and 2024/25 amounted to R7 396 793. No loss was incurred, and value for money was achieved through the appointment of the lowest-cost service provider. The project was completed successfully. The resultant irregular expenditure was not condoned by National Treasury and subsequently approved internally by the delegated authority for removal as allowed by National Treasury Instruction No. 4 of 2022/23.

Reconciling notes

Description	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure that was under assessment		3 157
Irregular expenditure that relates to the prior year and identified in the current year		
Irregular expenditure for the current year		4 258
Total	0	7 415

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

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

Description ²	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure under assessment		
Irregular expenditure under determination		
Irregular expenditure under investigation		
Total	0	0

N/A

c. Details of irregular expenditure condoned

Description	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure condoned		
Total	0	0

N/A

d. Details of irregular expenditure removed (not condoned)

Description	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure NOT condoned and removed	7 397	18
Total	7 397	18

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

e. Details of irregular expenditure recoverable

Description	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure recoverable		
Total	0	0

N/A

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

Description	2025/2026	2024/2025
	R'000	R'000
Irregular expenditure written off		
Total	0	0

N/A

Additional disclosure relating to Inter-Institutional Arrangements

- g. Details of irregular expenditure where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)¹

Description	2025/2026	2024/2025
	R'000	R'000
N/A		
Total	R'000	R'000

N/A

- h. Details of disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
A formal disciplinary process was followed and appropriate consequence management taken.
Criminal steps not required.

1.2 Fruitless and wasteful expenditure

- a. Reconciliation of fruitless and wasteful expenditure

Description	2025/2026	2024/2025
	R'000	R'000
Opening balance	0	25
Adjustment to opening balance		
Opening balance as restated		
Add: Fruitless and wasteful expenditure confirmed		
Less: Fruitless and wasteful expenditure recoverable ²		
Less: Fruitless and wasteful expenditure not recoverable and written off		(25)
Closing balance	0	0

The matter was finalised in 2024/25 with a formal disciplinary process.

Reconciling notes

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

Description	2025/2026	2024/2025
	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		
Total	0	0

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

Description ¹	2025/2026	2024/2025
	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 2025/26.

c. Details of fruitless and wasteful expenditure recoverable

Description	2025/2026	2024/2025
	R'000	R'000
Fruitless and wasteful expenditure recoverable		
Total	0	0

N/A

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

Description	2025/2026	2024/2025
	R'000	R'000
Fruitless and wasteful expenditure written off	0	25
Total	0	25

The expenditure was approved for write-off in 2024/25, 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.

N/A

1.3 Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) & (iii)¹

a. Details of material losses through criminal conduct

Material losses through criminal conduct	2025/2026	2024/2025
	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	2025/2026	2024/2025
	R'000	R'000
N/A		
Total	0	0

c. Other material losses recoverable

Nature of losses	2025/2026	2024/2025
	R'000	R'000
N/A		
Total	0	0

d. Other material losses not recoverable and written off

Nature of losses	2025/2026	2024/2025
	R'000	R'000
N/A		
Total	0	0

--

LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received*	36 729	1 630 942
Invoices paid within 30 days or agreed period	30 659	1 308 246
Invoices paid after 30 days or agreed period	5 639	273 410
Invoices older than 30 days or agreed period (unpaid and without dispute)	372	8 601
Invoices older than 30 days or agreed period (unpaid and in dispute)	-	-

* Includes unpaid invoices within 30 days

Invoices paid after 30 days mainly due to:

- Late submission of invoices by the Travel Management Companies.
- Supplier paid based on agreed terms of 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.
- Banking details on invoice did not match National Treasury Creditor Supplier Database.

Invoices in dispute:

- No unpaid invoices in dispute.

SUPPLY CHAIN MANAGEMENT

a. Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Contract Value (Rand)
Procurement of a transporter system extension for the South African Isotopes Facility (SAIF) situated at iThemba Labs Faure, Cape Town	Telelift GmbH	Single Source	NRF/ILABS IOP1/69/2024- 25	2 506 018
Renewal of Service Level Agreement for the ongoing maintenance and support of the Electronic Document and Records Management System (EDRMS)	NETCB ZA (Pty) Ltd	Single Source	NRF/CORP EDRMS/31/2024-25	1 805 221
Procurement of custom Samtec Firefly optical micro flyover assembly.	Arrow Altech Distribution (Pty) Ltd	Single Source	NRF/SARAOSNAF/ DEV/01/2025-26	1 620 492
Supply and Delivery of a second – hand spectrum analyser.	Tamashi – Technology Investment (Pty) Ltd	Sole Source	NRF/SAEON/ SMCR/26/2025-26	2 480 921
Appointment of a service provider to supply, delivery and installation of a Hydroptic ZooScan including all associated accessories, and a five (5) year and after-sales emergency service and repairs for the South African Environmental Observation Network	CLS Southern Africa (Pty) Ltd	Single Source	NRF/SAEON/ SMCR/26/2025-26	1 392 132
Appointment of service provider for the refurbishment of four chemistry container labs and a five-year maintenance contract for the six chemistry container labs	Polimatrix SA (Pty) Ltd	Sole Source	NRF/SAEON SAPRI/15/2025-26	11 255 412

Project description	Name of supplier	Type of procurement by other means	Contract number	Contract Value (Rand)
License Renewal of Matlab Software	Opti-Num Solutions (Pty) Ltd	Sole Source	NRF/SARAO / SICT/45/2025-26	4 705 226
Refurbishment of two (2) failed Masers .	T4 Science	Urgent	NRF/SARAO/ STFR/50/2025-26	6 026 802
Appointment of a service provider for the 34X animal telemetry tags for cetacean and penguin species for SAEON Egagasini office in Cape Town.	Sea Technology Services (Pty) Ltd	Sole Source	NRF/SAEON/ SAPRI/43/2025-26	2 210 925
Repair and installation of SARAO accumulator, removal of loan units on KS2 at KAPB and repair of water pump and starters.	Diesel Electric Services	Urgent	NRF/SARAO/ SKAR/49/2025-26	1 165 063
Procurement of 11mev cyclotron components.	Siemens Healthcare (Pty) Ltd	Emergency	iLAB_EME 2025/26:005	1 048 399
Procurement of two channel digital base-band converter for the 26m Telescope VLBI recording system.	HAT-Lab s.r.i	Sole Source	NRF/SARAO HVLB/57/2025-26	1 344 000
Appointment of a service provider for the procurement of One CytoSense Classic (CytoSense-c) mobile flow Cytometer and a three-year maintenance contract for the CytoSense Classic mobile flow Cytometer.	CytoBuoy B.V	Sole Source	NRF/ SAEON SAPRI/35/2025/26	4 060 663
Supply, Delivery, Installation, Testing, and Commissioning of a COTS Shielded Chamber for the Helium Compressor in the SKA Engineering Operations Centre Cryogenic Workshop at the Klerefontein Support Base, Northern Cape.	EMSS Antennas	Single Source	NRF/ SARAO/78/2025-26	3 054 868
Procurement of Personal Protective Equipment (Bioclean Brands) for the manufacturing of radiopharmaceuticals over a period of three (3) years, on an as-and-when-required basis.	Basan South Africa (Pty) Ltd	Single Source	NRF/iLABS IOP1/53/2025-26	6 568 494
Procurement of subscription services for the springer e-Journals and springer e-Book collections for a period of five (5) years (2026-2030).	Springer Nature	Sole Source	NRF/iLABS ITLY/66/2025-26	5 798 328
			TOTAL	57 042 964

b. 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 (if applicable)	Value of current contract expansion or variation
				(Rand)	(Rand)	(Rand)
Appointment of a service provider to provide mooring facility to rent for two vessels in the Durban area for a period of 2 years.	Durban Marina	Contract Expansion	NRF/SAIAB 39-2023	360 884	52 328	500 000
Management Consulting: Business Unit Operational Strategy, High Performance Culture & Cohesiveness	Inkateko Consulting (Pty) Ltd	Contract Expansion	iLABS/RFQ 2024/25:71	96 000	0	46 500
Procurement of Sterifix Paed I.V Filter 0.2 micron to produce Radioisotopes over a period 5 years (as and when required).	B Braun Medical (Pty) Ltd	Contract Expansion	iLABS/DV1/2022/23:103	200 000	0	48 000
Extension of HR payroll administrator for a period of one month	Success HR Solutions	Contract Expansion	PO-0003086	353 600	96 000	32 200
Media monitoring, analysis and reporting including the provision of interactive real time platform/s for the department of science and innovation, including its entities	Newsclip Media Monitoring (Pty) Ltd	Contract Expansion	NRF/SAASTA MONC/58/2020-2021B	1 708 434	90 282	239 516
Implementation Team rebuilding interventions post restructuring.	Joint Prosperity Consulting	Contract Expansion	NRF/RIISA HRM DEV02/2024	485 824	257 445	564 000

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 (if applicable)	Value of current contract expansion or variation
Supply and Delivery of Sterile Disposable Coveralls with Hood and Integrated Boots for a period of 1 year as and when required at iThemba LABS, Faure, Western Cape	Basan South Africa	Contract Expansion	iLABS/RFQ 2024/25:213	559 422	0	140 000
Training on "Finance for Non-Financial Directors and Governance of Ethics "at The Institute of Directors in South Africa (NCP).	The Institute of Directors in South Africa (NCP).	Contract Expansion	NRF/CORP DIV08/2024-25	41 729	0	10 694
The design and development of an additional module for the Electronic Document and Records Management System (EDRMS) to provide a Data Clearing House for managing evidence portfolios for students and researchers.	NETCB ZA (Pty) Ltd	Contract Expansion	NRF/CORPEDRMS/ 31/2024-25	2 076 004	0	800 850
Supply and delivery of Lectro Cath and connectors(or equivalent) for Nuclear Medicine Department to iThemba LABS, Faure, Western Cape, for a period of Five (5) years.	Endosurgical (Pty) Ltd	Contract Expansion	iLABS/RFQ 2022/23:192	494 572	0	123 644
Supply and Delivery of Sterile Disposable Coveralls with Hood and Integrated Boots at iThemba LABS, Faure, Western Cape.	The Document Warehouse (Pty) Ltd	Contract Expansion	iLAB- PO-000015370	99 452	0	35 075
Renewal of Service Level Agreement with the Document Warehouse for off-site storage facilities and consumables.	The Document Warehouse (Pty) Ltd	Contract Expansion	NRF/ITKR RDM/2022-2023	300 000	815 000	560 000
Annual verification of NRF B-BBEE status by SANAS Accredited B-BBEE verification agency.	Moore BEE Pretoria (Pty) Ltd	Contract Expansion	NRF-RFQ/CORP SCM/07/2022-23	234 315	0	273 240

