

NATIONAL RESEARCH FOUNDATION



ANNUAL REPORT 2023/24





TABLE OF CONTENTS

PART A: GENERAL INFORMATION

i

1.	GENERAL INFORMATION	ii
2.	LIST OF ACRONYMS	iii
3.	FOREWORD BY THE CHAIRPERSON	1
4.	CHIEF EXECUTIVE OFFICER'S OVERVIEW	3
5.	STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT	5
6.	STRATEGIC OVERVIEW	6
7.	LEGISLATIVE AND OTHER MANDATES	7
8.	THE NRF BOARD	9
9.	ORGANISATIONAL STRUCTURE	10

PART B: PERFORMANCE INFORMATION

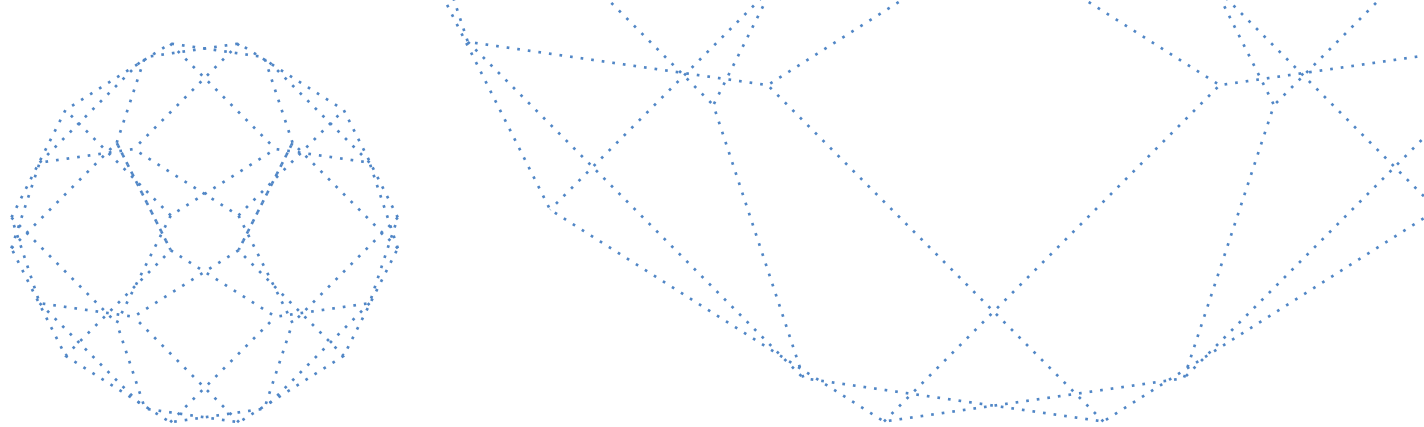
11

10.	AUDITOR'S REPORT: PREDETERMINED OBJECTIVES	12
11.	OVERVIEW OF PERFORMANCE	12
12.	INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION	18
	11.1 Overview of NRF Budget Programmes	18
	11.2. Outcomes, outputs, output indicators, targets and actual achievement	22
13.	REVENUE COLLECTION	37
14.	CAPITAL INVESTMENT	38

PART C: GOVERNANCE

42

15.	INTRODUCTION	43
16.	PORTFOLIO COMMITTEES	43
17.	EXECUTIVE AUTHORITY	43
18.	THE ACCOUNTING AUTHORITY / BOARD	44
19.	RISK MANAGEMENT	64
20.	INTERNAL CONTROL UNIT	65
21.	INTERNAL AUDIT	65
22.	AUDIT AND RISK COMMITTEE	66
23.	COMPLIANCE WITH LAWS AND REGULATIONS	68
24.	FRAUD AND CORRUPTION	68
25.	MINIMISING CONFLICT OF INTEREST	68
26.	CODE OF CONDUCT	69
27.	HEALTH SAFETY AND ENVIRONMENTAL ISSUES	69
28.	CORPORATE AND BOARD SECRETARY	69
29.	SOCIAL RESPONSIBILITY	70
30.	AUDIT AND RISK COMMITTEE REPORT	71
31.	B-BBEE COMPLIANCE PERFORMANCE INFORMATION	73



PART D: HUMAN RESOURCE MANAGEMENT **74**

32.	INTRODUCTION	75
33.	HUMAN RESOURCE OVERSIGHT STATISTICS	77
33.1.	Personnel related expenditure	77

PART E: PFMA COMPLIANCE REPORT **82**

34.	IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES	83
34.1.	Irregular expenditure	83
34.2.	Fruitless and wasteful expenditure	85
33.3.	Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) &(iii)	87
35.	LATE AND/OR NON-PAYMENT OF SUPPLIERS	88
36.	SUPPLY CHAIN MANAGEMENT	88
36.1.	Procurement by other means	88
36.2.	Contract variations and expansions	89

PART F: FINANCIAL INFORMATION **91**

37.	REPORT OF THE EXTERNAL AUDITOR	92
38.	ANNUAL FINANCIAL STATEMENTS	97



PART A: GENERAL INFORMATION

I. GENERAL INFORMATION

REGISTERED NAME:	National Research Foundation (NRF)
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BANKERS:	Corporate and Investment Banking, CIB 1st Floor, Lourie Place Hillcrest Office Park 177 Dyer Road Hillcrest 0183
COMPANY/ BOARD SECRETARY	Cassandra Mfana

2. LIST OF ACRONYMS

AENE	Adjusted Estimates of National Expenditure
AFS	Annual Financial Statements
AGSA	Auditor-General South Africa
AI	Artificial Intelligence
AOSP	African Open Science Platform
APR	Annual Performance Report
AR	Annual Report (AR)
ARC	Agricultural Research Council
ARC	Audit and Risk Committee
ASE	Africa Science Entrepreneurship
BAAP	Black Academics Advancement Programme
BBBEE	Broad-based Black Economic Empowerment
BCM	Business Continuity Management
CDIO	Career Development Information Officer
CEO	Chief Executive Officer
CIKS	Centre for Indigenous Knowledge System
CoE	Centres of Excellence
CoP	Community of Practices
CPUT	Cape Peninsula University of Technology
CSIR	Council for Scientific and Industrial Research
DHET	Department of Higher Education and Training
DPME	Department of Planning, Monitoring and Evaluation
DSI	Department of Science and Innovation
DUT	Durban University of Technology
DWS	Department of Water and Sanitation
EAP	Employee Assistance Programme
EFTEON	Expanded Freshwater and Terrestrial Environmental Observation Network
ENE	Estimates of National Expenditure
EQAR	External Quality Assurance Review
ERM	Enterprise Risk Management
EVP	Employee Value Proposition
FMDP	Future Management Development Programme
GERD	Gross Expenditure in Research and Development
HDIs	Historically Disadvantaged Institutions
HEIs	Higher Education Institutions
HEST	Higher Education, Science and Innovation
HIRAX	Hydrogen Intensity and Real-time Analysis Experiment
HR	Human Resources
ICT	Information and Communication Technologies
IIA SA	Institute of Internal Auditors South Africa
IIASA	International Institute for Applied Systems Analysis
ILO	International Labour Organisations
IMIsEE	Indigenous Marine Innovations for sustainable Environments and Economies
IoT	Internet of Things

2. LIST OF ACRONYMS

JIF	Journals with an Impact Factor
JML	Joint Marine Laboratories
KADI	Knowledge and climate services from an African observation and Data research Infrastructure
Life EHS	Life Employee Health Solutions
MDP	Management Development Programmes
NACH	National Anti-Corruption Hotline
NEP	National Equipment Programme
nGAP	New Generation of Academics Programme
NIPMO	National Intellectual Property Management Office
NITheCS	National Institute for Theoretical and Computational Science
NMDP	New Management Development Programme
NRF	National Research Foundation
NRF-SARAO	South African Radio Astronomy Observatory
NRI	National Research Institutes
NSI	National System of Innovation
NSW	National Science Week
NWU	North-West University
NYS	National Youth Services
OECD	Organisation for Economic Co-operation and Development
OR	Organisational Resilience
ORTARChI	O.R. Tambo Africa Research Chairs Initiative
PFMA	Public Finance Management Act
PI	Principal Investigator
PPC	Parliamentary Portfolio Committee
PRHSCA	Professional Health and Safety Construction Agents
PSC	Public Service Commission
RDIP	Research Development Infrastructure Platform
RIPs	Research Infrastructure Platforms
SABC	South African Broadcasting Corporation
SAHPRA	South African Health Products Regulatory Authority
SAIF	South African Isotopes Facility
SALT	Southern African Large Telescope
SANBI	South African National Biodiversity Institute
SANPARKS	South African National Parks
SANSA	South African National Space Agency
SARChI	South African Research Chairs Initiative
SET	Science Engineering and Technology
SHEQMF	Safety, Health, Environment and Quality Management Forum
SKA	Square Kilometre Array
SMCRI	Shallow Marine and Coastal Research Infrastructure
SMDP	Strategic Management Development Programme
SRE	Strategic Research Equipment
SSARMO	Sub-Saharan Africa Regional Member Organization
SSC	Separated Sector Cyclotron

2. LIST OF ACRONYMS

SSDF	Scarce Skills Development Fund
SSH	Social Sciences and Humanities
STI	Science Technology and Innovation
TCA	The Conversation Africa
TIHMC	The Innovation Hub Management Company
TMA	Telescope Mechanical Assembly
TVET	Technical and Vocational Education and Training
UCT	University of Cape Town
UFH	University of Fort Hare
UniZulu	University of Zululand
UP	University of Pretoria
UWC	University of the Western Cape
WoS	Web of Science
WSU	Walter Sisulu University



3. FOREWORD BY THE CHAIRPERSON



Prof Mosa Moshabela

Introduction

On behalf of the NRF Board, it is my pleasure to present the National Research Foundation 2023/24 Annual Report. The report provides an account of the performance of the organisation for the period under review. The period has been one of success, marked by significant milestones in flagship and strategic projects such as the completion of the South African Isotope Facility (SAIF) and its inauguration by the honourable Minister, Dr Bonginkosi Emmanuel Nzimande.

High-level overview of the NRF's strategy and the performance in the respective sector

The NRF continued with the implementation of its Strategy 2025, which comes to an end in the 2024/25 financial year, as the country transitions to the 7th Administration. Guided by the support of the Executive Authority, the NRF has made numerous efforts to provide support for building a pipeline of researchers as well as the transformation of the sector. We continue to invest in science engagement for the benefit of society as well as provide scientific infrastructure for purposes of both research and innovation, to enable the research enterprise to better contribute to national development.