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 (if applicable)	Value of current contract expansion or variation
Aircraft Hangarage Rental Agreement.	Algoa Flying Club	Contract Expansion	NRF/SAEON/ELWANDLE/HANGAR RENTAL/03/2025	209 475	0	280 387
Management Consulting: Business Unit Operational Strategy, High-Performance Culture & Cohesiveness	Inkateko Consulting (Pty) Ltd	Contract Expansion	iLABS/RFQ 2024/25:71	96 000	0	46 500
Variation to the initial budget approved for the investigation into alleged improper conduct/nepotism, maladministration/ breach of organisational policy, failure to follow reasonable official instruction and gross misrepresentation, following additional work that was necessary but not originally anticipated under the terms of the initial contract.	Ziklag Consulting (Pty) Ltd	Contract Expansion	NRF RIISA/CORP LEGAL/RFQ 20-2023	500 000	0	275 450
Supply and Delivery of Sterile Disposable Coveralls with Hood and Integrated Boots for a period of 1 year as and when required at iThemba LABS, Faure, Western Cape.	Basan South Africa	Contract Expansion	iLABS/RFQ 2024/25:213	559 422	0	140 000
Appointment of a Service Provider for removal and disposal of Hazardous Biological Laboratory and other Biological Waste for Disposal / Incineration in terms of prescribed legislation for a period of 60 months (5 years) as and when needed.	BCL Medical	Contract Expansion	iLABS/V1/2025/26:17	101 884	0	15 282

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 (if applicable)	Value of current contract expansion or variation
Renovation of iThemba LABS Canteen	Revolution Shopfitters	Contract Expansion	iLABS/V1/2025/26:31	835 995	0	148 143
Supply, deliver and installation of office furniture for the NGER Office.	Quantum Office Furniture	Contract Expansion	NRF/ RIISA NGER RFQ 71/2025-26B	464 509	0	89 036
External Law Attorneys for a confidential Senior Level Investigation.	Tokiso Dispute Settlement	Contract Expansion	NRF/CORP COSEC/04/2025-26	83 318	0	23 848
Hire of mooring/ berthing facilities for two vessels in the Durban Harbor.	Durban Marina	Contract Expansion	NRF/SAIAB 39-2023	500 000	413 212	913 212
Extension of HR Payroll Administrator for a period of one month	Success HR Solutions	Contract Extension	PO-0003086	353 600	32 200	96 000
			TOTAL	10 714 439	1 756 467	5 401 577

Part F

Financial Statements



National Research Foundation

Annual Financial Statements for the year ended 31 March 2026

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REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON **NATIONAL RESEARCH FOUNDATION**

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of National Research Foundation (the Public Entity) as set out on pages 130 to 204, which comprise the statement of financial position as at 31 March 2026, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information 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 National Research Foundation as at 31 March 2026 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) as issued by the Accounting Standards Board of South Africa 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 Standards of Generally Recognised Accounting Practice (Standards of GRAP) as issued by the Accounting Standards Board of South Africa and the requirements of the Public Finance Management Act 1 of 1999 (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 128, 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 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 presented in the annual performance report for the year ended 31 March 2026. 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 postgraduate students
 - Number of NRF-funded researchers
 - Number of NRF-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.
13. 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 included¹
 - 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 is 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 under- achievements.
18. The table that follows provides information on the achievement of planned targets and list 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 41 to 46.

Programme 3: Research and Innovation Support and Advancement

Targets achieved: 80%

Budget spent: 94%

Key indicator not achieved	Planned Target	Reported achievement
Number of NRF rated researchers	4952	4892

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 does not include the financial statements, the auditor's report and those selected material performance indicators 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 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 performance indicators presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

Internal control deficiencies

26. 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.
27. I did not identify any significant deficiencies in internal control.

Auditor-General

Pretoria

01 August 2026

ANNEXURE TO THE AUDITORS 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 [party responsible] 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:

#	Selected legislation and regulations	Consolidated firm level requirements
1	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)
2	Treasury Regulations, 2005	Regulation 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A.7.1; 16A.7.3; 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
3	Companies Act 71 of 2008	Section 45(2); 45(2)(c); 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)
4	Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A); 25(9)(a); 25(10)
5	National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
6	National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4(a); 4.17; 7.2; 7.6
7	National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
8	National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
9	National Treasury Practice Note 7 of 2009/10	Paragraph 4.1.2
10	Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2(1)(a); 2(1)(b); 2.1(f)
11	Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
12	Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

Statement of Financial Position as at 31 March 2026

	Note(s)	2026 R'000	2025 R'000
Assets			
Current Assets			
Inventories	11	24 634	32 574
Other financial assets	7	364 744	461 561
Receivables from exchange transactions	12	216 057	132 888
Receivables from non-exchange transactions	13	833 266	252 444
Prepayments	9	45 322	42 820
Grants paid in advance	10	10 651	4 314
Cash and cash equivalents	14	379 607	1 367 752
		1 874 281	2 294 353
Non-Current Assets			
Property, plant and equipment	3	3 213 439	2 980 798
Intangible assets	4	116 375	122 679
Heritage assets	6	15 665	15 665
Investments in associates	5	14 939	14 668
Other financial assets	7	4 146	4 146
Prepayments	9	3 035	7 160
		3 367 599	3 145 116
Total Assets		5 241 880	5 439 469
Liabilities			
Current Liabilities			
Payables from exchange transactions	19	467 168	355 069
Provisions	17	17 038	18 618
Designated income received in advance	18	1 121 860	1 696 537
		1 606 066	2 070 224
Non-Current Liabilities			
Employee benefit obligation	8	1 989	1 807
Total Liabilities		1 608 055	2 072 031
Net Assets		3 633 825	3 367 438
Reserves			
SALT Fund	16	14 939	14 668
Capital Fund	15	3 345 478	3 119 145
Infrastructure Development Fund		267 786	228 299
Accumulated Surplus		5 622	5 326
Total Net Assets		3 633 825	3 367 438

Statement of Financial Performance

	Note(s)	2026 R'000	2025 R'000
Revenue			
Revenue from exchange transactions			
Sale of goods and services	20	153 454	143 447
Other income	21	7 422	34 939
Interest received - investments	22	65 823	96 503
Share of surpluses from associate accounted for using the equity method	5	271	1 871
Total revenue from exchange transactions		226 970	276 760
Revenue from non-exchange transactions			
Transfer revenue			
DSTI contract income	23	4 164 321	3 524 968
Parliamentary grant		983 623	941 446
Other Contract income	24	732 272	691 876
Total revenue from non-exchange transactions		5 880 216	5 158 290
Total revenue	20	6 107 186	5 435 050
Expenditure			
Programme 1: Administration		(201 288)	(192 796)
Programme 2: Science Engagement		(144 290)	(124 854)
Programme 3: Research, Innovation, Support and Advancement		(2 753 983)	(2 546 935)
Programme 4: National Research Infrastructure Platforms		(2 722 914)	(2 555 229)
Debt impairment - Financial instruments		3 560	(4 811)
Loss on disposal of assets	8	(3 042)	(902)
Loss on exchange differences		(11 489)	(2 074)
Actuarial losses		(182)	(2 389)
Total expenditure		(5 833 628)	(5 429 990)
Surplus for the year		273 558	5 060

The surplus excludes the recognition/(acquisition) of fixed assets amounting to (R226m) (2025: R73m) and transfers to the Infrastructure Fund of R40m (2025: R79m). The accounting policies on pages 136 to 157 and the notes on pages 158 to 204 form an integral part of the annual financial statements.

Statement of Changes in Net Assets

Note	SALT Fund	Capital Fund	Infrastructure Development Fund	Total reserves	Accumulated surplus/deficit	Total net assets
	R'000	R'000	R'000	R'000	R'000	R'000
Balance at 01 April 2024	12 797	3 192 044	149 486	3 354 327	8 051	3 362 378
Refer to note 39 that is in the column						
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
Opening balance as previously reported	14 668	3 119 145	228 299	3 362 112	5 326	3 367 438
Adjustments						
Change in accounting policy 39	-	-	-	-	(7 171)	(7 171)
Balance at 01 April 2025	14 668	3 119 145	228 299	3 362 112	(1 845)	3 360 267
Changes in net assets						
Surplus for the year	-	-	-	-	273 558	273 558
Transfer to Capital Fund	-	226 333	-	226 333	(226 333)	-
Transfer to SALT Fund	271	-	-	271	(271)	-
Transfer to Infrastructure Fund	-	-	39 487	39 487	(39 487)	-
Total changes	271	226 333	39 487	266 091	7 467	273 558
Balance at 31 March 2026	14 939	3 345 478	267 786	3 628 203	5 622	3 633 825
Note(s)	16	15				

Cash Flow Statement

	Notes	2026 R'000	2025 R'000
Cash flows from operating activities			
Receipts			
Parliamentary grant		983 623	941 446
DSTI contract funding received		2 986 230	3 283 998
Other contract funding received		752 641	562 614
Interest income		65 823	96 503
Other receipts		79 291	223 501
		4 867 608	5 108 062
Payments			
Employee costs		(1 122 292)	(1 051 502)
Suppliers		(1 664 501)	(1 161 694)
Grants, bursaries and other research	16	(2 534 744)	(2 425 887)
		(5 321 537)	(4 639 083)
Net cash flows from operating activities	29	(453 929)	468 979
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(531 415)	(222 678)
Proceeds from the sale of property, plant and equipment	3	87	7 532
Purchase of other intangible assets	4	(1 326)	(11 477)
Net cash flows from investing activities		(532 654)	(226 623)
Net increase/(decrease) in cash and cash equivalents		(986 583)	242 356
Cash and cash equivalents at the beginning of the year		1 367 752	1 125 396
Cash and cash equivalents at the end of the year	14	381 169	1 367 752

Cash and cash equivalents is the actual cash and cash equivalents balance, before providing for the ECL allowance. The accounting policies on pages 136 to 157 and the notes on pages 158 to 204 form an integral part of the annual financial statements.

Statement of Comparison of Budget and Actual Amounts

	Approved budget	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Note
	R'000	R'000	R'000	R'000	
Statement of Financial Performance					
Revenue					
Revenue from exchange transactions					
Sale of goods	171 041	171 041	153 454	(17 587)	38
Other income	5 092	5 092	7 422	2 330	
Interest received - investments	58 512	58 512	65 823	7 311	38
Total revenue from exchange transactions	234 645	234 645	226 699	(7 946)	
Revenue from non-exchange transactions					
Transfer revenue					
DSTI contract income	4 503 105	4 503 105	4 164 321	(338 784)	38
Parliamentary grant	983 623	983 623	983 623	-	
Other Contracts	758 954	758 954	732 272	(26 682)	38
Total revenue from non- exchange transactions	6 245 682	6 245 682	5 880 216	(365 466)	
Total revenue	6 480 327	6 480 327	6 106 915	(373 412)	
Expenditure					
Personnel	(1 254 699)	(1 254 699)	(1 127 204)	127 495	38
Depreciation and amortisation	(324 436)	(324 436)	(316 460)	7 976	
Grants, bursaries and other research expenditure	(2 525 725)	(2 525 725)	(2 623 810)	(98 085)	38
Programme and operating expenditure	(1 795 800)	(1 795 800)	(1 751 441)	44 359	38
Total expenditure	(5 900 660)	(5 900 660)	(5 818 915)	81 745	

Statement of Comparison of Budget and Actual Amounts (continued)

	Approved budget	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Notes
	R'000	R'000	R'000	R'000	
Loss on disposal of assets	(209)	(209)	(3 042)	(2 833)	
Loss on exchange differences	(618)	(618)	(11 489)	(10 871)	
Actuarial gains/losses	-	-	(182)	(182)	
Share of surpluses or deficits from associates using the equity method	-	-	271	271	
Operating surplus	578 840	578 840	273 558	(305 282)	
Opening Accumulated surplus			(1 845)	(1 845)	
Net capital expenditure	(586 840)	(586 840)	(226 333)	360 507	38
Transfer from/(to) reserves	8 000	8 000	(39 758)	(47 758)	
	(578 840)	(578 840)	(267 936)	310 904	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement			5 622	5 622	

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, the entity's functional currency.

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. 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:

1.5 Significant judgements and sources of estimation uncertainty (continued)

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

Recoverable amounts for cash-generating units and assets are determined by whichever is higher: value in use or fair value less 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 the 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 may change materially over time.

Post-retirement benefits

The present value of the post-retirement obligation depends on several factors determined actuarially based on several assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post-retirement obligations.

Other key assumptions for pension obligations 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, and 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.

1.6 Property, plant and equipment (continued)

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 costs attributable to bringing 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 in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at 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, it's 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 those incurred initially to acquire or construct an item of property, plant and equipment, and those 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 servicing 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.

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	2-20 years
Office equipment	Straight-line	2-25 years
IT equipment	Straight-line	3-20 years
Computer software	Straight-line	3-9 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	5-12 years
Leased assets	Straight-line	2-5 years
Spare parts	Straight-line	3-30 years

1.6 Property, plant and equipment (continued)

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 that has a cost significant relative to the item's total cost 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 new 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 are 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. Gain or loss from the derecognition of an item of property, plant and equipment equals the net sale proceeds minus its carrying amount.

The entity separately 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 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 from 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.

1.7 Intangible assets (continued)

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

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 assets 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 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	3 - 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 resulting from the derecognition of intangible assets is recorded in surplus or deficit at the time the asset is derecognised.

1.8 Heritage assets

Heritage assets are assets that have a 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 made only when the 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 asset 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.

1.9 Financial instruments - GRAP 104 (Previous policy applied in comparative period)

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.

1.9 Financial instruments - GRAP 104 (Previous policy applied in comparative period) (continued)

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 chance that a financial instrument's value or future cash flows will vary due to shifts in 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 and points 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.

A financial asset is:

- cash;
- a residual interest of another entity; or receive cash or another financial asset from 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 and entity faces when it has difficulty meeting obligations associated with financial liabilities settled by delivering cash or another financial assets.

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.

1.9 Financial instruments - GRAP 104 (Previous policy applied in comparative period) (continued)

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 category) as reflected on the face of the statement of financial position or in the notes thereto:

Class

Trade and other receivables
Cash and Cash equivalents
Grant deposit accounts

Category

Financial asset measured at amortised cost
Financial asset measured at amortised cost
Financial asset measured at amortised cost

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

Class

Trade and other payables

Category

Financial liability measured at amortised cost

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

Class

Residual interest in Share Capital

Category

Measured at cost

1.10 Tax

Tax expenses

The NRF is exempt from paying income tax and 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 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 inventories are acquired through a non-exchange transaction, then 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 of 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.

1.12 Inventories (continued)

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, are 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 for the purpose of meeting 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 those that are not contingent on future employment.

1.16 Employee benefits (continued)

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.

1.16 Employee benefits (continued)

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.

If contributions to a defined contribution plan are not payable entirely within twelve months after the conclusion of the reporting period during which employees provide the related service, those contributions are subject to discounting. The discount rate used reflects the time value of money. The currency and terms 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.

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 year.

1.16 Employee benefits (continued)

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 returns 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 that increases net assets, other than increases from contributions from owners.

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.

1.19 Revenue from exchange transactions (continued)

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 reliably estimated, 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, royalties and dividends or similar distributions 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 the 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 or receivable by an entity that represent 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 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.

1.20 Revenue from non-exchange transactions (continued)

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 cost of sales.

Contract costs comprise:

- 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 at initial recognition in Rands by applying the spot exchange rate between the functional currency and the foreign currency at the transaction date 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.

1.24 Translation of foreign currencies (continued)

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying the exchange rate between the Rand and the foreign currency at the date of the cash flow to the foreign currency amount.

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 which 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 the actual segments reported in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making 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 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;
- the expenditure attributable to the asset during its development can be measured reliably.

1.30 Budget information

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

General purpose financial reporting by entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

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

The approved budget covers the fiscal period from 2025/04/01 to 2026/03/31.

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 so as 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 an entity's financial and operating policy decisions, but not control over those policies.

Key management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with 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.

1.31 Related parties (continued)

Close members of the family 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 in relation to related party transactions if that transaction occurs within normal 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 in accordance with 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 on the basis of 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.

1.35 Financial instruments - GRAP 104 (revised 2019) - current policy

Applied from 1 April 2025, being the effective date prescribed for the entity by regulation of the Minister of Finance and the applicable Directive.

Initial Recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

Distinguishing financial liabilities and residual interests

The entity as issuer of a financial instrument classifies the instrument, or its component parts, on initial recognition as a financial liability, a financial asset or a residual interest in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and a residual interest.

No contractual obligation to deliver cash or another financial asset

If the entity does not have an unconditional right to avoid delivering cash or another financial asset to settle a contractual obligation, the obligation meets the definition of a financial liability.

A financial instrument that does not explicitly establish a contractual obligation to deliver cash or another financial asset may establish an obligation indirectly through its terms and conditions. If the entity can avoid a transfer of cash or another financial asset only by settling the non-financial obligation, the financial instrument is a financial liability.

Compound financial instruments

Classification

Classification of Financial Assets

The entity classifies financial assets as subsequently measured at amortised cost or fair value through surplus or deficit on the basis of both:

- (a) the entity's management model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial asset.

A financial asset is measured at amortised cost if both of the following conditions are met:

- (a) the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through surplus or deficit unless it is measured at amortised cost or cost.

Investments in residual interests are measured at fair value through surplus or deficit. As a practical expedient, an investment in a residual interest whose fair value cannot be reliably measured is measured at cost. If a reliable measure of fair value becomes available, the investment is measured at fair value through surplus or deficit.

1.35 Financial instruments - GRAP 104 (revised 2019) - current policy (continued)

Other financial assets, receivables from exchange transactions, receivables from non-exchange transactions and cash and cash equivalents are measured at amortised cost as the conditions are met.

Classification of Financial Liabilities

The entity classifies all financial liabilities as subsequently measured at amortised cost.

Initial measurement

At initial recognition, the NRF measures receivables from exchange transactions, receivables from non-exchange transactions, and payables arising from exchange transactions at their transaction price, as the initial credit period granted or received of 30 days or less is consistent with the terms used in the public sector.

For all other financial assets and liabilities subsequently measured at amortised cost, the entity initially measures these at their fair value plus or minus, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Impairment

Recognition of expected credit losses

General approach

The NRF applies the general approach and recognises a loss allowance for expected credit losses on cash and cash equivalents, other financial assets (excluding unlisted shares), and deposits.

Except for credit-impaired financial assets, at each reporting date, the entity measures the loss allowance for these financial instruments at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition.

When a credit risk is low, the ECL is measured at the 12-month ECL.

Except for credit-impaired financial assets, if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the entity measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

At each reporting date, the NRF recognises an impairment gain or loss in surplus or deficit for the amount required to adjust the loss allowance to its required balance. This gain or loss is measured as the difference between the existing loss allowance balance and the amount determined at the reporting date in accordance with the expected credit loss model.

Determining significant increases in credit risk

The NRF assesses whether the credit risk of cash and cash equivalents, other financial assets, and deposits has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date with the risk of default at the date of initial recognition. This assessment is based on all reasonable and supportable information that is available without undue cost or effort. This includes both qualitative and quantitative information and analysis, based on the NRF's historical loss experience and informed credit assessment, that includes forward-looking information.

1.35 Financial instruments - GRAP 104 (revised 2019) - current policy (continued)

Simplified approach for receivables and lease receivables

The NRF applies the simplified approach and recognises a loss allowance for expected credit losses on receivables from exchange transactions and receivables from non-exchange transactions. The NRF always measures the loss allowance for these instruments at an amount equal to lifetime expected credit losses.

Measurement of expected credit losses

The entity measures expected credit losses of a financial instrument in a way that reflects:

- (a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (b) the time value of money; and
- (c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial assets measured at cost

If there is objective evidence that an impairment loss has been incurred, using the definition of a “credit impaired financial asset”, on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

At each reporting date, the NRF recognises an impairment gain or loss in surplus or deficit for the amount required to adjust the loss allowance to its required balance. Such impairment losses are not reversed.

Derecognition

Derecognition of financial assets

The entity derecognises a financial asset only when:

- (a) the contractual rights to the cash flows from the financial asset expire, are settled or waived.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised in accordance with this paragraph is recognised in surplus or deficit in the period of the transfer.

The gross carrying amount of a financial asset is written off when the NRF has no reasonable expectation of recovering the financial asset in its entirety or a proportion thereof. Upon write-off, the NRF directly reduces the gross carrying amount by the approved amount for write-off, the loss allowance is reduced by the portion previously recognised for that specific asset, and any remaining difference between the gross carrying amount written off and the reduction in the loss allowance is recognised immediately in surplus or deficit.

Write-offs are executed upon formal approval by the Board or its duly delegated authority.

The write-off of a financial asset does not necessarily extinguish the NRF's right to recover the debt. Any subsequent recoveries of amounts previously written off are recognised in surplus or deficit in the period in which they are received.

Derecognition of financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished.