Our commitment to ensure that the NRF's services and initiatives contribute to the socio-economic development of the country has started yielding fruit. The Research Infrastructure Platforms (RIPs), hosted by the National Facilities, are instrumental to the expansion of the knowledge horizon, and both local and international responses to crises such as global change and threats of chronic disease. Other significant highlights of these contributions have been made through the NRF-iThemba LABS's provision of medical radio isotopes for cancer treatment, as well as through the excellent research in the field of environmental and biodiversity sciences, which support Government and industry decision making. The National Facilities in the field of astronomy and accelerator-based physics support socio-economic development in the areas

where they are located, through supplier development and employment while also building a pipeline of IP products and technology know-how. Through strategic investment initiatives, such as DSI-NRF Centres of Excellence (CoEs) and the South African Research Chairs Initiative (SARChI), the NRF can focus on bringing about meaningful impact in the area of Science, Technology and Innovation (STI) priorities.

Strategic partnerships

The NRF continues to enjoy strategic partnerships with industry and Government sectors for the advancement of the mandate of the organisation and other national STI priorities. Some of these partners include the Swiss Foundation Botner, which funds the U'GOOD Programme, whose focus is on mental health research in African countries. Another noteworthy partnership is a newly formed partnership with the United Kingdom Science and Technology Facilities Council (STFC), to advance crucial physics in topics such as radio astronomy and sustainable energy. The Research Infrastructure Partnership Programme (RIPP) will facilitate lab-to-lab collaborations between NRF and STFC facilities. These will develop international physics capacity through activities such as training opportunities, staff exchanges, and collaborative research. A total of £25m has been secured and will fund collaborations between the STFC and institutions in the UK, South Africa and across Africa.

The organisation also continues to harness its relations with local higher education institutions. Stakeholders, such as the Department of Science, Technology and Innovation (DSTI), Department of Higher Education and Training (DHET), universities, science councils and many others, continue to partner with the NRF in building a better South African National System of Innovation and academic society. In an era where fiscal growth is highly constrained, we recognise



the need to partner with the private sector on efforts to grow research, development and innovation initiatives within the NSI. We are pleased to have established relations with institutions such as Sasol to co-fund initiatives such as the DSI-NRF-Sasol Chairs to advance research in energy transition as well as the joint Postdoctoral Innovation Fellowship Programme.

Challenges faced by the Board

The 2023/2024 year was characterised by continued challenges with funding, as evidenced by the cost containment measures and budget cuts implemented nationally. Navigating the effects of these funding constraints, in the context of a decline in postgraduate researcher funding, has posed a continuous challenge. These funding constraints continued to occupy priority, with several engagements with the Executive Authority and strategic partners held which were aimed at the sourcing of additional funds for the key mandate of funding postgraduate students.

During the reporting period, several changes took place within Executive management. The Board is pleased to have welcomed new Executives in the portfolios of Business Advancement and Digital Transformation. Conversely, the Board was also required to oversee matters of a disciplinary nature within Executive management. The investigation was ongoing during the year under review, with both matters concluded by way of exit from the organisation. To this end, the Board's intent to ensure accountability and transparency is paramount.

As a result of the resignation of two Board members, the composition of the NRF Board throughout the reporting period posed a challenge. This challenge was later mitigated through the Ministerial appointments of three Board members in June 2024. The new members are warmly welcomed, and we look forward to their input on the Board.

The Board continues to implement the recommendations of the NRF Review, noting the challenges with the diverse nature of the recommendations. The emphasis in the coming year will be on this key area and to ensure that the recommendations find expression and implementation within the areas identified.

The strategic focus over the medium to long-term period

The focus of the operations of the NRF over the next MTEF period will be on the alignment of its priorities with those of the 7th Administration, as well as paving a new strategic trajectory of growth for the Strategy 2030 which will be guided by the Executive Authority and based on the next medium-term period priorities and outcomes. Given the current challenges that we face as a country, which range from financial and economic constraints to the need to deepen transformation of the STI sector and intensify research, development and innovation, the NRF will focus on the following priorities:

- Review and improvement of funding modalities for impact through better alignment to the STI Decadal Plan and better allocation of funding.
- Improvement of institutional and multiple science domain collaborations to enhance contributions to developmental impact.

- Optimisation of the NRF's contribution to development impact through synergies between Intra-NRIP collaboration among NFs and with NSS stakeholders in developing and maintaining necessary research infrastructure to meet the needs of science across domains.
- Provision of decision support services for the science system through real-time data and analytics services.
- The rollout of directed institutional capacity development initiatives, such as the University Development Programme.
- Securing of more resources to address shortfalls in demand for support and available resources.
- Improvement of the innovation capabilities of NRF National Facilities in order to maintain the global competitiveness of the national research infrastructure.

Acknowledgement/appreciation

My sincere appreciation goes to the Minister of Science, Technology and Innovation, Dr BE Nzimande, for his stewardship in driving the priorities of the NRF and its operations. To the 6th Administration's Parliamentary Portfolio Committee on Higher Education, Science and Innovation, go our gratitude for its oversight and guidance in ensuring that the NRF remains an accountable and transparent public institution that serves the needs of society.

I would also like to express my gratitude to my fellow Board Members for their efforts in providing a governance structure and support to the Corporate Executive in the execution of the NRF Mandate. To the NRF Corporate Executive and Staff, appreciation is also given for their excellent work and commitment to ensuring that the work of the NRF accounts for the resources entrusted to the organisation and the Board in the realisation of the NRF Mandate.

Finally, appreciation goes to all of the stakeholders that have taken the journey with us in realising the mandate of the NRF over the past five years and beyond. We look forward to a more enriching journey of partnerships and relations that will drive and transform the STI landscape for future generations.

Thank you.



Prof Mosa Moshabela
Chairperson of the Board
National Research Foundation
Date: August 2024

4. CHIEF EXECUTIVE OFFICER'S OVERVIEW



Dr Fulufhelo Nelwamondo

Financial Overview of the operations of the NRF

The NRF derives its income mainly from the Parliamentary Grant (R991m), DSI contracts (R3 292m), other contact income (R663m), sales revenue (R143m) and interest income (R110m). The NRF total income increased by 12% from R4 681m in 2022/23 to R5 264m in 2023/24.

The NRF expenditure trends largely mirror the level of income. The increase of 12% in total expenditure (including capital expenditure) from R4 660m in 2022/23 to R5 227m in 2023/24, is mainly attributable to the increase in SKAO membership fees and the capitalisation of the SAIF project at iThemba LABS.

Research funding expenditure decreased by 4%, from R2 251m to R2 153m. This is attributed to grants not taken up, mainly on the Thuthuka programme, international programmes, the DSI Science Missions Contract, DSI Human Capacity Development Contract and the RDIP Contract, due to the lag in the roll-out of the new grant making system, NRF Connect.

Capital expenditure increased by R226m in 2023/24 due to the commissioning and capitalisation of the 70MeV cyclotron and the SAIF Phase 1 project. The key drivers of infrastructure expenditure during the reporting period were projects such as the MeerKAT extension, the SARIR projects at SAEON and the SAIF and CERN projects at iThemba LABS.

Capacity constraints and challenges faced by the NRF

The organisation, within the context of its role in the NSI, faced some strategic challenges during the period under review that need to be managed for the benefit of NRF and to some extent the NSI. Another challenge during the financial year was the high staff turnover rate, especially in the areas of feeding into the management cohort and Science Engineering and Technology (SET) skills. In addition, aligning NRF's postgraduate students and researcher funding with evolving sector needs and national

STI policies developments such as the STI Decadal Plan, remained a challenge.

Finally, there is still underfunding of research and postgraduate student support to meet current demand and fundable proposals. We continue to strive to ensure the sustainability of the NRF, towards delivering on its mandate, within the current fiscal landscape.

Discontinued key activities/activities to be discontinued

No activities were discontinued during the financial year and no discontinuation is envisaged for the foreseeable future.

New or proposed key activities

The NRF will continue with the delivery of the Research Infrastructure Platform's Projects and contribute to the implementation of STI policies, specifically the STI Decadal Plan, and ensure sustainability of the NRF to deliver on its mandate within the current fiscal landscape. The NRF will find alternative sources of revenue to mitigate the declining public funding from Parliamentary Grant (PG) and the DSI contracts. The NRF will leverage new digital services to reposition NRF service delivery processes to be more effective and efficient.

Request for the roll-over of funds

The NRF ended the year with unspent funds amounting to R8m against an overall income of R5.3b. These funds are fully committed against purchase orders issued before 31 March 2024.

Supply chain management

The 2023/24 Procurement Plan had a total of 137 bids (including bids above R500k but below R1m) with a total estimated value of R825m. As at the end of March 2024, 133 bids were published out of 137 which constitutes 97% of the Procurement Plan. Out of 137 bids, the organisation awarded 114 bids (at a value of R775m) which constitutes 83% of the Procurement Plan. The balance of the awards was rolled over into the new financial year.

Concluded unsolicited bid proposals for the year under review

The NRF's SCM Policy provides clear guidelines and processes to be followed when procuring unsolicited bids. No unsolicited bids have been concluded during the year under review.

SCM processes and systems in place

The NRF has functional SCM processes in place. All procurement was conducted in alignment with the National Treasury prescripts and NRF Supply Chain Management policy. The NRF incurred an irregular expenditure amounting to R19K during 2023/24 financial year and R3m under assessment.

Challenges experienced and how resolved

None.

Audit report matters

The Auditor-General (AGSA) expressed an unqualified audit opinion, with no findings, for the year under assessment.

Outlook/Plans for the future to address financial challenges

Despite the current South African economic outlook and significant budget cuts imposed over the next MTEF, the NRF is committed to ensuring maximisation of resources available through the Parliamentary Grant, the DSI 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 set up 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


There were no adjusting events identified since 31 March 2024.

Economic Viability

The NRF realised a surplus for the 2023/24 financial year of R8m and generated positive cash flows of R671m during 2023/24. Suppliers are paid within a 30-day payment period. The working capital ratio is 1:1, hence the liquidity of the NRF is considered healthy. Total assets of the NRF exceeds its total liabilities 2.6:1. The NRF is considered to be in a strong financial position.

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

The NRF received an unqualified audit opinion, with no significant matters reported for 2023/24.


Dr Fulufhelo Nelwamondo
Chief Executive Officer
National Research Foundation
Date: August 2024

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

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

All information and amounts disclosed in the Annual Report is consistent with the Annual Financial Statements audited by Auditor-General South Africa.

The Annual Report is complete, accurate and is 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 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 Annual Financial Statements. 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 92.