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 2026 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 107 (as revised) Mergers	1 April 2027	Unlikely there will be a material impact
GRAP 106 (as revised) Transfer of Functions Between Entities Not Under Common Control	1 April 2027	Unlikely there will be a material impact
GRAP 105 Transfer of Functions Between Entities Under Common Control	1 April 2027	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)	1 April 2027	Unlikely there will be a material impact
GRAP 103 (amended) Heritage Assets	1 April 2027	Impact is currently being assessed

Notes to the Annual Financial Statements

Figures in Rand thousand

3. Property, plant and equipment

	2026			2025		
	Cost/Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	306 718	-	306 718	306 718	-	306 718
Buildings	616 604	(207 709)	408 895	603 595	(187 960)	415 635
Plant and machinery	582 423	(134 019)	448 404	567 554	(104 835)	462 719
Furniture and fixtures	41 827	(26 693)	15 134	39 484	(25 293)	14 191
Motor vehicles	108 919	(65 760)	43 159	95 120	(59 139)	35 981
Office equipment	77 047	(59 879)	17 168	74 265	(57 914)	16 351
IT equipment	349 061	(255 628)	93 433	318 531	(232 372)	86 159
Computer software	112 565	(99 608)	12 957	112 565	(96 419)	16 146
Infrastructure	718 139	(198 197)	519 942	556 912	(179 910)	377 002
Exhibits	6 122	(4 608)	1 514	5 784	(4 352)	1 432
Capital Work in Progress	735 925	-	735 925	516 195	-	516 195
Research equipment	2 294 018	(1 702 872)	591 146	2 238 281	(1 526 282)	711 999
Spare parts	40 668	(21 932)	18 736	38 360	(18 429)	19 931
Books and Journals	1 805	(1 497)	308	1 737	(1 398)	339
Total	5 991 841	(2 778 402)	3 213 439	5 475 101	(2 494 303)	2 980 798

Notes to the Annual Financial Statements

Figures in Rand thousand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2026

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	306 718	-	-	-	-	306 718
Buildings	415 635	817	-	12 192	(19 749)	408 895
Plant and machinery	462 719	14 653	(393)	1 237	(29 812)	448 404
Furniture and fixtures	14 191	3 411	(102)	140	(2 506)	15 134
Motor vehicles	35 981	14 603	(52)	33	(7 406)	43 159
Office equipment	16 351	4 817	(178)	303	(4 125)	17 168
IT equipment	86 159	21 730	(436)	14 184	(28 204)	93 433
Computer software	16 146	-	-	-	(3 189)	12 957
Infrastructure	377 002	81 588	-	90 823	(29 471)	519 942
Exhibits	1 432	339	-	-	(257)	1 514
Capital Work in Progress	516 195	340 232	-	(120 502)	-	735 925
Research equipment	711 999	60 027	(1 966)	1 590	(180 504)	591 146
Spare parts	19 931	2 309	-	-	(3 504)	18 736
Books & Journals	339	72	-	-	(103)	308
	2 980 798	544 598	(3 127)	-	(308 830)	3 213 439

Notes to the Annual Financial Statements

Figures in Rand thousand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
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

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3. Property, plant and equipment (continued)

Details of properties

Portion 1 of the farm Scientia No 627, Pretoria, with buildings thereon

Land	1 277	1 277
Buildings	125 468	125 456
	126 745	126 733

Portion 4, Farm 996, Blue Downs, Stellenbosch, including buildings

Land	9 717	9 717
Buildings	195 934	192 706
	205 651	202 423

Portion 6 of the farm Kuilenburg No 96, Sutherland, with buildings thereon

Land	346	346
Buildings	19 785	18 436
	20 131	18 782

Erf 26423, Observatory, CapeTown, with buildings thereon

Land	263	263
Buildings	16 589	17 938
	16 852	18 201

Astronomy reserve properties for SKA project, Carnarvon (former farms - register available)

Land	276 820	276 820
Buildings	37 155	35 609
	313 975	312 429

Stand No 2859, 211 Nana Sita Street, Pretoria

Land	92	92
Buildings	2 188	2 152
	2 280	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

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3. Property, plant and equipment (continued)

Mey's Dam Farm No 68, Fraserburg Regional District

Land	8 721	8 721
Buildings	7 127	7 127
	15 848	15 848

Leasehold improvements - SAIAB

Capitalised expenditure	43 488	43 488
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Leasehold improvements - SKA Klerefontein

Capitalised expenditure	19 484	11 297
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Leasehold improvements - SAEON

Capitalised expenditure	2 000	2 000
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Leasehold improvements- HartRAO

Capitalised expenditure	3 721	3 721
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Total cost of land and buildings

923 322	910 313
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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

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3. Property, plant and equipment (continued)

Reconciliation of Work-in-Progress 2026

	Land & Buildings	Research Equipment	Included within Other PPE	Total
Opening balance	1 224	444 435	70 536	516 195
New additions/capital expenditure	2 972	84 147	253 113	340 232
Transferred to completed items	(3 636)	(102 456)	(14 410)	(120 502)
	560	426 126	309 239	735 925

Reconciliation of Work-in-Progress 2025

	Land & Buildings	Research Equipment	Included within Other PPE	Total
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

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Contracted services	62 041	45 824
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Notes to the Annual Financial Statements

Figures in Rand thousand

4. Intangible assets

	2026			2025		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	168 734	(90 500)	78 234	167 857	(82 874)	84 983
Other intangible assets	38 141	-	38 141	37 696	-	37 696
Total	206 875	(90 500)	116 375	205 553	(82 874)	122 679

Reconciliation of intangible assets - 2026

	Opening balance	Additions	Amortisation	Total
Computer software	84 983	881	(7 630)	78 234
Other intangible assets	37 696	445	-	38 141
	122 679	1 326	(7 630)	116 375

Reconciliation of intangible assets - 2025

	Opening balance	Additions	Transfers	Amortisation	Total
Computer software, internally generated	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

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5. Interests in other entities

Name	Jurisdiction	Determination of ownership interest	% ownership interest 2026	% ownership interest 2025	Carrying amount 2026	Carrying amount 2025
SALT Foundation (Pty) Ltd.	SA	Unlisted shares	34,00 %	34,00 %	14 939	14 668

The carrying amounts of associates are shown net of impairment losses

Movements in carrying amount

Opening balance	14 668	12 797
Share of surplus	271	1 871
	14 939	14 668

Principal activities, country of incorporation, and voting power

Legal name	Principal activity	Country of incorporation	Ownership interest %	Proportion of voting power	Surplus or deficit allocated
SALT Foundation (Pty) Ltd.	Development, upgrade and operation of an 11-meter telescope for astronomical research.	South Africa	34 %	41 %	271

Summary of associates' financial information

SALT Foundation (Pty) Ltd.

Current assets	101 265	102 075
Non-current assets	109 002	110 440
Total Liabilities	9 078	12 124
Revenue	59 896	60 044
Surplus/(Deficit)	799	4 591

Notes to the Annual Financial Statements

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6. Heritage assets

	2026			2025		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
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 monuments	56	-	56	56	-	56
Total	15 665	-	15 665	15 665	-	15 665

Reconciliation of heritage assets 2026

	Opening balance	Total
Collections of rare books, manuscripts and records	57	57
Objects of scientific and technological interest	15 552	15 552
Historical monuments	56	56
	15 665	15 665

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 monuments	56	56
	15 665	15 665

Heritage assets which 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 because 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.

Notes to the Annual Financial Statements

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6. Heritage assets (continued)

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.

7. Other financial assets

Residual interest at Cost

Unlisted Shares

4 146

4 146

The NRF holds 240 ordinary shares (19.35%) in Tsolo Storage Systems (Pty) Ltd.

Grant deposits accounts

355 012

452 397

The approved grant deposits are repayable to the NRF on 30 days' notice in the event that funding is discontinued.

Contingency Risk Plan

9 732

9 164

Short-term insurance contingency policy for overwinter evacuations at research stations.

Total other financial assets**368 890****465 707****Non Current assets**

Residual interest at cost

4 146

4 146

Current Assets

At amortised cost

364 744

461 561

Total other financial assets**368 890****465 707****Reconciliation of loss allowance (general approach)****12-month ECL**

Loss allowance at the beginning of the year

1 763

-

Changes in models, assumptions and risk parameters

(349)

-

1 414**-**

There were no significant changes in the gross carrying amount of other financial assets that contributed to changes in the loss allowance. The opening loss allowance represents the amount recognised on initial application of GRAP 104 (Revised 2019) through the statement of changes in net assets.

The 2025 comparative is nil as GRAP 104 (2009) was applied in that period.

Notes to the Annual Financial Statements

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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 (2025: 17) 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	(11 671)	(11 671)
Fair value of plan assets	9 682	10 670
	(1 989)	(1 807)
Non-current assets	-	-
Non-current liabilities	(1 989)	(1 807)
	(1 989)	(1 807)

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	(12 477)	(10 248)
Benefits paid	1 959	2 235
Service and interest cost	(1 153)	(924)
Actuarial loss	-	(3 540)
	(11 671)	(12 477)

Net expense recognised in the statement of financial performance are as follows:

Remeasurements of the net defined benefit liability (asset)	182	2 446
• Changes in demographic assumptions	-	2 785
• Changes in financial assumptions	-	(588)
• Experience adjustments	-	1 148
• Changes in investment returns	-	(899)
Interest cost	1 153	924
Expected return on plan asset	(971)	(981)
	182	2 389

Notes to the Annual Financial Statements

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8. Employee benefit obligations (continued)

Changes in the fair value of plan assets are as follows:

Opening balance	10 670	10 830
Payments from the plan	(1 959)	(2 235)
Expected return	971	981
Actuarial gain	-	1 094
	9 682	10 670

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	10,09%	10,09%
Real discount rate	4,69%	4,69%
Expected increase in healthcare costs	6,66%	6,66%
Consumer Price Inflation (CPI)	5,16%	5,16%

Other assumptions

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends 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:

	2026 R'000	2025 R'000	2024 R'000	2023 R'000	2022 R'000
Defined benefit obligation	(11 671)	(12 477)	(10 248)	(10 698)	(11 062)
Plan assets	9 682	10 670	10 830	11 228	11 545
Surplus/(deficit)	(1 989)	(1 807)	582	530	483

Defined contribution plans

The amount recognised as an expense for defined contribution plans is	92 170	83 475
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Notes to the Annual Financial Statements

2026
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R'000**9. Prepayments**

Prepayments consist mainly of membership fees, software licenses and travel advances.

Long-term operational prepayments	3 035	7 160
Total short-term prepayments	45 322	42 820
	48 357	49 980

10. Grants and bursaries paid in advance

Funding advanced for grants and bursaries	10 651	4 314
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11. Inventories

Consumable stores and maintenance spares	24 634	32 574
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12. Receivables from exchange transactions**Receivables from exchange transactions**

Trade debtors	177 725	116 559
Employee costs in advance	274	452
Deposits	15 251	11 723
Other receivables	22 807	4 154
Total Receivables from exchange transactions	216 057	132 888

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 in the NRF's customer base and their dispersion across industries and geographic areas.

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 shortterm nature thereof.

Notes to the Annual Financial Statements

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R'000**12. Receivables from exchange transactions (continued)****Trade and other receivables impaired****Reconciliation of provision for impairment of trade and other receivables**

Loss allowance at the beginning of the period	4 590	1 191
Provision for impairment	-	4 811
Amounts written off as uncollectible	(338)	-
Changes in models, assumptions and risk parameters	(1 482)	(746)
	2 770	5 256

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.

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.

The decrease in the receivables impairment in 2026 is mainly due to a recovery raised for one significant debtor on debt that was fully impaired as at 1 April 2025.

The 2025 comparative represents the impairment provision under GRAP 104 (2009) on an incurred-loss basis. The opening loss allowance for 2026 reflects the restated amount after applying the transitional provisions of GRAP 104 (Revised 2019). Refer to the changes in the accounting policy note.

13. Receivables from non-exchange transactions

Contract income	833 266	252 444
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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.

Reconciliation of loss allowance (simplified approach)**Lifetime ECL**

Loss allowance at the beginning of the period	2 220	-
Changes in models, assumptions and risk parameters	3	-
	2 223	-

There were no significant changes in the gross carrying amount of receivables from non-exchange contracts that contributed to changes in the loss allowance. The opening loss allowance represents the amount recognised on initial application of GRAP 104 (Revised 2019) through the statement of changes in net assets.

The 2025 comparative is nil as GRAP 104 (2009) was applied in that period.

Notes to the Annual Financial Statements

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R'000**14. Cash and cash equivalents**

Cash and cash equivalents consist of:

Cash on hand	71	61
Bank balances	352 964	273 982
Short-term investments at the Corporation for Public Deposits	26 572	1 093 709
	379 607	1 367 752

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.

Reconciliation of loss allowance (general approach)**12-month ECL**

Loss allowance at the beginning of the year	3 729	-
Changes in models, assumptions and risk parameters	(2 167)	-
	1 562	-

The significant decrease in the gross carrying amount of cash and cash equivalents contributed to changes in the loss allowance. The opening loss allowance represents the amount recognised on initial application of GRAP 104 (Revised 2019) through the statement of changes in net assets.

The 2025 comparative is nil as GRAP 104 (2009) was applied in that period.

15. Capital Fund

Opening Balance	3 119 145	3 192 044
Net acquisition of assets/transfer of assets	226 333	(72 899)
Acquisition of property, equipment, intangible and heritage assets	545 924	236 705
Depreciation, amortisation and disposals	(319 591)	(309 604)
	3 345 478	3 119 145

16. SALT Fund

The SALT Fund represents income received from the Department of Science, Technology and Innovation which is invested 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.	14 939	14 668
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Notes to the Annual Financial Statements

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17. Provisions

Reconciliation of provisions - 2026

	Opening Balance	Additions	Utilised during the year	Total
Provision for performance bonus	16 955	15 137	(16 717)	15 375
Provision for compensating events	1 663	-	-	1 663
	18 618	15 137	(16 717)	17 038

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

The provision for performance bonuses represents an estimated amount to be paid.

The process of finalising performance reviews for the current year will conclude in the next financial year, when their determination will be made.

The provision for compensating events is for events registered and whose liability and amount will be confirmed with mutual agreement between the parties.

18. Designated income received in advance

Funding earmarked for a specific purpose and thus conditional as it relates to expenditure that will be incurred in future financial years. The income is transferred to income received in advance until the related costs are incurred.

Income not yet expensed	1 121 860	1 696 537
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19. Payables from exchange transactions

Trade payables	385 387	285 441
Other payables	7 006	1 343
Accrued leave pay	69 713	63 370
Accrued bonus	5 062	4 915
	467 168	355 069

20. Sales of goods and services

Sale of Isotopes	140 069	138 149
Services rendered	6 094	5 187
Other sales	7 291	111
	153 454	143 447

Notes to the Annual Financial Statements

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21. Other income

Sundry Income	3 837	28 306
Rent received	2 533	3 896
Donations received	626	1 510
Insurance recoveries	426	1 227
	7 422	34 939

22. Interest income

Bank	63 206	95 386
Other receipts	2 617	1 117
	65 823	96 503

23. DSTI contract income

DSTI MTEF Contract Funding received	2 986 231	3 283 998
Funds carried forward from the prior year/(to the following year)	1 178 090	240 970
	4 164 321	3 524 968

24. Other Contract income

Government organisations and public entities	334 613	365 803
Private and international organisations	397 659	326 073
	732 272	691 876

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

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25. Board and Corporate Executive members' remuneration

Non-Executive Members (Board members)

	Short term Benefits	Total Board Fees 2026	Total Board Fees 2025
Prof Ari Sitas (Board Chair from 1 December 2025)	103	103	-
Prof G Gray (From 1 December 2022)	62	62	-
*Dr Mathetha Thabo Mokonyama	-	-	-
Prof Matlagolo Mosa Moshabela (Chair until 30 November 2025)	172	172	170
Prof Nadine Petersen (From 1 December 2022)	63	63	69
Dr Len Konar (From 1 December 2022)	155	155	168
Ms Lahlane Hellen Malema (From 1 December 2022)	140	140	144
Dr Mabatho Ntomb'zikhona Mutshekwanane (From 1 December 2022)	107	107	90
Mr Mark Brits (From 1 December 2022)	102	102	112
Prof Pamela Maseko (From 1 December 2022)	103	103	109
Mr Mavuso Shabalala (From 1 July 2024)	154	154	122
Ms Funeka Khumalo (From 1 July 2024)	160	160	127
Prof Teboho Moja (From 1 December 2022)	105	105	110
Prof Pumla Gobodo-Madikizela (From 1 December 2022)	42	42	42
*Prof R Phaswana Mafuya (From 1 December 2022)	-	-	28
	1 468	1 468	1 291

*Members of the NRF Board who do not qualify for remuneration as they are public office bearers.

Notes to the Annual Financial Statements

25. Board and Corporate Executive members' remuneration (continued)

Members of the Corporate Executive

	Short term benefits	**Performance Bonus	Leave encashment	Medical Contributions	Retirement Fund Contributions	Other Benefits	Total Package 2026	Total Package 2025
*Dr FV Nelwamondo (CEO)	4 033	959	-	111	277	156	5 536	4 679
*Dr Angus Paterson (Acting CEO)	2 920	565	-	70	199	106	3 860	3 213
Dr G Moche	2 900	693	-	112	277	499	4 481	3 622
Mr KJ Oagile	2 904	-	-	-	156	157	3 217	3 072
Dr E Lottering (until August 2024)	-	-	-	-	-	-	-	3 001
Mr B Singh (CFO)	3 163	911	-	94	197	336	4 701	3 809
Dr T Mgwebi (until December 2025)	2 172	-	106	94	153	92	2 617	3 132
Total Remuneration	18 092	3 128	106	481	1 259	1 346	24 412	24 528

* Denotes ex-officio member of the NRF Board.

** Executive bonus was paid late for 2025. The figure represents a combined total for 2025 and 2026.

Corporate Executive members are considered key management personnel, as they are the designated decision-makers.

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26. Cost of sales

Sale of goods

Cost of goods sold - Isotopes

101 222

69 984

Cost of goods sold - other

8

9

101 230

69 993

27. Auditors' remuneration

AGSA external audit - current year

1 853

2 534

AGSA external audit - prior year

3 513

4 121

External audit - other contracts

-

108

5 366

6 763

28. Operating surplus

Operating surplus for the year is stated after accounting for the following:

Operating lease charges

Premises

- Contractual amounts

12 328

16 068

Equipment

- Contractual amounts

2 046

2 083

14 374

18 151

Loss on sale of property, plant and equipment

(3 042)

(902)

Gain/(loss) on exchange differences

11 489

2 074

Amortisation on intangible assets

7 631

8 526

Depreciation on property, plant and equipment

308 830

292 650

Employee costs

1 127 204

1 041 391

Defined contribution funds

92 170

83 475

Notes to the Annual Financial Statements

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R'000

29. Cash (used in) /generated from operations

Surplus	273 558	5 060
Adjustments for:		
Depreciation and amortisation	316 457	301 176
Gain on sale of assets and liabilities	3 042	902
Income from equity accounted investments	(271)	(1 871)
Impairment reversals	(3 558)	-
Movements in retirement benefit assets and liabilities	182	2 389
Movements in provisions	(1 580)	2 019
Changes in working capital:		
Inventories	7 940	(18 860)
Receivables from exchange transactions	(81 584)	42 823
Other receivables from non-exchange transactions	(583 044)	(105 523)
Prepayments	1 623	290 377
Grants paid in advance	89 067	6 058
Payables from exchange transactions	98 916	209 138
Designated income received in advance	(574 677)	(264 709)
	(453 929)	468 979

30. Financial instruments disclosure – pre-revised GRAP 104

Categories of financial instruments

2026

Financial assets

	At amortised cost	Total
Other financial assets	364 744	364 744
Trade and other receivables from exchange transactions	216 057	216 057
Other receivables from non-exchange transactions	833 266	833 266
Cash and cash equivalents	379 607	379 607
	1 793 674	1 793 674

Financial Liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	392 392	392 392

Residual interest

	At cost	Total
Share capital / contributed capital	4 146	4 146

Notes to the Annual Financial Statements

2026
R'000

2025
R'000

2025

Financial assets

	At amortised cost	Total
Other financial assets	461 561	461 561
Trade and other receivables from exchange transactions	132 888	132 888
Other receivables from non-exchange transactions	252 444	252 444
Cash and cash equivalents	1 367 752	1 367 752
	2 214 645	2 214 645

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

Notes to the Annual Financial Statements

2026
R'0002025
R'000**31. Commitments****Authorised capital expenditure****Already contracted for but not provided for**

- Property, plant and equipment

345 783

697 741

Total commitments**Authorised capital expenditure**

345 783

697 741

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
- in the second to fifth year inclusive

14 113

13 745

852

14 720

14 965**28 465**

Operating lease payments represent rentals payable by the entity for certain of its office properties. Leases are negotiated for an average term of between one and 20 years and rental escalate between 0% and 8% annually. No contingent rent is payable.

Operating leases - as lessor (income)**Minimum lease payments due**

- within one year
- in second to fifth year inclusive

792

590

918

162

1 710**752**

The entity has entered into non-cancellable commercial property 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

2026
R'0002025
R'000**32. Contingencies****Contingent liabilities**

Future grants awarded

4 537 328

3 451 769

The NRF has awarded multi-year grants up to 5 years, with subsequent years' payments contingent on the receipt of progress reports.

Removal of historic packageable radioactive waste

16 904

9 500

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.

Pending litigation and other claims

Both the claims are being contested. The financial details of these claims are as follows:

2 pending legal claims, currently dormant. No imminent action, with both matters at a low possible financial quantum.

689

-

Surrender of surpluses

The entity submits requests to the relevant Treasury to retain surpluses in terms of section 53(3) of the PFMA, as and when appropriate. Unless exempted by the National Treasury, the entity invests surplus funds with the Corporation for Public Deposits.

The entity surrenders for re-depositing into the relevant Revenue Fund, all surpluses that were realised in a particular financial year –

- (a) which were not approved for retention by the relevant Treasury in terms of section 53(3) of the PFMA; or
- (b) where no application was made to the relevant Treasury to accumulate the surplus in terms of section 53(3) of the PFMA.

The surpluses are surrendered for re-depositing into the relevant Revenue by no later than 30 November of each year, as prescribed.

The cash surplus calculated according to the prescribed calculation per National Treasury Instruction No. 3 of 2025/26 amounts to R195m before deducting allowed contracted project payments, which will reduce the surplus to nil. The request to retain the surplus will include a request to approve contract project payments to be paid in 2026/27. An obligation to surrender the cash surplus is uncertain until the request is formally approved by National Treasury.

Notes to the Annual Financial Statements

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R'0002025
R'000

33. Related parties

Relationships

Members of key management

Refer to note 25

Executive Authority

Department of Science, Technology and Innovation

Associates

Refer to note 5

Fellow 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), National Advisory Council on Innovation (NACi) and South African Council for Natural Scientific Professions (SACNASP).

Because the NRF is a national public entity controlled by the national government, any other national government-controlled entity 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 Science, Technology 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, 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.	3 009	3 748
Prepayment to SALT Foundation (Pty) Ltd.	2 591	3 430

The outstanding balances at year-end are unsecured, interest-free, and settlement occurs in cash. There have been no guarantees received. No impairment has been recorded of the amount owed.

33. Related parties (continued)

Notes to the Annual Financial Statements

2026
R'000

2025
R'000

Related party transactions (continued)

Payments to the SALT Foundation (Pty) Ltd.

Annual operations levy	36 497	35 212
Other grants and contributions	540	1 591

Receipts from SALT Foundation (Pty) Ltd.