The Annual Financial Statements set out on pages 97 to 148, which have been prepared on the going concern basis, were approved by the Accounting Authority on xx July 2024. The Accounting Authority has reviewed the NRF's budgets and cash flow forecast for the year up to 31 March 2025 and, in the light of this review and the current financial position, it is satisfied that the NRF has, or has access to, adequate resources to continue in operational existence for the foreseeable future

In our opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2024.

Yours faithfully



Chief Executive Officer

Name: Fulufhelo Nelwamondo

Date: 19 August 2024



Chairperson of the Board

Name: Mosa Moshabela

Date: 20 August 2024

6. STRATEGIC OVERVIEW

6.1 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.



6.2 Mission

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

6.3 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.



7. LEGISLATIVE AND OTHER MANDATES

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

7.1 NRF Founding Legislation

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

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

7.2 The National Development Plan 2023

The National Development Plan (NDP) is South Africa's development blueprint to transform the country's socio-economic landscape. The Plan places Science, Technology and Innovation at the centre of the country's developmental agenda until 2030. At the core of the NDP, is the key objective that seeks to address South Africa's triple challenge of poverty, inequality and unemployment. The NDP sets specific targets which the NRF through its legislative mandate, should contribute to

- a) Increase the percentage of Doctoral-qualified staff in the higher education sector from the 2012 baseline of 34% to over 75% by 2030.
- b) Increase the number of students eligible to study towards maths and science-based degrees to 450 000 by 2030.
- c) Produce more than 100 Doctoral graduates per million per year by 2023; implying an increase from the 2021 baseline of 1 420 to over 5 000 annually.

7.3 Medium-Term Strategic Framework

The Medium-Term Strategic Framework (MTSF) of 2019 to

2024 identifies seven apex government priorities. The MTSF time horizon corresponds with the period of a five-year electoral cycle and political administration of government. The MTSF contributes to the achievement of the NDP Vision 2030 priorities. These are:

- Priority 1: A capable, ethical and developmental state.
- Priority 2: Economic transformation and job creation.
- Priority 3: Education, skills and health.
- Priority 4: Consolidating the social wage through reliable and quality basic services.
- Priority 5: Spatial integration, human settlements and local government.
- Priority 6: Social cohesion and safe communities.
- Priority 7: Africa and World.

Transformation of the South African socio-economic landscape is cross-cutting for all the MTSF priorities and focuses on the demographic dimensions: women, youth, persons living with disabilities and spatial development. The NRF Strategy 2025 is anchored on Transformation, Impact, Excellence and Sustainability (TIES) to align to the MTSF and the Department of Science and Innovation (DSI). The four strategic outcomes in the NRF Strategy 2025 directly contribute towards the realisation of MTSF Priority 3 and support the achievement of Priority 2.

7.4 White Paper on Science, Technology and Innovation, 2019

The White Paper on Science, Technology and Innovation (WP STI) recognises rapid technological advances internationally and the need for South Africa to position itself in response to these developments. It prioritises the need to increase investment in and expand the national research system to promote partnerships among universities, society, industry and Government to ensure a cohesive National System of Innovation (NSI). The key objectives of the WP STI are envisaged as follows:

- Improved coherence and coordination.
- Increased NSI partnerships between business, academia, Government and civil society.
- Strengthened and transformed NSI institutions.
- Increased human capabilities.
- Expanded research enterprise.
- Enhanced enabling environment for innovation.
- Improved funding across the NSI.

The mandate of the NRF and its current five-year priorities align with the WP STI objectives, making the NRF a key contributor and an enabler to improving the South African STI landscape.

7.5 Science, Technology and Innovation Decadal Plan, 2022 to 2032

The STI Decadal Plan is a ten-year implementation plan of the 2019 WP STI which aims to implement a suite of interventions geared towards a more effective and efficient National System of Innovation. The NSI goals of the STI Decadal Plan (as translated from the White Paper) are the following:

- An inclusive and coherent NSI.
- An expanded and transformed research system.
- Increased and future-proof human capabilities.
- An enabling innovation environment.
- Significantly increased funding for the NSI.

7.6 White Paper on Post-School Education and Training, 2013

The White Paper on Post-School Education and Training (WPPSET), 2013, advances priorities in the post-school education sector, including expanding the variety and number of post-school opportunities available to the youth. It promotes diversity, quality education, expanded access to postgraduate education, and research and researcher advancement. It also aims to rebalance the number of students between the Technical and Vocational Education and Training (TVET) colleges and Higher Education Institutions (HEIs). Through the DSI-NRF Postgraduate Funding Policy, the NRF will advance postgraduate students' access, success and throughput.

7.7 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.

7.8 Other STI Policies

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

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

8. THE NRF BOARD



Prof Matlagolo Mosa Moshabela
Chairperson - NRF Board



Prof Glenda Gray
Board Member;
Member of Audit & Risk
Committee; and
Member of Remuneration &
HR Committee



Ms Lahlane Hellen Malema
Board Member;
Member of Audit & Risk
Committee; and
Chair of Procurement
Committee



Dr Len Konar
Board Member; and
Chair of Audit & Risk
Committee



Dr Mabatho Ntomb'zikhona Mutshekwane (Ntombi)
Board Member; and
Member of Audit & Risk
Committee



Mr Mark Brits
Board Member;
Member of Procurement
Committee; and
Member of Research
Development Committee



Prof Nadine Petersen
Board member; and
Member of Procurement
Committee



Prof Pamela Maseko
Board Member;
Member of Remuneration &
HR Committee; and
Chair of Research
Development Committee



Prof Pumla Gobodo-Madikizela
Board Member;
Member of Remuneration &
HR Committee; and
Member of Research
Development Committee



Prof Refilwe Phaswana-Mafuya
Board Member; and
Member of Research
Development Committee



Prof Teboho Audrey Moja
Board Member;
Member of Remuneration &
HR Committee; and
Member of Research
Development Committee



Dr Simanga Alex Tsela*
Board Member;
Member of Audit & Risk
Committee; and
Member of Procurement
Committee
(resigned 08 January 2024)



Prof Saurabh Sinha*
Board member;
Chair of Remuneration &
HR Committee; and
Member of Procurement
Committee
(resigned 01 June 2023)

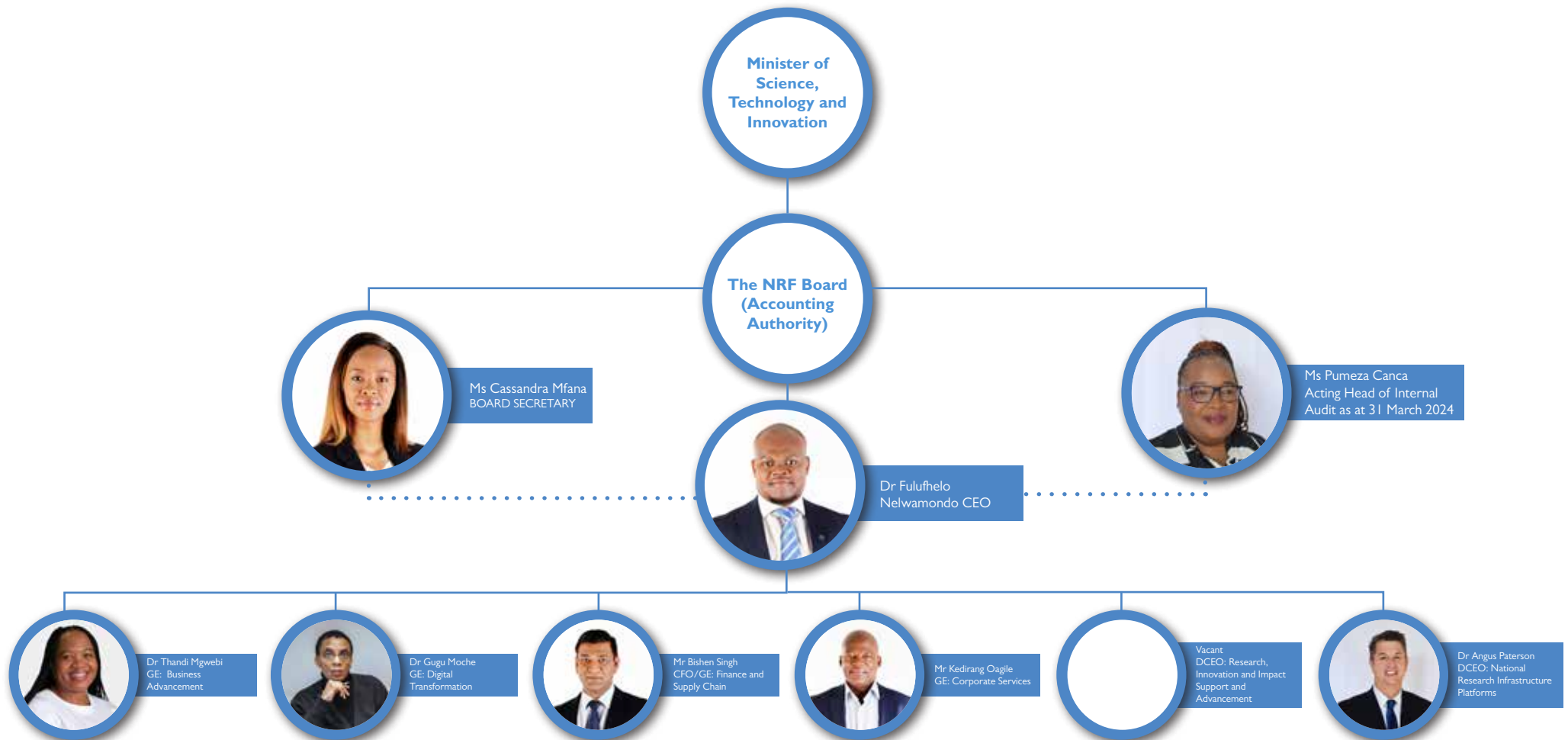


Dr Fulufhelo Nelwamondo
Ex-officio Board member
Chief Executive Officer

9. ORGANISATIONAL STRUCTURE

The NRF is organised into four programmes, namely Administration (Programme 1), Science Engagement (Programme 2), Research and Innovation Support Advancement (Programme 3) and National Research Infrastructure Platforms (Programme 4). The programmes are aligned to the core functions of the organisation. The NRF's organisational structure work in a matrix fashion to lead and manage service delivery across its four budget programmes. The organisation underwent reorganisation that resulted in a new divisional structure to optimise strategy execution and enhance business performance. **Figure 1** below gives an outline of the NRF's organisational structure up to the divisional level, and includes the governing body, the top leadership and supporting roles for governance structures, whom collectively provide oversight, ensures accountability and integrity of the organisation.

Figure 1: NRF High-level Organisational Structure





**PART B:
PERFORMANCE INFORMATION**

10. 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 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 92 of the Report of the Auditors Report, published as Part F: Financial Information.

11. OVERVIEW OF PERFORMANCE

Performance against planned targets committed in 2023/24 stands at the achievement of 11 targets out of 12. This constitutes 92% percent achievement of planned annual targets. This is a notable improvement from 70% achievement of planned targets in 2022/23. This can be attributed to management's efforts to rigorously monitor performance in the year to ensure a risk-based approach to organisational performance management.

11.1 Service Delivery Environment

The service delivery environment was relatively stable and in accordance with management planning assumptions. The NRF service delivery reach depends on the funding it gets from the state and what it can mobilise from local and international partnerships, as well as the capacity of the institutions that are the medium of its interventions. The two key drivers are discussed next.

a) Sustainable Resourcing of the Organisation

The South African economy continued on low growth performance, resulting in mounting pressure against the fiscus and a round of budget cuts for 2023/24 and the next MTEF period. NRF was not spared from this action. South Africa witnessed a decline in resources available to fund government programmes. According to the National Treasury 2024 Budget Review, 60% of the 2024 Budget has been allocated to the social wage. Government is focusing on stabilising debt and reducing fiscal risks by reprioritising its expenditure towards supporting a projected increase in GDP from 0.6% in 2023 to 1.6% in 2026. Given this moderate GDP projection and the continued pressure on the fiscus over the next MTEF, budget allocations in the current financial year had to be reduced across all government departments. The 2023 MTEF budget cuts resulted in budget cut for the NRF of R69.248m (1.42%) in the 2023/24 financial year, which led to a reprioritisation of funding for projects in various areas of operations for the organisation.

These short-term cost containment measures were introduced to avert impact on service delivery. This will not be sustainable in longer term. Since the underperformance of the economy affects other non-government stakeholders that could potentially be mobilised for leveraged funding through partnership, the organisation would need to become more innovative in its mobilisation of resources required to advance its mandate and strategic direction.

In ensuring a sustainable resourcing of the mandate for the NRF given the current fiscal landscape, the NRF continues to leverage strategic partnerships in monetary and non-monetary values to ensure business continuity in strategic mandate areas. During the period under review, various partnerships have been sought and maintained for this purpose. These partnerships include but are not limited to the COVID-19 Africa Rapid Grant Fund, the O.R. Tambo Africa Research Chairs Initiative (ORTARCHI), the Schneider Electric partnership and the Science Granting Councils Initiative in Sub-Saharan Africa, to mention a few.

The review of higher education funding and mobilisation of additional resources towards postgraduate studies gives a positive outlook for the investment in growing the size, diversity and relevance of the research workforce that aligns to STI priorities outlined in the Decadal Plan and prevailing market requirements. These new sources of funding could boost the number of funded students and researchers in the 2024/25 performance year.

b) Sector Transformation

The HEI landscape remains uneven, characterised by skewed distribution of resources, and overall capacity gaps to ensure sustainable growth and relevance of the research enterprise. There has been a notable increase in the percentage of African and female academic staff in the higher education sectors, although this has not yielded a positive balance among professors in South African public academic institutions. According to the 2022 Science, Technology and Innovation (STI) Indicators Report; in 2020 female professors made up 37,51% of all permanent professors, including associate professors – up from 27,82% in 2011. White female professors are still in the majority, followed by African female professors. In 2010, staff in the science, technology, engineering and mathematics (STEM) fields constituted 51,5% of all staff and, by 2021, this percentage was 51,9%. The proportion of academic staff aged over 60 is also showing a growth trajectory, while the percentage of staff aged between the years of 20 and 29 has declined from 7.9% in 2011 to 5.8% in 2020. Although the number of staff aged between 30 to 39 has increased, the growth rate is less than that of staff aged over 60. The efforts of driving the transformation agenda are therefore taking time to yield

the desired impact on the South African NSI. The South African NSI needs to provide more support to early and emerging researchers cohort and academic staff through various Programmes.

This is a constraint on the effectiveness of interventions of government. The institutional deficiencies at times affect the delivery of the services due to inability to access and effectively use the support provided. The NRF will be implementing a holistic university development programme, that will assist universities to develop their academic research and teaching potential, and ability to use the support interventions available to the sector. This is expected to boost the participation of institutions of previously disadvantaged communities in the research enterprise.

c) Technological Advancement

The pace of technological advancement internationally continues to have a significant impact on business models and operations. Developments in technology areas such as the Internet of Things (IoT), Artificial Intelligence (AI), renewable energy, bio and nanotechnologies not only present opportunities for the South African National System of Innovation (NSI) as a whole, but also pose threats to organisations, industry and society. There continue to be increased pressure on the NSI to facilitate innovation in products, services and policy to grow the competitiveness of South Africa's economy and social wellbeing. These technologies provide an opportunity to leapfrog the development stages to catch up with developed countries. The world is the grip of accelerated digital transformation.

Digital transformation within various sectors is transforming the manner in which research, development and innovation is evolving and how its applied and conducted. The NRF seeks to stay abreast of technological enhancements that may benefit how research is conducted and how it can enhance its research infrastructure to stay. The NRF has established a Digital Transformation Division to lead and facilitate the organisation's transition towards becoming a digital enterprise that enhances the value delivered to its stakeholder in a new technological era.

11.2 Organisational environment

The NRF internal environment has been stable during 2023/24 period. The organisation received a clean audit award from the Auditor-General of South Africa for the 2022/23 year and despite reduction in funding managed to fulfil its service delivery objectives. Key activities during the year were around the reorganisation project and the implementation of online grant management system, referred to as NRF Connect. These focus areas will be discussed next.

a) Organisational Structure

To ensure implementation of the NRF Service Delivery Model, two key executive positions were filled during the reporting period, namely: Group Executive: Digital Transformation as well as Group Executive: Business Advancement. These strategic positions reside in Programme I and are geared towards providing a shared service to NRF Business Units to assist in releasing their divisional mandates as well as those of the organisation. One member of the Corporate Executive, the Deputy CEO: National Research Infrastructure Platforms, resigned during the reporting period. The positions has since been filled after the end of the reporting period.

b) NRF Operations

The NRF has an operations footprint in Gauteng, Northern Cape, Eastern Cape, North West, KwaZulu Natal and the Western Cape. The Head Office is based in Gauteng, Pretoria, while the core function Business Units are spread across the nine provinces.

The continuing challenges of electricity supply interruptions continued to impact on the operations of NRF, especially for its high intensity electricity using National Facilities such as NRF-iThemba LABS. The organisation successfully implemented strategies for maintenance and energy use that enabled it to meet its production and service delivery targets.

The new grant management system, NRF Connect, came into full use during the 2023/24 financial year, with few but critical teething problems with user acceptance, data migration and new modules introduced while already in use. The organisation implemented work-arounds and managed to resolve most of the issues and minimised impact on services delivery.

c) Outlook on organisation's environmental landscape

The organisation, within the context of its role in the NSI, faced some strategic challenges during the period under review that need to be managed in the interest of organisation and its stakeholders. These challenges are summarised as follows:

- A high staff turnover rate in the management cohort and Science Engineering and Technology (SET) skills.
- Alignment of NRF's postgraduate students and researcher funding with evolving sector needs and national STI priorities as now reflected in the STI Decadal Plan.
- Striving to ensure sustainability of the NRF to deliver on its mandate, within the current fiscal landscape.

In response to the above challenges, the organisation has leverage on the following opportunities to ensure sustainability of its operations and mandate:

- Repositioning the NRF to enhance its thought leadership on thinking and execution of programmes that will catalyse the growth, diversity and impact of the national science system.
- Become the focal point for efficient allocation of public and private funding and support for postgraduate studies, research and development to enhance relevance and excellence of outcomes.
- Use its newly established capacity from its implementation of the Service Delivery Business Partner Model, to build capabilities for breakthrough excellence in service delivery and efficient in its operations.
- Expand its partnerships to grow beneficitation and commercialisation of its burgeoning Intellectual Property portfolio.
- Aligning the work of the NRF, specifically on research and development, with the objectives of the STI Decadal Plan.

11.3 Key policy developments and legislative changes

During the reporting period, the NRF continued to implement its founding legislation, which has not seen any changes during the 2023/24 financial year. There has not been any significant policy development during the reporting period that could have a major impact on the operations of the organisation.

11.4 Contribution to government-wide skills development and employment priorities

NRF's primary mandate is focused on human capacity development and infrastructure for research and support of the national science system and government priorities, among which are skills development and employment creation specifically for the youth. In this regard, the NRF has been primarily contributing to the 2019-2024 Medium-Term Strategic Framework's Priority 3: Education, Skills and Health and on secondary basis contributed to Priority 2: Economic Transformation and Job Creation.

Various programmes have been implemented over the past five years to develop skills that not only contribute to a research enterprise, but also to prepare beneficiaries of funded initiatives for future workplace placements. A total of 370 people benefited from these programmes during 2023/24.

Below are some of the key initiatives implemented during the period under review to contribute to the development of skills for employment creation:

a) Job training and internships Programmes

The NRF participated in internship programmes across the NSI. These include the DSI-HSRC, graduates in training, NRF-SARAO Apprenticeship, the Groen Sebenza and NRF internal internship programmes. The graduate and internship programmes are aimed at providing unemployed and young graduates with valuable work experience and skills to enhance their employability. A total of 106 beneficiaries were placed across NRF under the above-mentioned programmes during reporting period in such programmes.

b) Participation in the National Youth Service Programme

The NRF has implemented various programmes under the umbrella of initiatives of the National Youth Service Programme. The programme is a government-led initiative, aimed at improving the youth's employability through work experience, skills development and support to gain access to economic and further learning opportunities. These initiatives include the Science Journalism Community Service and the Youth Employment Service which has benefitted a total of 97 young individuals during the period under review.

c) Training of postgraduate students and postdocs to build a pipeline of emerging researchers

The NRF provides opportunities to unemployed graduates and postdocs in their fields of scientific study to build research capacity and skills in building a research workforce for the South African research enterprise. In this regard a total of 167 postgraduate students and postdocs have been placed across the National Facilities for training and supervision. The beneficiaries under this category include supervised postgraduate students and postdocs in training and NRF-funded postgraduate students all placed within their relevant fields of science across the National Facilities.

11.5 Progress towards achievement of institutional Impacts and Outcomes

The NRF Strategy 2025 outlines 4 strategic outcomes that are aligned to the Vision 2030 objectives. These outcomes are implemented and tracked annually towards the five-year strategy period ending in 2025. The section below provides an account of how the NRF has performed against the achievement of the outcomes as committed in Strategy 2025.