The recovery of services rendered	37 745	36 135
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Department of Science, Technology and Innovation

Parliamentary grant and DSTI contract income	3 969 853	4 225 444
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34. Risk management - pre-revised GRAP 104

Financial risk management

The entity's activities expose it to a variety of financial risks: market risk (including 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 program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the entity's financial performance. The entity uses financial instruments to hedge certain risk exposures. Risk management is carried out by a central treasury department (entity treasury) in accordance with policies approved by the Board. The entity identifies, evaluates and hedges financial risks in close co-operation with the entity's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments 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 liquidity risk is a function of the funds available to cover future commitments. The entity manages liquidity risk through ongoing reviews of future commitments and obligations, proper management of working capital, capital expenditure, actual vs forecasted cash flows, and its investment policy. Adequate reserves and liquid resources are also maintained.

The table below analyses the entity's financial liabilities and net-settled derivative 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.

34. Risk management - pre-revised GRAP 104 (continued)

Notes to the Annual Financial Statements

2026
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R'000

At 31 March 2026

Less than 1
year

Trade and other payables

392 393

At 31 March 2025

Less than 1
year

Trade and other payables

286 784

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.

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 regularly. Interest-bearing investments are held with reputable banks to minimise exposure. The entity further manages its interest rate risk by securing competitive rates from multiple banks. No significant risks have been identified with regard to interest rates.

Cash flow interest rate risk

Financial instrument

Current
interest rateDue in less
than a year

Trade and other receivables - normal credit terms

0%

215 783

Cash in current banking institutions

7,15%

352 964

Short-term deposits

6,40%

26 572

Trade and other payables

0%

392 393

Other financial assets

0%

368 890

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.

Foreign currency exposure at statement of financial position date

Current assets

Euro-denominated foreign bank account

165 290

119 485

34. Risk management - pre-revised GRAP 104 (continued)

Notes to the Annual Financial Statements

2026
R'0002025
R'000

Exchange rates used for conversion of foreign items were:

EUR	19,712	19,76
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35. Fruitless and wasteful expenditure

Opening balance as previously reported	-	25
Less: Amount written off - current	-	(25)
Closing balance	-	-

Fruitless and wasteful expenditure incurred in the prior year is due to cash lost in an alleged hijacking and robbery. Disciplinary action was taken and the expenditure written off.

36. Irregular expenditure

Opening balance	7 397	-
Add: Irregular Expenditure - current	-	7 415
Less: Amount written off - current	(7 397)	(18)
Closing balance	-	7 397

A service provider was appointed in 2023/24 where the award of R 7 436 792 did not comply with the CIDB Act, Treasury Regulations and the PPPFA. Total expenditure incurred for 2023/24 and 2024/25 amounted to R 7 396 793. The resultant irregular expenditure was not condoned by the National Treasury and subsequently approved internally for removal in line with the NRF Delegation of Authority.

37. Segment information

General information

Identification of segments

The entity is organised and reports to management on its seven business units. 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.

Notes to the Annual Financial Statements

37. Segment information (continued)

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

Research, Innovation, Impact, and Support and Advancement (RIISA)

Goods and/or services

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.

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 to drive sustainable development in the "Blue Economy" through interactive, collaborative scientific research and disseminates scientific knowledge at all levels.

South African Agency for Science and Technology Advancement (SAASTA)

SAASTA's core activities include 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 Ministry 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

Figures in Rand thousand

37. Segment information (continued)

Segment surplus or deficit, assets and liabilities

2026

Revenue	RIISA	iThemba Labs	SAAO	SARAO	SAEON	SAIAB	SAASTA	Inter-segment & Corporate office	Total
Parliamentary grant	352 906	228 265	79 884	31 584	15 588	33 071	31 360	-	772 658
DSTI contract income	1 986 425	34 388	26 365	1 864 540	163 692	11 400	75 426	-	4 162 236
Other contract income	463 580	2 209	44 875	210 357	1 252	9 396	603	-	732 272
Revenue from exchange transactions	265	143 301	10 590	3 229	1 042	1 219	1 044	-	160 690
Inter-segment transfers	13 063	17 663	13 159	22 119	12 459	34 586	5 135	(118 184)	-
Share of surplus in associates	-	-	271	-	-	-	-	-	271
Interest revenue	6 504	7 472	1 101	27 412	4 711	3 234	3 530	-	53 964
Total segment revenue	2 822 743	433 298	176 245	2 159 241	198 744	92 906	117 098	(118 184)	5 882 091
Corporate office revenue								277 529	277 529
Corporate inter-segment transfers								(52 436)	(52 436)
Total revenue reconciling items								225 093	225 093
Entity's revenue	2 822 743	433 298	176 245	2 159 241	198 744	92 906	117 098	106 909	106 909
Expenditure									
Salaries and wages	140 002	171 537	95 863	401 743	95 452	42 164	44 522	-	991 283
Grants, bursaries, and other research expenditure	2 489 763	4 783	4 235	88 811	1 862	8 316	25 250	-	2 623 020
Programme and operating expenditure	125 786	275 117	77 776	1 366 071	77 821	53 409	41 179	-	2 017 159
Inter-Segment transfers	64 199	17 447	2 083	49 329	13 671	2 649	2 641	(152 019)	-
Total segment expenditure	2 819 750	468 884	179 957	1 905 954	188 806	106 538	113 592	(152 019)	5 631 462
Total segmental surplus/(deficit)	2 993	(35 586)	(3 712)	253 287	9 938	(13 632)	3 506	33 835	250 629

37. Segment information (continued)

	RIISA	iThemba Labs	SAAO	SARAO	SAEON	SAIAB	SAASTA	Inter-segment & Corporate office	Total
Total revenue reconciling items								225 093	225 093
Corporate office expenditure								(220 765)	(220 765)
Corporate inter-segment transfers								18 601	18 601
Entity's surplus (deficit) for the period	2 993	(35 586)	(3 712)	253 287	9 938	(13 632)	3 506	56 764	273 558
Opening segment accumulated surplus/(deficit)	2 430	(183)	(1 182)	42	-	2 007	2 768	(7 727)	(1 845)
Transfer to SALT fund	-	-	(271)	-	-	-	-	-	(271)
Transfer from/(to) infrastructure fund	(10 000)	19 400	-	-	-	4 500	(7 000)	(46 387)	(39 487)
Segment net capital expenditure	(11 732)	(43 424)	(4 014)	(441 264)	(32 157)	(7 665)	(1 226)	-	(541 482)
Depreciation and amortisation	17 665	61 014	10 540	187 935	22 219	15 046	2 118	-	316 537
Corporate office net capital expenditure	-	-	-	-	-	-	-	(1 388)	(1 388)
Accumulated Surplus /(Deficit)	1 356	1 221	1 361	-	-	256	166	1 262	5 622
Assets									
Segment assets	1 407 655	904 454	111 183	2 415 903	192 581	130 413	79 691	-	5 241 880
Total assets as per Statement of Financial Position								-	5 241 880
Liabilities									
Segment liabilities	996 920	70 593	19 717	353 472	56 018	49 006	62 329	-	1 608 055
Total liabilities as per Statement of Financial Position									1 608 055

Segment assets and liabilities for the RIISA segment include Corporate office assets and liabilities as these are not separately identified or internally reported.

37. Segment information (continued)

Figures in Rand thousand

2025

	RIISA	iThemba LABS	SAAO	SARAO	SAEON	SAIAB	SAASTA	Inter-segment transfers & Corporate Office	Total
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
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	83 815	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

Figures in Rand thousand

37. Segment information (continued)

	RIISA	iThemba LABS	SAAO	SARAO	SAEON	SAIAB	SAASTA	Inter-segment transfers & Corporate Office	Total
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)
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

37. Segment information (continued)

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 nature of 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 373m. It includes offsets from additional sources of income and reductions on others. The NRF received an inflationary MTEF allocation increase of 4.48% on the Parliamentary baseline from the Department of Science, Technology and Innovation (DSTI). DSTI contract income decreased due to contracts relating to SKAO obligations placed later than planned. Other contract income decreased primarily due to lesser activities on SKAO contracts. Interest income increased mainly due to a positive cashflow relating to delays in filling vacancies and decreased capital expenditure at SARAO. The sale of isotopes decreased due to a significant increase in unscheduled downtime on the SSC Cyclotron.

Expenditure

Total expenditure, which also includes capital expenditure, is lower than the budget by R 440m. The decrease in employees' remuneration is primarily due to SARAO positions aligned to the SKAO/SARAO agreement, delays in acquiring software and technical skills within the science data processing and software domain and vacancies as the Service Delivery Model is rolled out. Grants, bursaries, and other research expenditure increase is mainly within the Research Advancement programme and is attributable to DSTI contracts carried forward on HCD SARCHI and Science Missions and additional funding from SASOL, Standard Bank Chairs and the SCGI-1 Research Community Projects. Running expenditure decreased due to the suspension

Notes to the Annual Financial Statements

38. Budget differences (continued)

of load-shedding and SKAO contracts placed later than planned. Capital expenditure decrease is mainly driven by delayed capital projects at SARAO, including the SKAO Host Building components such as the Science Operations Centre (SOC), and Site Preparation/Support Costs (SPC) and the ICT Storage tender. This increase is partially offset by the completion of infrastructure-funded projects across NRF business units during the 2025/26 financial year, which has reduced related income flows from completed projects.

39. Changes in accounting policy

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice on a basis consistent with the prior year except for the adoption of GRAP 104 Financial Instruments (revised 2019).

Financial Instruments (GRAP 104, revised 2019)

Nature of change

During the current reporting period, the entity applied the revised Standard of GRAP on Financial Instruments (GRAP 104, revised 2019) for the first time.

The revised Standard introduces, inter alia:

- A new classification model for financial assets, based on the entity's management model for managing financial assets and on the characteristics of the contractual cash flows (SPPI condition).
- A new expected credit loss (ECL) model for the impairment of financial assets measured at amortised cost, replacing the previous incurred-loss model.

The revised Standard became effective for the entity on 1 April 2025.

Transitional provisions

The entity applied the Standard of GRAP on Financial Instruments (GRAP 104) (2019) retrospectively, in accordance with GRAP 3, except as specified otherwise in the transitional provisions. GRAP 104 (2019) was not applied to items that had already been derecognised at the date of initial adoption.

Despite the requirements to apply the Standard of GRAP on Financial Instruments (GRAP104) (2019) retrospectively, the entity was not required to restate prior periods.

The entity did not restate prior periods, and recognised any difference between the previous carrying amount (i.e. 31 March 2025) and the carrying amount at the beginning of the reporting period (i.e. 1 April 2025) including the date of initial adoption in the opening accumulated surplus on 1 April 2025.

Classification and measurement – transitional elections

At the date of initial adoption, the NRF assessed its management model for managing financial assets on the basis of the facts and circumstances that existed at that date. The resulting classification was applied retrospectively, irrespective of the NRF's management model in prior reporting periods.

Impairment – Expected credit losses (ECL)

The entity applied the impairment requirements retrospectively in accordance with GRAP 3.