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

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

The NRF has achieved its strategic outcome indicator targets of Black and Women postgraduate students who have completed their studies. The year-to-date achievement for Students who have graduated is 86% against the target of 80%. This is as a result of the implementation of the DSI-NRF Postgraduate Student Funding Policy which seeks to transform the historic landscape of the postgraduate students. The organisation is also embarking on an online tracking system of graduates in partnership with South African Revenue Services (SARS) in order to track the impact of NRF postgraduate funding.

Profile of NRF-funded researchers producing research outputs.

The number of NRF-funded researchers who are producing outputs year-to-date achievement is 61% against a target of 55%. Initiatives such as the Instrument Scientists and Technical Professionals to advance provision of Research Infrastructure Platforms were introduced during the period of implementing the strategy. Commencing in 2023, 15 of the 62 new PDP Postdoctoral Fellows were appointed in the Research Infrastructure Professionals track while the remaining 47 were appointed in a traditional Postdoctoral Research track for a fixed term. Institutions hosting PDP fellows in the Research Infrastructure Professionals track are CSIR, NRF-iThemba LABS, NECSA, NRF-SAIAB and SAMRC.

Outcome 2: Enhanced impact of the research enterprise

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

The NRF has developed a Research Impact Framework, defining impact within the NRF context and outlining pathways to impact and assessment. Impact literacy campaigns have focused on enhancing impact understanding within the organisation, and Impact Champions were identified to lead impact implementation in their units. Ex-ante assessment of impact is being piloted in the Thuthuka programme, and the 2024 funding call (for funding in 2025) required the submission of an impact statement to allow for ex-ante assessment. Projects are also underway to demonstrate ex-post impact in the research performed by National Facilities and in research supported by the NRF over the past 25 years.

Knowledge generation

Availability of the Research Infrastructure Platforms (RIPs) enables research activities that directly contribute to knowledge generation for societal benefit. The National Facilities measure this based on Web of Science (WoS) publication output, the proportion of NRF journal articles in Journals with an Impact Factor (JIF) ≥ 3 , as well as the category normalised citation impact which is an accepted indication for quality. Annually, the NRF also measures the proportion of peer-reviewed publications produced by NRF supported researchers relative to the number of peer-reviewed publications produced by all researchers in the NSI. Performance by the National Facilities on these key research outputs during the current NRF Strategy 2025 period year-to-date is shown in the **Table I** below:

Table I: Publications by the NFs

Annual output on knowledge products	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Number of recognised publications by NFs (Web of Science)	712	689	638	776
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	2.7%	2.5%	2.5%	3.2%
Proportion of NRF Journal Articles in Journals with an Impact Factor (JIF) ≥ 3	57.4%	68.1%	76.7%	73.7%
Citation impact of National Research Facility outputs	1.63	1.46	1.51	1.43

The NRF has continued to observe an increase in publications over the years, with 2023/24 the highest over the last five years. Furthermore, the NRF's share of National Publications for 2023/24, of 3.2%, also indicates a peak since 2018/19. The category normalised citation impact reported for 2023/24 of 1.43 is above both the national (1.23) and global baseline (1.00) for the reporting period.

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

The Research and Development Information Platform (RIDP) design was completed in 2022/23. The organisation continues to develop reporting and analysis capabilities emanating from internal business processes, as well as the harvesting of external data sources. Furthermore, the organisation manages the Research Output Submission System (ROSS) and provided support to the Higher Education Institutions throughout the 2023 Research Output Subsidy submission process. During the period under review, the NRF continued to provide Business Intelligence (BI) platform services through the maintenance, enhancement as well as the implementation of additional datasets and dashboard reports. This includes the maintenance and annual update on, amongst others, the Higher Education Management Information System (HEMIS) staff and student data, as well as data emanating from the NRF's grant management and other business processes. The NRF also received DHET Research Output Subsidy allocation data covering the last ten years of subsidy allocation, and implemented interactive dashboard reporting functionality that was made available to internal staff as well as the general public via the NRF webpage

Environment impact

The natural environment landscape in South Africa is diverse and to some extent threatened by factors such as climate change and natural resources degradation. This landscape consists of ecosystems, water scarcity, biodiversity, protected natural areas, wildlife, environmental policy mix and conservation challenges that can be better understood and conserved through scientific research.

Access to environmental research data and the ability to utilise such data has now proven to be crucial for conservation of the South African environmental landscape as well as harnessing innovation and growth in environmental sectors. Through the NRF's wealth of scientific research expertise, world-class research infrastructure and diversified research and observation sites, two National Facilities, NRF-SAIAB and NRF-SAEON, continue to provide research infrastructure, research data and insights to influence evidence-based climate and environmental policy and management interventions suitable for the South African environmental conservation landscape. Insights on areas such as water conservation, aquatic and marine sciences research, pollution management, aquaculture support, and many others have been provided and shared with various stakeholders through research and research data provision for the 2023/24 financial year. A key development and achievement in environmental research infrastructure is the unfolding impact the Joint Marine Laboratories Programme is yielding in research universities in the public research system. The programme continues to grow and has now been rolled-out in 4 Historically Disadvantaged

Institutions. Further growth on the programme is anticipated in consultation with the DSI. More details on the implementation of this Programme are outlined further on in this Report.

Outcome 3: Enhanced impact of science engagement

Engaged science entrenched in the research enterprise

The engaged research framework has been approved and is available on the NRF-SAASTA and NRF websites. The Science Shop funding was awarded to six Higher Education Institutions (HEIs). The organisation is currently reviewing progress reports and engaging with grant recipients to improve the programme.

For Engaged Research for Society and Citizen-Based Science, NRF-SAASTA spearheaded several community engagement initiatives through grant-funded science shop projects. Notable progress was observed across various projects, including the University of Pretoria and the University of the Western Cape's activities. The University of Pretoria conducted stakeholder engagement sessions following data collection in informal settlements, while the University of the Western Cape organised a "Blitz" involving learners measuring river quality. Additionally, other universities like Cape Peninsula University of Technology, Durban University of Technology, North-West University, and the University of Cape Town also contributed significantly to community development through workshops, training sessions, and collaborative projects aimed at addressing local challenges. These efforts demonstrate a commitment to fostering partnerships between academia and communities, facilitating knowledge exchange, and driving sustainable development.

For the reporting period, NRF-SAASTA continued its oversight of various science shop projects, marking the completion of the first cycle for host institutions. While some projects demonstrated satisfactory performance in achieving milestones and deliverables, others faced challenges. Among those that excelled were the projects led by the University of Pretoria (UP), Cape Peninsula University of Technology (CPUT), University of Cape Town (UCT), and University of the Western Cape (UWC), reporting high expenditure levels and successfully meeting their expected deliverables. Consequently, second-year tranche payments were released to three host institutions, excluding the University of the Western Cape, which concluded its one-year project only in November 2023 but requested an extension to utilise the remaining funds. Despite efforts to address challenges faced by projects at Durban University of Technology (DUT) and North-West University (NWU), issues such as resignations within research teams and institutional financial system constraints persisted, requiring ongoing engagement and support.

Outcome 4: A transformed (internationally competitive and sustainable) research workforce.

Representation of designated groups in Leadership, management and supervisory (PI-7) occupational levels

The NRF has achieved the Strategy 2025 target for Black representation in leadership and management occupational levels, with an achievement of 61.6% against the target of 55%. Attraction of women in these levels is still a challenge, however the organisation is embarking on strategies and initiatives to retain and attract women in these levels. The year-to-date achievement is 32.6% against a target of 38% by 2025. Targeted attraction and retention of designated employees at PI-7 continues to be a priority for the organisation.

Inclusive, enabling and learning organisation

The NRF's training investments and programmes ensure that employees develop the skills they need to perform their duties, advance their careers and keep abreast of continually changing business operations. During 2023/2024, the following training interventions were rolled out:

- **Leadership and Executive Coaching:** During this financial year, Experttech Consulting was appointed as the new service provider for NRF Executive and Leadership Coaching for three years. The Coaching Intervention launched roadshows which took place in June 2023. The first intake registered 56 coachees, and the second intake registered 32 coachees, making up 88 coachees to date, across various leadership levels.
- **Management Development Programme (MDP):** Following an independent review of the Programme, the organisation accepted the final MDP review report with Management responses adopted by the Corporate Executive and

published on the NRF intranet. This year saw the last cohort of the MDP under the current five-year contract with Stellenbosch Business School Executive Development which is in its last year. A total of forty-nine (49) participants have been enrolled in the 3 Programmes with FMDP (17), New Management Development Programme (24) and Senior Management Development Programme (8).

A co-created culture enhancing high performance and service excellence

During the reporting period, the organisation's senior leadership, under the guidance of a working group, drafted the NRF Culture slogan and statements, which will serve as an anchor for Phase II of the Culture journey. These slogans and statements served at the Corporate Executive for adoption, sign-off and communication organisation-wide. While there has been a conscious decision not to roll out Phase II of the culture journey due to the pending restructuring, training and development programmes flowing from the recommendations of the final Culture Report, which are aimed to support Culture interventions will continue.

12. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

12.1 Overview of the NRF Budget Programmes

12.1.1 Programme I: Administration

a) Purpose

Programme I comprises of support services functions and systemic enterprise-wide coordination capabilities to achieve synergies, shared systems and economies of scale, and to provide strategic direction, performance, risk and compliance frameworks. The frugal yet optimal and efficient design of this programme is necessary, especially in this phase of the national economic cycle, where resources are scarce, and the needs are too numerous for the available resources. Programme I comprises four divisions as listed in the subsection below.

b) Functions

Finance and Supply Chain

The Finance and Supply Chain function in the office of the CFO provides cross-cutting shared services across the NRF. It draws its mandate from the Public Finance Management Act (PFMA, Act 1 of 1999, as amended) and various prescripts and laws, National Treasury regulations and prescripts in ensuring 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.

Business Advancement

Business Advancement function fosters effective support systems to advance and grow the NRF's impact and contribution to the NSI by enabling national and international research and innovation funding opportunities, increasing research impact by promoting joint research between academia and industry, and supporting and facilitating South Africa's engagement in the global science system. The function is responsible for the following:

- New Business Development
- Marketing
- Partnerships
- Partnership contracting.

Corporate Services

The Corporate Services function consists of support services to ensure that the organisation has the required human capital, safe workplace, secure and functioning facilities, communication and stakeholder management. The function is responsible for the following:

- Human Capital Management.
- Safety, Health, Environment and Quality (SHEQ).
- Facilities Management.
- Stakeholder Engagement, Public Relations and Corporate Communications.