As the NRF did not restate comparative information, applying the impairment requirements retrospectively means the NRF measured impairment losses using expected credit losses as of the date of adoption (1 April 2025). The NRF recognised any difference between the previous loss allowance and the loss allowance at the beginning of the reporting period that includes the date of initial adoption in the opening accumulated surplus of the annual reporting period that includes the date of initial adoption.

Notes to the Annual Financial Statements

Figures in Rand thousand

39. Changes in accounting policy (continued)

Impact on the financial statements

Reconciliation of measurement categories and carrying amounts – at the date of initial adoption

2026

Class of instrument	Notes	Carrying amount (old) - Line Item/ Class	Non-FI Portion (excluded)	Carrying amount (old) - FI	GRAP 104 (2009) category	GRAP 104 (2019) category	Carrying amount (new) - FI	Change in carrying amount (new - old) - FI	Of which: change arising from change in measurement attribute
Other financial assets	7	461 561	-	461 561	Amortised cost	Amortised cost	459 798	(1 763)	(1 763)
Unlisted shares	7	4 146	-	4 146	Cost	Cost	4 146	-	-
Receivables from exchange transactions	12	132 888	(452)	132 436	Amortised cost	Amortised cost	132 977	541	541
Receivables from non-exchange transactions	13	252 444	-	252 444	Amortised cost	Amortised cost	250 224	(2 220)	(2 220)
Cash and cash equivalents	14	1 367 752	-	1 367 752	Amortised cost	Amortised cost	1 364 023	(3 729)	(3 729)
		2 218 791	(452)	2 218 339			2 211 168	(7 171)	(7 171)

39. Changes in accounting policy (continued)

Non-FI portion excluded from receivables from exchange transactions: Employee costs in advance for R452K.

No change in measurement categories arose on adoption. All financial assets and financial liabilities continue to be measured at amortised cost.

No change in the carrying amount of financial liabilities arose on adoption.

Reconciliation of impairment allowances/provisions to opening loss allowances – at the date of initial adoption

2026

Class of instrument	Notes	GRAP 104 (2009) category	GRAP 104 (2019) category	Closing impairment allowance / provision under GRAP 104 (2009) and GRAP 19 (immediately before adoption)	Other adjustments	Difference recognised in opening accumulated surplus/ (deficit)	Opening loss allowance under revised GRAP 104 at date of initial adoption
Other financial assets	7	Amortised cost	Amortised cost	-	(1 763)	(1 763)	(1 763)
Receivables from exchange transactions	12	Amortised cost	Amortised cost	(5 256)	541	541	(4 715)
Receivables from non-exchange transactions	13	Amortised cost	Amortised cost	-	(2 220)	(2 220)	(2 220)
Cash and cash equivalents	14	Amortised cost	Amortised cost	-	(3 729)	(3 729)	(3 729)
				(5 256)	(7 171)	(7 171)	(12 427)

No impairment allowance existed under GRAP 104 (2009) for cash and cash equivalents, other financial assets or receivables from non-exchange transactions immediately before adoption, as no objective evidence of impairment had been identified for any instrument.

No adjustments arise from changes in the measurement category as no reclassifications occurred on adoption.

The difference recognised in opening accumulated surplus represents ECL loss allowances recognised for the first time on adoption.

Summary of effect on accumulated surplus/net assets

As a result of applying GRAP 104 (revised 2019), the NRF recognised a net decrease of R7.1million in opening accumulated surplus at 1 April 2025, comprising:

- Rnil from changes in classification or measurement categories; and
- A decrease of R7,1million from applying the expected credit loss impairment requirements rather than the previous incurred-loss model.

Notes to the Annual Financial Statements

40. Financial Instruments - Risk Management and Other Disclosures

Statement of financial position

Carrying amounts of financial assets

Class of financial instrument 2026

	Note(s)	At amortised cost	At cost	Total
Other financial assets	7	364 744	4 146	368 890
Receivables from exchange transactions	12	215 783	-	215 783
Receivables from non-exchange transactions	13	833 266	-	833 266
Cash and cash equivalents	14	379 607	-	379 607
Total carrying amounts		1 793 400	4 146	1 797 546

Class of financial instrument 2025

	Note(s)	At amortised cost	At cost	Total
Other financial assets	7	461 561	4 146	465 707
Receivables from exchange transactions	12	132 436	-	132 436
Receivables from non-exchange transactions	13	252 444	-	252 444
Cash and cash equivalents	14	1 367 752	-	1 367 752
Total carrying amounts		2 214 193	4 146	2 218 339

Carrying amounts of financial liabilities

Class of financial instrument 2026

	Note(s)	At amortised cost	Total
Payables from exchange transactions	19	392 393	392 393

Class of financial instrument 2025

	Note(s)	At amortised cost	Total
Payables from exchange transactions	19	286 784	286 784

Notes to the Annual Financial Statements

40. Financial Instruments - Risk Management and Other Disclosures (continued)

Nature and extent of risks arising from financial instruments

Qualitative & Quantitative disclosures

Overview

In the course of the entity's operations, it is exposed to credit, liquidity, and market risk (currency, interest rate and other price risk). Internal audit reports are submitted quarterly to the Audit and Risk Management Committees, independent committees that monitor risks and policies implemented to mitigate risk exposures. The entity is not exposed to significant currency risk or other price risk. The risk management process relating to each of these risks are discussed under the headings below.

Financial assets that potentially subject the NRF to concentrations of credit risk consist mainly of cash and cash equivalents. The entity's cash and short-term deposits are placed with high-quality financial institutions as well as the South African Reserve Bank. The entity's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of the receivables. Accordingly, the entity has no significant concentration of credit risk.

Credit risk

Scope and objectives

Credit risk is the risk of a counterparty to a financial instrument defaulting on its obligation to the NRF, thereby causing financial loss. Credit risk primarily consists of cash equivalents, other financial assets, receivables from exchange transactions and receivables from non-exchange transactions. The NRF only deposits cash with major banks with high-quality credit standing and limits exposure to any one counterparty.

Credit risk on receivables from exchange transactions and other financial assets are managed through strict credit control.

Regardless of the qualitative or quantitative assessment performed, the NRF applies the rebuttable presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the NRF has reasonable and supportable information demonstrating that a significant increase in credit risk has not occurred.

There have been no significant changes in the NRF's exposure to credit risk or in its objectives, policies, and processes for managing credit risk during the reporting period.

The credit risk management practice

Methods, assumptions and information used to measure ECL

The economic entity engaged an independent actuarial firm to calculate the expected credit loss allowances for all financial assets within the scope of the impairment requirements of GRAP 104 (Revised 2019). The methods, inputs and assumptions applied to each class of financial asset are summarised below.

Receivables from exchange transactions: Trade debtors - simplified approach

A provision matrix methodology is applied to receivables. Receivables are grouped by similar credit-risk characteristics (debtor categories), historical payment behaviour is analysed across ageing buckets, and weighted roll-rate transitions are used to estimate the cumulative lifetime loss rate for each bucket. Eight customer groups have been grouped into three debtor categories based on similarities in their underlying characteristics, expected recovery patterns, and credit risk profiles. Monthly aged debtor data from October 2020 to March 2026 form the basis for calculating weighted roll-rate transition probabilities across 37 30-day ageing buckets, up to an absorbing default state at 1080+ days.

Notes to the Annual Financial Statements

40. Financial Instruments - Risk Management and Other Disclosures (continued)

For each category, weighted transition (roll) rates between consecutive ageing buckets are calculated for all available month pairs. Cumulative lifetime loss rates are derived by chaining transition rates forward to the absorbing 1 080+ Days state and applying a terminal (one minus the recovery) rate.

No interest is charged on past-due balances across all categories. Applying a conservative materiality threshold, the discount impact is well below that threshold and is therefore considered immaterial. Discounting was therefore not applied in the final ECL calculation.

The ECL for each segment and bucket is calculated as the exposure multiplied by the cumulative loss rate and then aggregated.

Forward-looking information

Any reasonable and supportable information about the future that is available without undue cost or effort was considered. Default rates were linked to macroeconomic variables — for example, estimating whether higher inflation, lower GDP growth, or higher interest rates lead to more debtors defaulting.

The existence of such a link was considered for NRF's three debtor categories using a structured regression-based framework. The data set used included six annual 31 March year-end observations spanning 2021 to 2026. Based on the results, no macro-economic forward-looking factors were included in the impairment calculation.

Individual Assessment and Manual Adjustments

Where specific objective evidence exists that a receivable or a group of receivables is credit-impaired, or where the credit risk profile deviates significantly from the historical average, the entity performs an individual assessment rather than applying the collective provision matrix.

During the current reporting period, management identified specific receivables where the carrying amount exceeded the expected recoverable amount due to unique external circumstances and subsequent settlement negotiations. In these instances, the following techniques were applied:

Negotiated Recoverable Amounts: Where a formal settlement agreement has been reached or is in the final stages of execution, the expected future cash flows are based on the agreed-upon settlement value. These amounts are then integrated into the standard ECL model to account for any residual time-value or minor performance risks.

Specific Impairment (Out-of-Model): The residual balance of these specific accounts, representing the portion contractually waived or deemed uncollectable following management's assessment of the debtor's circumstances, is recognized as a specific impairment. This manual adjustment ensures that the impairment reflects the most current information available to management and avoids the distortion of the collective provision matrix.

Management assumes that the agreed settlement amounts represent the maximum recoverable amount based on the strategic importance of the relationship and the legal assessment of the collectability of the original debt.

Receivables from exchange transactions: Sundry debtors – simplified approach

Sundry debtors consist of miscellaneous receivable balances that do not fall within the main debtor categories. These balances have been estimated separately, noting that they vary in nature and do not exhibit a clear payment pattern or shared credit risk characteristics with the larger debtor groups.

Insufficient historical data is available to reliably assess the payment behaviour of sundry debtors. As these balances cannot reasonably be grouped with other debtor categories for modelling purposes, the recoverability assessment was based on available inputs, with a conservative overlay applied to account for the uncertainty associated with these balances.

Notes to the Annual Financial Statements

40. Financial Instruments - Risk Management and Other Disclosures (continued)

An assessment of sundry debtor balances was performed to estimate the ECL. Sundry debtors represent contractual rights to receive cash and therefore fall within the standard's impairment requirements.

The determination of the PD and LGD requires significant judgement, taking into account the nature and characteristics of each receivable. A tailored approach was applied to estimate the ECL based on the specific risk profile and expected recoverability of each sundry debtor balance.

Individually assessed receivables (sundry debtors) are assessed on an individual basis because each has a distinct credit risk profile that is not representative of the broader debtor population.

Receivables from non-exchange transactions — simplified approach

Receivables from non-exchange transactions represent amounts owed to the entity where value is received without an approximately equal exchange of value. For the purposes of measuring expected credit losses (ECL), these receivables are assessed as follows:

Shared Risk Grouping: Where counterparties to non-exchange transactions also have established exchange relationships, the entity applies the same impairment rates derived from the simplified provision matrix used for exchange receivables. This is based on the determination that these balances share identical credit risk characteristics and payment behaviours.

Individual Assessment: Balances that have been outstanding for an extended period and where engagement with the counterparty indicates a low probability of recovery are assessed individually. Where management no longer expects to recover the amount, the balance is treated as credit-impaired and a specific impairment of 100% is recognised.