Digital Transformation

This function provides the technology infrastructure and applications that enable the organisation to transition and thrive in the high velocity unfolding Industry 4.0 and beyond. The function will transform the organisation to utilise digital platforms and applications to achieve service delivery excellence and use market and performance analytics in strategic decision making. The function is responsible for the following: Information Technology Support and Digital Enterprise:

- Knowledge and Information Management
- Business Process Analysis and Management
- Research and Development Information Platform
- Performance Planning, Monitoring, Evaluation and Reporting
- NRF Policies Coordination

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



The National Research Foundation (South Africa), Fondation Botnar (Switzerland), and the Human Sciences Research Council (South Africa) have partnered to implement a research programme on young people and relational wellbeing (RWB) in urban and peri-urban environments, to be implemented during 2023-2027. Subsequently, the NRF officially finalised, and launched the USD 10 million Fondation Botnar U'GOOD, a research programme that will study young people and their relational wellbeing in the Global South. The call for expressions of interest was launched during Quarter 4 of 2023/24 financial year. The beneficiaries for this programme will be the research community and youth for the understanding mental health challenges.

12.1.2 Programme 2: Science Engagement

a) Purpose

Programme 2 aims to transform the relationship between science and society through a focus on public awareness of, and engagement with science. The transformation in this relationship will be achieved through the national coordination of science engagement and active implementation of problem directed interventions. The national coordination ensures the pooling of resources from both the public and private sectors towards the design and implementation of interventions that have a national level of impact, and to contribute to the achievement of a scientifically literate society.

b) Functions

Science Engagement activities are implemented by the core mandate Business Units within the NRF. This includes the science engagement coordinating function, NRF-SAASTA, all the five National Facilities as well as RIISA.

The functions of Programme 2 are centered around implementing, supporting and coordinating national science engagement interventions and activities in the following areas:

Public engagement with and in science

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 a platform for scientists, researchers, educators, and enthusiasts 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 the exchange of ideas, contributing to the overall advancement of scientific knowledge and fostering a culture of innovation. Through public events, STEM is made tangible, relatable, and exciting, shaping a future where science and technology are embraced, understood, and harnessed for the betterment of society.

Support for the development of skills for future work

The development of 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. Whereas 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. Through these multifaceted approaches, individuals are empowered to develop the necessary STEM skills, explore their passions, and become equipped for the future workforce in a rapidly advancing technological era.

Building science engagement capacity across the NSI

Interventions aimed at building 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 effectively communicate and engage with the public about science. By developing science engagement capacity, NRF-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 2 contributes to Outcome 3: Enhanced impact of science engagement.



NRF-SARAO has been running the Robotics Schools Programme in the Karoo since 2016. The programme aims to develop and inspire an interest in STEM skills in the schools around the development of the MeerKAT Radio Telescope, a precursor to the Square Kilometre Array (SKA). The Programme introduces STEM concepts to learners through fun activities using the LEGO Mindstorms Robotics kit. Two teams from Carnarvon High School in the Karoo, Northern Cape, have been selected to participate in the World Robot Olympiad Friendship Invitational tournament, which took place from 21–24 September 2023 in Odense, Denmark. In addition, Carnarvon High School represented South Africa in the FIRST LEGO League in Morocco.

12.1.3 Programme 3: Research and Innovations Support and Advancement

a) Purpose

Programme 3 provides financial and non-financial support for research and innovation in human capacity development, acquisition of small to medium equipment and infrastructure, and access to local and global cutting-edge research infrastructure. The strategic intent for RISA is to contribute to the transformation of the knowledge enterprise; that is, to achieve excellence and production of impactful knowledge and innovation outputs in all fields of research to contribute to societal impact.

b) Functions

The scope of the work of RISA is organised into the following three areas:

Human Capacity Development

Funding postgraduate students and researchers – access to equipment and research infrastructure (acquisition and cost of access).

Excellent Research and Knowledge Generation

Anchored on the Research Agenda aligned to STI Decadal Plan

Priorities, such as Societal Grand Challenges Priority industry sectors, Geographic Advantage and Science Missions – with the focus on knowledge and innovation outputs.

Institutional Research Capacity

Strategic investment for individual institutions, group of institutions, local and global networks such as South African Research Chairs Initiative (SARChI), Centres of Excellence (CoEs), Community of Practices (CoPs) and National Research Institutes (NRIs) – taken together, the focus of these strategic investments is to improve South Africa's international research and innovation competitiveness, while responding to social, economic and transformation imperatives of the country. This includes the production and application of knowledge and innovation outputs, which address pertinent and high priority research problems that require large and long-term investments as well as integrated, inter and multi-disciplinary teams.

RISA contributes to Outcome I: A transformed (internationally competitive and sustainable) research workforce.



The NRF funded five scholars under the NRF-Global Young Scientists Summit (GYSS) mobility programme to attend and participate at the GYSS as well as to showcase their research work through poster presentations. The scholars consisted of three doctoral students and two postdoctoral fellows based at various South African universities. The GYSS 2024 was held from 08 to 12 January 2024 in Singapore with 16 speakers in the programme and around 350 young scientists from 35 countries.

12.1.4 Programme 4: National Research Infrastructure Platforms

a) Purpose

Programme 4 provides leading-edge research infrastructure platforms in support of the production of world-class knowledge and innovation outputs and the process to 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 discovery science, 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. NRIP executes its mandate through the following functions:

- The management of National Research Facilities
- Management of multilateral research infrastructure platforms located in South Africa
- Support of research infrastructure platforms not formally declared National Research Facilities
- Advancing Science Engagement in NFs activities
- Human capacity development

b) Functions

The Programme is implemented through five (5) Business Units which are the National Research Facilities as follows:

NRF-iThemba LABS is a multidisciplinary research facility based on the development, operation and use of particle accelerators and related research equipment. The beam time from the main accelerator, the Separated Sector Cyclotron (SSC), for example, is used for basic nuclear and hadron physics research; radioisotope research and development as well as their supply to the medical sector; radiobiology research related to particle therapy; and applications such as radiation hardness testing of electronic components used in satellites and detector calibrations. The research facilities are utilised by national and international researchers 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 long-term reliable data for scientific research and postgraduate student training. It has a distributed nodal structure covering all of South Africa's biomes spread across 5 of the 9 provinces of the country, with geographically dispersed observation nodes along different ecosystems such as Arid Lands, Bushveld, Fynbos, Coastal areas, Grasslands, Forests, Wetlands and offshore marine. NRF-SAEON scientists and technicians, as well as collaborating students, and other researchers, utilise SAEON platforms to generate data. The openly accessible data acquired by NRF-SAEON and its collaborators are then used for the analysis of long-term patterns and processes and the creation of models, publications and archived datasets. These research products form the basis for policy and other decision-making inputs, as well as decision-support tools.

NRF-SAAO is the national facility for optical and infrared astronomy in South Africa. Its primary function is to conduct fundamental research in astronomy and astrophysics. NRF-SAAO operates a number of 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 output are strong, with the Sutherland based research facilities serving as the backbone of this success, with SALT as the flagship. The Sutherland site characteristics are also world class, leveraging strong international connections and collaborations, together with our scientific and technical reputation.

NRF-SARAO mission is to establish South Africa as a global leader in radio astronomy and associated technologies and disciplines by successfully hosting and participating in the design and construction of the SKA telescope and other radio astronomy and geodesy facilities.

NRF-SAIAB has developed a number of cutting-edge research platforms, unique to South Africa. Over the next ten (10) years, these platforms will be kept up to date and their capabilities expanded. These platforms aim to provide those within the NSI to undertake research and innovation projects to drive the sustainable development of the Blue Economy.



Two additional Joint Marine Laboratories were launched during the financial year, bringing the total to four and concludes the current phase of implementation. These Laboratories are hosted at 4 Historically Disadvantaged Institutions (HDIs), namely, University of Zululand (UNIZULU) Walter Sisulu University (WSU), University of Fort Hare and University of the Western Cape. The programme's concluded initiation was marked by the launch of the Rural Coastal Sustainability Laboratory at WSU's Mthatha campus on January 24, 2024. This laboratory addresses challenges faced by rural communities, focusing on food security and climate change adaptation.

12.2 Outcomes, outputs, output indicators, targets and actual achievement

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

a) Programme I: Administration

Leveraging strategic partnerships for impact

Swiss philanthropic Foundation Botnar successfully concluded its due diligence process on the NRF, following the proposal submitted in 2022 to the Young People and Relational Wellbeing Research Programme. Preparations for the finalisation of the programme call for proposals and agreement took place during the reporting period in Quarter 2. Subsequently, the NRF officially finalised, and launched the USD10 million Fondation Botnar u'GOOD, a research programme that will study young people and their relational wellbeing in the Global South. During Quarter 4, the call for expressions of interest was launched.

The NRF signed a new agreement with the British Council to develop, implement and deliver the UK's International Science Partnerships Fund programmes and activities under the International Institute for Applied Systems Analysis (IIASA)'s Sub-Saharan Africa Regional Member Organisation (SSARMO). This is in addition to the two other programmes on (i) continued funding of the joint Research Chairs and (ii) NRF-SARAO's Africa Science Entrepreneurship (ASE) Program. The total contract amount for the three programmes is R15 million per annum over multiple years.

The NRF concluded a partnership with The Innovation Hub Management Company (TIHMC) aimed at supporting the implementation of bespoke business development, training, market testing, advisory services and mentorship programme for NRF funder researchers across all fields of research. In addition, the MoU provides an opportunity for TIHMC and NRF to:

- Leverage strategic partnerships to create an enabling environment for the development of knowledge driven enterprises.
- Strengthen training and capacity development within technology start-up companies and University spin off companies.
- Contribute to the development of innovative solutions that will address national challenges.
- Ensure effective business, technical and scientific support for researchers.
- The NRF and TIHMC partnership will also be dedicated to ensuring that the NRF and TIHMC play critical roles in advancing the development of sustainable innovative and knowledge enterprises through training and capacitating researchers to develop critical business, technology and commercialisation skills that will ensure the commercialisation and adoption of research outcomes.

The 2023 O.R. Tambo Africa Research Chairs Initiative (ORTARChI) inaugural Annual Gathering took place at the NRF headquarters in Pretoria, South Africa, from 25 to 27 October 2023 and was the first in-person convening since ORTARChI research activities began. It provided a prominent platform to showcase the research activities of Chairholders; to congregate the key stakeholders of the initiative; and to engage in a collective review, learning and exchange of experiences on the implementation of the ORTARChI. This annual gathering forms a significant component of monitoring, evaluation, and learning, and serves as a space for peer-learning and exchange of experiences among the participants. It was intentionally scheduled to coincide with the annual birthday celebration of O.R. Tambo on 27 October.