Methodology for Sovereign and Inter-governmental Exposure

SIDA is an agency of the Swedish government, funded through the state budget and operating under the Ministry for Foreign Affairs. The exposure, therefore, carries Swedish sovereign credit risk. Sweden is rated AAA by S&P, the highest credit rating available, and S&P's historical sovereign default studies record no defaults at the AAA level over the observation period. However, GRAP 104 requires that an ECL reflect both the possibility that a credit loss occurs and the possibility that no credit loss occurs, even where the probability of loss is very low. Accordingly, a non-zero PD has been applied using the S&P historical one-year default rate for AA-rated sovereigns (0.02%) as a conservative proxy, given that observed AAA defaults are zero. LGD has been set at 25%, applied as a benchmark based on the Basel III input floor for senior unsecured corporate exposures, in the absence of entity-specific recovery data.

Cash and cash equivalents – general approach

Cash and cash equivalents are assessed under the general approach. All balances have been assessed as low credit risk at the reporting date, based on the absence of significant credit deterioration, the short-term nature of expected settlement, and the financial capacity and willingness of the counterparty financial institutions to meet their obligations. Loss allowances are accordingly measured on a 12-month ECL basis.

The ECL for exposures modelled under the general model should be calculated as Probability of Default (PD) × Loss Given Default (LGD) × Exposure at Default (EAD). The PD is based on the one-year default rate corresponding to a Ba2 long-term rating, sourced from the rating agency's annual default study. The LGD is the Basel III F-IRB supervisory floor for senior unsecured exposures to regulated banking institutions, adopted in the absence of reliable South African bank-specific recovery data.

All exposures assessed as low credit risk at the reporting date. Accordingly, loss allowances were measured at a 12-month ECL rather than a lifetime ECL. The assessment of low credit risk was based on the following factors: the counterparties have a low risk of default; they have a strong capacity to meet contractual cash flows in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce their ability to fulfil its obligations.

Notes to the Annual Financial Statements

40. Financial Instruments - Risk Management and Other Disclosures (continued)

Other financial assets – general approach

Other financial assets comprise a contingency risk policy and grant deposits advanced to research institutions. These instruments are classified as financial assets at amortised cost. At the reporting date, the entity has assessed these assets as having low credit risk. Consequently, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL) in accordance with the general approach prescribed by GRAP 104.

The ECL for other financial assets is calculated using the parameters of Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD).

Contingency Risk Policy (CRP):

Probability of Default (PD): The PD is derived from the credit rating of the underlying insurer's parent company, assigned by an international credit rating agency. This approach is adopted to ensure a conservative assessment of counterparty risk and consistency with the entity's broader sovereign and banking credit risk assumptions.

Loss Given Default (LGD): Management considers the legal structure of the instrument under the Insurance Act 18 of 2017. While the policy is a cell captive, the LGD reflects a senior unsecured recovery position in a hypothetical liquidation scenario. In the absence of specific domestic default data for the insurance sector, LGD is calibrated based on global average recovery rates for senior unsecured instruments published by international rating agencies.

Exposure at Default (EAD): The EAD is the carrying amount of the policy at the reporting date, inclusive of credited returns.

Grant Deposits (Research Institutions):

Probability of Default (PD): These deposits are held by public universities and national research entities. Given the lack of external credit ratings for most counterparties and their heavy reliance on government appropriations, the South African sovereign credit rating is used as a proxy for the PD. This proxy inherently incorporates forward-looking macroeconomic factors relevant to the domestic fiscal environment.

Loss Given Default (LGD): A conservative proxy for unrated senior unsecured exposures is applied, consistent with international supervisory guidance (Basel III). This is further supported by the structural enforcement mechanisms contained in the Master Funding Agreements, which allow the entity to withhold future funding in the event of non-repayment.

Exposure at Default (EAD): The EAD represents the full contractual balance recallable by the entity. As these deposits are non-interest-bearing, the EAD is discounted using the South African prime lending rate to reflect the time value of money over the expected recovery period (including the annual review and 30-day notice period).

Management has applied judgment in determining that the sovereign credit rating is the most appropriate proxy for the credit risk of public research institutions. The use of the "low credit risk" simplification is based on the institutions' historical performance (zero defaults over six years) and the insurer's investment-grade credit profile.

Other financial assets are assessed individually for ECL purposes, as each counterparty has distinct credit characteristics.

Receivables from exchange transactions: Deposits – general approach

Except for specifically identified credit-impaired balances, all deposits were assessed as having low credit risk at the reporting date. This assessment is based on the credit quality of the counterparties and the historical lack of default. Accordingly, the entity has applied the general approach and measured the loss allowance at an amount equal to 12-month expected credit losses.

Notes to the Annual Financial Statements

40. Financial Instruments - Risk Management and Other Disclosures (continued)

For the ECL assessment, deposits are grouped based on the nature of the underlying service, the regulatory environment, and shared credit risk characteristics. The following groupings have been utilised:

Electricity Deposits: Security balances held with national utility providers for the supply of energy. These are assessed based on the credit profile of the state-owned utility.

Rental Deposits: Security deposits held with property management groups and commercial landlords under lease agreements.

Fuel Deposits: Collateral held with commercial suppliers to secure the procurement of fuel and energy resources.

Mineral and Prospecting Rights Deposits: Statutory deposits held with national government departments as required by legislation for the exercise of resource rights. These are assessed based on the sovereign credit risk of the national government.

Municipal Deposits: Service and security balances held with local government authorities for municipal utilities and rates.

Collateral Deposits: Funds held as security or performance guarantees with financial institutions or insurance-related counterparties.

Security and Service Deposits: General security and service-related deposits with various commercial, industrial, and unrated entities.

The ECL for each exposure is calculated using the formula: $\text{Probability of Default (PD)} \times \text{Loss Given Default (LGD)} \times \text{Exposure at Default (EAD)}$.

Probability of Default (PD): For rated counterparties, PDs are derived from external credit ratings. For unrated counterparties, including public universities and certain government institutions, the entity utilises the South African sovereign credit rating or industry-specific default rates as a proxy.

Loss Given Default (LGD): Management applies LGD rates based on the nature of the recovery environment, using international benchmarks for senior unsecured exposures where specific local data is unavailable.

Exposure at Default (EAD): This represents the full contractual balance expected to be outstanding at the time of a hypothetical default.

The entity incorporates the time value of money into the ECL calculation as follows:

Interest-bearing Deposits: No separate discounting adjustment is applied, as the carrying amount at the reporting date already reflects the present value of the instrument measured using the effective interest method.

Non-interest-bearing Deposits: Expected credit losses are discounted using the prevailing South African prime lending rate at the reporting date as a proxy for a market-related adjustment. In assessing the 12-month ECL, default is assumed to occur 12 months after the reporting date, consistent with the requirements for low credit risk instruments under GRAP 104.

In accordance with GRAP 104, the entity considers reasonable and supportable information that is available without undue cost or effort.

The entity does not apply a separate macroeconomic overlay to the impairment of deposits. The base default rates utilised already embedded forward-looking elements through their long-run calibration across economic cycles. For rated counterparties, external ratings represent a point-in-time assessment by rating agencies that incorporates forecast economic conditions. Applying an additional macro scaling factor would result in an unwarranted double-counting of the macroeconomic risk already reflected in the primary inputs.

Notes to the Annual Financial Statements

40. Financial Instruments - Risk Management and Other Disclosures (continued)

Cash and cash equivalents – general approach

Cash and cash equivalents are assessed under the general approach. All balances have been assessed as low credit risk at the reporting date, based on the absence of significant credit deterioration, the short-term nature of expected settlement, and the financial capacity and willingness of the counterparty financial institutions to meet their obligations. Loss allowances are accordingly measured on a 12-month ECL basis.

The ECL is calculated as $PD \times LGD \times EAD$ for each deposit. The PD is based on the one-year default rate corresponding to a Ba2 long-term rating, sourced from the rating agency's annual default study. The LGD is the Basel III F-IRB supervisory floor for senior unsecured exposures to regulated banking institutions, adopted in the absence of reliable South African bank-specific recovery data. Cash and cash equivalents comprise commercial bank balances (including current and savings accounts), and deposits held with the Corporation for Public Deposits (CPD), a South African Reserve Bank (SARB) subsidiary.

Cash and cash equivalents are assessed individually for ECL purposes, with Corporation of Public Deposits balances and commercial bank deposits balances assessed separately, as each institution has distinct credit characteristics. A uniform PD and LGD framework is applied across all institutions, consistent with the NRF's assessment that all counterparties are South African licensed banking institutions with comparable credit risk profiles.

The base PD for cash and cash equivalents represents the S&P's default rate and is applied without a further macroeconomic overlay adjustment for the CPD and commercial bank accounts. The base rate is considered to incorporate the sovereign-level systematic risk relevant to these counterparties in its calibration and is therefore forward-looking by definition. This is consistent with the treatment applied to analogous instruments in comparable GRAP 104 (Revised 2019) models.

Low credit risk

The NRF considers a financial asset to have low credit risk when the counterparty's external credit rating is equivalent to the globally understood definition of 'investment grade' or better, or where the counterparty is a South African licensed banking institution with a long-term rating of at least Ba2 on the applicable rating agency's national scale. All cash and cash equivalents are held with counterparties meeting this threshold. The Ba2 rating and corresponding one-year default rate are sourced from the rating agency's 2024 annual default study.

Definition of default

The NRF considers a financial asset to be in default when the debtor is unlikely to pay its obligation to the NRF in full, or when the financial asset is more than 90 days past due. The 90-day threshold is applied consistently across all financial assets as it aligns with the NRF's internal credit monitoring processes.

For cash and cash equivalents, default would occur if the financial institution failed to honour a demand for repayment. No defaults were identified at the reporting date.

Write-off policy

The NRF has a policy of writing off the gross carrying amount when the financial asset is 90 days past due, based on historical recovery experience. After all effort was done to collect the receivable aligned to normal processes, it is concluded that there is no reasonable expectation of recovery, and the board then approves the write off.

Notes to the Annual Financial Statements

40. Financial Instruments - Risk Management and Other Disclosures (continued)

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.

Financial liabilities includes payables from exchange transactions, excluding accrued leave pay and accrued bonus.

Maturity analysis of contractual undiscounted cash outflows – non-derivative financial liabilities

2026

Current liabilities

Payables from exchange transactions	392 393	392 393
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2025

Current liabilities

Payables from exchange transactions	286 784	286 784
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Market risk

Sensitivity analysis

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 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.

Fluctuations in interest rates impact on the value of investments, giving rise to interest rate risk.

The entity policy with regards to financial assets, is to invest cash at floating rates of interest and to maintain cash reserves in short-term investments in order to maintain liquidity, while also achieving a satisfactory return.

There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

Notes to the Annual Financial Statements

40. Financial Instruments - Risk Management and Other Disclosures (continued)

Interest rate profile

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

	Average effective 2026	Carrying amount 2026
Variable rate instruments:		
Assets		
Cash in current banking institutions	7 %	352 964
Short-term deposits	6 %	26 572
		<u>379 536</u>

Notes

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