African Open Science Platform

Since 2020, the African Open Science Platform (AOSP) Project Office has been hosted by the National Research Foundation, with the implementation of activities having started in 2022. The AOSP is supported by the South African Department of Science and Innovation, the International Science Council, CODATA, the Academy of Science of South Africa, Bibliotheca Alexandria and other prominent regional networks. During the reporting period, the AOSP Governing Council was appointed, and the first governing council meeting was held during Q1. In addition, the AOSP appointed three regional nodes for North, East and Southern Africa. The Nodes will play an active role in driving regional and thematic Open Science areas in Africa. The AOSP participated in the SADC Joint Meeting of Ministers of Education and Training and Science, where it directly contributed, supported, and influenced the SADC STI Ministerial Decisions on Open Science and Access. Specific areas include: (i) Update of the Research Ethics Guidelines and ethics of AI, (ii) SADC Digital Transformation Strategy (DTS), (iii) Implementation of SADC Cyber-Infrastructure Framework, and (iv) Regional Space Science and Technology programme. The engagement took place on 23 June 2023, in Kinshasa, in the Democratic Republic of Congo.

Organisational and NSI analytics for decision-making

During the previous reporting year, as part of the harvesting of external datasets to be incorporated into the Research Development Infrastructure Platform (RDIP), the NRF received research output, research staff, as well as student support data from the majority of science councils. As this was the first submission of this kind, the organisation embarked on a quality assurance process including cleaning up or supplementing incomplete data. This process is continuing, and considerable progress was made on the cleanup of the Agricultural Research Council (ARC), as well as the Council for Scientific and Industrial Research (CSIR) datasets. NRF access to bibliometric databases is being used for validation purposes. The harvesting of additional external datasets on the identified RDIP priority areas commenced during the

reporting period. DHET Research Output Subsidy allocation data was harvested from the 2013/14 to 2023/24 financial years and developed interactive dashboard functionality. This is the first external dataset harvested that contributes to addressing the priority area: Increased Funding for the NSI.

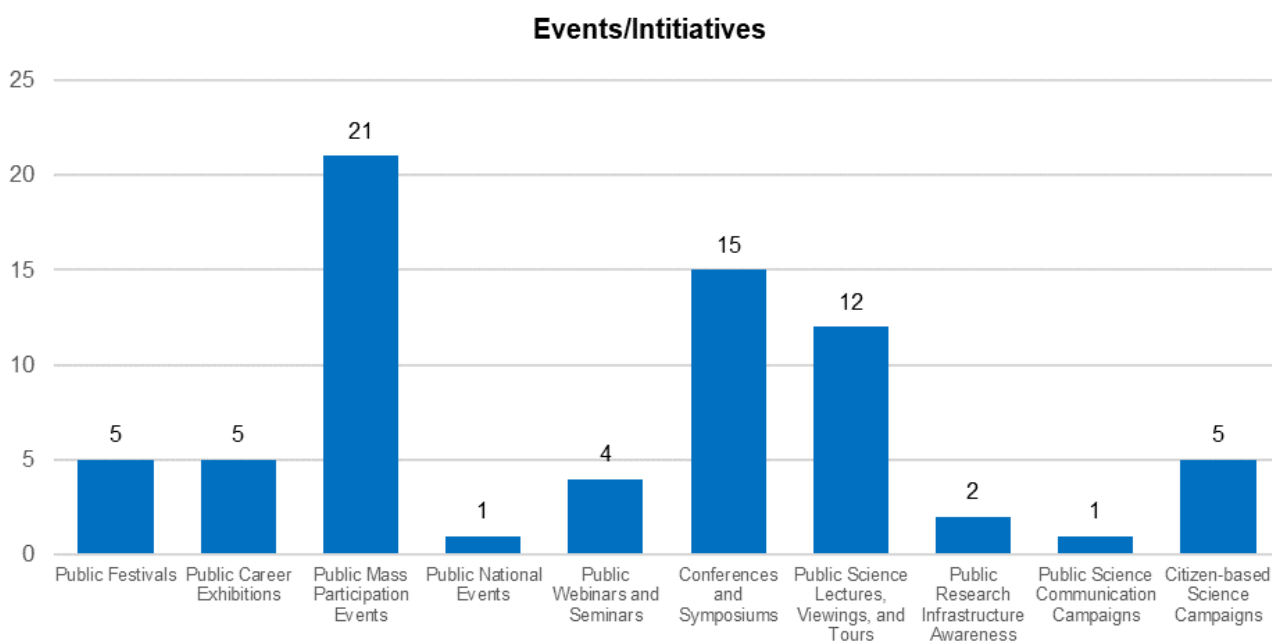
This reporting capability has been made available to staff via the internal Business Intelligence portal, as well as to the general public via the information portal on the NRF Website. As part of the external awareness campaign, the NRF had a successful demonstration and training session with a large number of DSI staff during October 2023. Additional awareness campaigns will be conducted as additional functionality is made available.

Maintaining a sound system of internal control

During the period under review, the AGSA finalised its Audit Report on the 2022/23 audit in August 2023. The organisation maintained its clean audit award for the previous reporting period.

The NRF, together with the Auditor-General of South Africa (AGSA), commenced the process to prepare for the 2023/24 annual audit. The business processes for the 2023/24 performance planning and monitoring were updated and shared with the AGSA for audit planning. The audit officially begins in April 2024. Prescribed accountability plans and reports that were due for submission to relevant authorities were submitted in accordance with applicable statutes. These include the approved 2022/23 Annual Report, four financial and non-financial Quarterly Performance Reports to DSI and DPME as well as the National Treasury.

Figure 2: categories of public interventions



During the National Science Week (NSW) 2023, the NRF spearheaded impactful engagements across various regions, emphasising the transformative power of Science, Technology,

Representation of designated groups at Peromnes 1-7

The actual versus target achievement for the 2023/2024 employment equity year shows a positive trend in employees from designated groups at Peromnes levels 1-7 with an achievement of 69% against a target of 65%. Focusing on recruitment, retention drivers and implementing the required affirmative action measures, the organisation gradually achieved its targets. Due to the Service Delivery implementation process, the organisation is transitioning into the new organisational structures using a phased approach. The changing organisational structures due to the Operating Model project might impact on the EE targets. The transition from Peromnes to Paterson grading equivalent job grades will also cause a shift in the occupational levels during 2024.

b) Programme 2: Science Engagement

During the reporting period, the NRF core Business Units, with the coordination of NRF-SAASTA, conducted numerous science engagement interventions across the country. A summary of these interventions are presented in the section below, classified per area of intervention.

Engagements with and in science for the public

The NRF embarked on implementing various engagements and interventions for the general public. **Figure 2** below depicts a summary of these science engagement public intervention per defined category:

and Innovation (STI) in addressing societal challenges. The official launch at the University of Venda, led by the DSI and NRF featured interactive activities and presentations

aimed at stimulating interest in STI careers among learners and the public. A total of 57 organisations exhibited at the launch day event, showcasing a diverse range of initiatives. Additionally, 85 organisations, including 62 grant holders and 23 non-grant holders, conducted NSW activities at 148 sites in 52 district municipalities of the nine provinces during the succeeding week, reaching about 200,283 members of the public. Across the provinces, diverse initiatives unfolded, with NRF-SARAO conducting informative sessions and community meetings in collaboration with Square Kilometre Array (SKA), South African National Parks (SANPARKS), and educational institutions, reaching over 1,900 participants. NRF-SAAO and NRF-SAEON also played pivotal roles, organising engaging programs on astronomy and aquatic science, respectively, in multiple provinces. NRF-SAEON's efforts included environmental science activities at schools and ocean conservation dialogues, highlighting the interconnectedness between humans and the ocean.

For Public Career Exhibitions, OneNRF collaborations were instrumental in advancing STEM awareness and career opportunities at various events across South Africa. At the Malatane Career Expo in Limpopo, NRF-SAASTA played a pivotal role in inspiring grade 11 and 12 learners by showcasing STEM-focused careers through presentations and exhibitions. The event, which attracted approximately 225 learners, also featured exhibitors like UNISA I-SET and the Limpopo Department of Education. On the one hand, the Ugu District Agricultural and Other Critical Skills Exhibition, led by Deputy Minister Buti Manamela, aimed to empower young people by exposing them to STEM careers and economic opportunities, particularly in the agriculture sector. This was an NRF-SAASTA collaboration with other DSI entities like the Council for Scientific and Industrial Research (CSIR) as well as the South African National Biodiversity Institute (SANBI) to promote technology and innovation in agriculture, reaching around 500 learners from schools and youth in the Ugu District.

The Astronomy in the Park event, co-hosted by NRF-SAAO and NRF-SARAO, celebrated astronomy's wonder and beauty, drawing hundreds of learners and educators through exhibitions and interactive activities. NRF-SAAO led inspiring initiatives like the Spirit of Light celebration and "Earth the Stars" Theatre Performance, promoting science education and encouraging girls to pursue STEM careers through innovative events blending art and astronomy. Notably, the Silver Seas Camp event provided a unique stargazing experience for tourists, showcasing South African astronomy achievements while generating income for NRF-SAAO's science engagement program. Additionally, the International Day of Girls and Women in Science and International Women's Day Campaign underscored the importance of inclusivity in STEM, with engaging programs tailored for learners with different abilities and inspiring presentations from women in science. These collaborative efforts highlight the NRF's commitment to advancing science education, fostering community engagement, and promoting diversity and inclusion in STEM fields.

The recent launch of the South African Isotope Facility (SAIF) created an opportune launchpad to position the iThemba LABS brand in the public space. Several interviews were conducted on Radio and TV. Internal discussions are ongoing to ensure that the facility services all stakeholders through interactive engagement activities. Furthermore, the research facility initiated a project to create short introductory videos featuring research scientists. These videos are intended to be shared across various social media platforms to reach diverse audiences. NRF-iThemba LABS will gradually increase its public reach to enlighten them with scientific research by providing insights into the work conducted by its team of scientists.

Building science engagement capacity across the NSI

NRF-SARAO initiated Astro-Tourism Guide Training, aimed at enhancing science engagement capacity in the Northern Cape by establishing youth-owned Astro tourism enterprises to enrich the visitor experience at the SKA Carnarvon Exploratorium. NRF-SAASTA contributed to this endeavour by offering a Postgraduate Diploma in Science Communication through the University of Limpopo, with 48 students enrolled for the 2023 academic year. Additionally, NRF-SAASTA organised a Science Journalism Workshop to train science journalist volunteers and interns, furthering the reach and impact of science communication efforts. NRF-SARAO further strengthened its communication capabilities through media training, focusing on engaging with print, online, and broadcast journalists effectively. Meanwhile, NRF-SAIAB conducted Science Communication Training Workshops emphasising "Science for Societal Impact," equipping researchers with tools to communicate their findings clearly to the public, press, and funding organisations. Led by Prof Francesca, known as 'SAIAB's Impact Champion,' these workshops provided insights into responsible science communication, public engagement strategies, and connecting science with policy and society. With these collaborative efforts, business units within the NRF are advancing science communication and fostering greater societal impact through enhanced communication skills and strategies.

The NRF spearheaded several impactful initiatives aimed at enhancing the skills and employability of science, engineering, and technology graduates. Through the National Youth Services (NYS) Programme, NRF-SAASTA successfully deployed 266 volunteers providing valuable work experience. The Science Journalism Community Services project expanded nationally, fostering the development of science journalism skills among graduates and enhancing science reporting in community media organisations. With 29 volunteers producing 1,232 media items in various languages, including indigenous ones, this project significantly contributed to science dissemination. Additionally, the Science Journalism Internship Programme appointed new interns and generated 921 stories across platforms like South African Broadcasting Corporation (SABC), Power FM, and News24. A remarkable 345 science

and technology-related media were generated. Other notable achievements included an intern's selection to cover the Global Media Dialogue, highlighting the program's impact in providing real-world journalism opportunities and promoting science communication on a global scale. Through these initiatives, the NRF is playing a pivotal role in nurturing talent and fostering a vibrant STEM workforce in South Africa.

NRF-SAASTA collaborated with the DSI to support career skills development for science centre staff through the Career Development Information Officer (CDIO) Programme. Twenty-one students were enrolled in accredited training at the Cape Peninsula University of Technology (CPUT), with an additional cohort of 19 students registered for the 2023 programme. The training is aimed at enhancing career guidance skills. Furthermore, NRF-SAASTA facilitated science engagement capacity building through job shadowing at the Sci-Bono Discovery Centre, targeting five recently appointed science centre managers. These managers, representing institutions such as the Giyani Science Centre, JNF Walter Sisulu Environmental Centre, and others, participated in a training session in September 2023. The initiative provided a platform for managers to glean insights and best practices from the Sci-Bono Discovery Centre, fostering excellence in science centre operations across various regions.

a) Programme 3- Research and Innovation Support and Advancement

RIISA implements funding initiatives to support research, human capacity development, and knowledge creation in various fields of science and technology, including humanities, social sciences, and indigenous knowledge as proclaimed in the NRF founding legislation.

Grant funding for human capacity development

For the period under review, the NRF managed to fund 6 179 Postgraduate Students against an annual target of 5 943. The annual target for funded postgraduate students was exceeded by 3.9%. The NRF, through the DSI-NRF Postgraduate Students Funding Policy seeks to transform the historic landscape of postgraduate studies within its mandate area. The annual target for NRF-funded researchers was missed by 9.7%, with an actual achievement of 3 261 against a target of 3 612. The negative variance was mainly due to lag in expenditure against grants awarded to researchers. The organisation is working on implementing mechanisms to strengthen the grant update process. The performance for secondary disaggregated targets for students and researchers from designated groups is given in the **Table 2** below.

Table 2: Profile of NRF-funded Postgraduate Students and Researchers for 2023/24

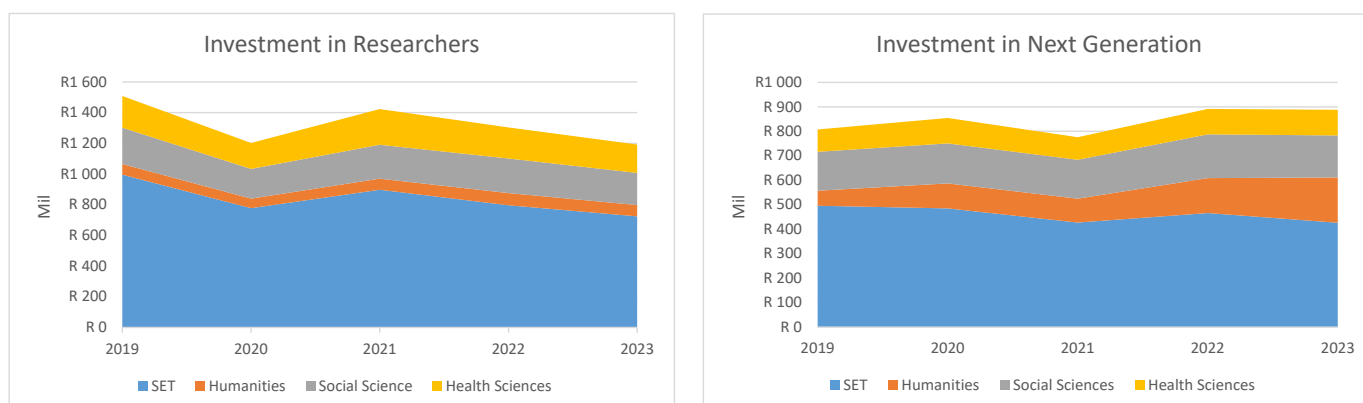
Secondary Indicators	Supported group	Target	Actual	Variance
% of NRF-funded postgraduate students	Black	90%	96% (5 298)	+6%
	Women	55%	61% (3 769)	+6%
	Persons living with disability	1%	1.9% (116)	+0.9%
% of NRF-funded researcher	Black	58%	53% (1 719)	-5%
	Women	49%	45% (1 457)	-4%
	Persons living with disability	2%	1.3% (44)	-0.7%

The 2023/24 annual target for Rated Researchers is 4 452. The number of NRF Rated Researchers is 4 590 of which 134 are A-rated, 797 B-rated, 2 814 C-rated, 20 P-rated and 825 Y-Rated. Disaggregated further, 60% of rated researchers are White and 91% South Africans, of which 35% are Women, and 36% Black. The annual target for Rated Researchers for the reporting cycle was exceeded by 139 (3%).

In executing its mandate, the NRF funds research that supports knowledge generation across various fields such as science, engineering and technology, humanities, social and health sciences.

These fields of research will also be aligned with those of the STI Decadal Plan as well as emerging areas of research priorities to address socio-economic challenges in the NRF Strategy 2030, which will be developed in the next reporting period. The figures below provides a breakdown of the share of funding across these abovementioned fields over the period 2019-2023.

Figure 3: NRF's investment in research



Support for research infrastructure

National Equipment Programme

The National Equipment Programme (NEP), through a competitive process, makes funds available for the acquisition, upgrade, or development of state-of-the-art research equipment, for South African public research institutions. Of the 21 NEP grants made against the 2021/22 NEP budget allocation, 13 were fully commissioned at 10 South African universities by the end of the previous financial year (2022/23), while in the current financial year, five state-of-the-art research equipment have been commissioned at three South African universities to date. The remaining three state-of-the-art equipment awarded to 3 universities will be commissioned in the 2024/25 financial year.

From the 2022 NEP call for applications, 23 grant awards were approved to the value of R1 35 042 922 against the 2023/24 NEP budget. The grants were awarded to eight Black males, six Black

females, five White males and four White females. All 23 NEP grant awardees initiated the procurement process in the 2023/24 financial year and submitted documentation for the initial release of 80% of the awarded amount. A total amount of R107 801 503 has been released to the 23 grantees and of this amount, only R70 674 284 has been claimed by 16 grantees to date. Out of the 23 awarded equipment, three state-of-the-art equipment have been installed and commissioned in the fourth quarter of the 2023/24 financial year.

Table 3 below shows the eight state-of-the-art research equipment that were commissioned by the South African universities and their potential impact for grants made against the 2021/22 and 2023/24 NEP budget allocations by the end of the reporting period.

Table 3: State-of-the-art research equipment commissioned by 31 March 2024

Institution	Investment Amount	Equipment	Potential Impact
Central University of Technology	R2 859 331	Hyrax Metal Laser PowderBed Fusion Additive Manufacturing Machine	This equipment will allow for Additive Manufacturing (or 3D printing) for the manufacturing of complex parts directly from metal powder and has many advantages over conventional manufacturing processes.
North-West University	R1 005 542	Oroboros O2k-FluoRespirometer	The equipment will enable for novel and relevant research for developing drugs used in the treatment of mitochondrial diseases.

University of the Witwatersrand	R9 951 330	Nu Thermal Ionisation Mass Spectrometer & Nu Sapphire collision-reaction cell Multi-collector ICPMS	Advance fundamental knowledge of Southern Africa's geological and paleontological history.
	R4 683 286	Ion GeneStudio S5 Prime System, Affymetrix GeneChip™ Scanne & Ion Chef System	The equipment will enable human capacity development and collaborations with the public sector to enhance molecular and biotechnology research to identify genetic disorders primarily in children.
	R10 000 000	Dual Wavelength Hybrid Diamond Anode X-Ray Diffractometer	The equipment will contribute towards drug development for treating cancer and HIV.
Rhodes University	R10 000 000	LSM 980 Confocal with Airyscan 2	The equipment will support multidisciplinary research that is both fundamental in nature and applied to drug discovery. Thus, contributing to the economy and supporting the Bio-Economy strategy.
Stellenbosch University	R10 000 000	Cyclic IMS HDMS QT of Mass Spectrometer	This equipment is the first to exist in SA and is important for human capacity development and scarce skills training. It has numerous applications in the development of new drugs, for agricultural applications and general industry applications.
University of Johannesburg	R9 567 350	Confocal Raman Profilometry and Atomic Force Microscopy System	The equipment will allow for studies with the goal of manufacturing lightweight and economic automobiles and aero-components that would reduce environmental impact. In addition, allow for the synthesis of nanostructured materials with improved engineering properties needed in a variety of industries that would fuel the South Africa's developing economy.

Strategic Research Equipment

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

Gamma-array spectrometer (GAMKA): In 2018, the first SRE grant in the amount of R35 million was awarded for a gamma-array spectrometer (GAMKA) to a consortium with the University of the Western Cape (UWC) as the lead institution and iThemba LABS as the host institution where the equipment was to be housed. GAMKA provides state of the art equipment that is used to study a wide range of nuclear astrophysics and nuclear physics phenomena such as short nuclear lifetimes, nuclear shapes, and gamma-ray strength functions.

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

process in the 2023/24 year for the dishes and expensed R7 451 596 by the end of the reporting period. Installation is to continue in the 2024/25 financial year, and full commissioning of the equipment is anticipated to be completed by the end of the 2024/25 financial year.

In 2023, the HIRAX project made significant advances in characterising various telescope subsystems, including measurements of the dish plug surface deformations, temperature effects on the feed and RFoF passband response, and the system temperature of the HartRAO prototype. Integration and testing of HIRAX instrumentation continued at HartRAO and partner prototype sites at DRAO in Canada, Bleien in Switzerland, and Greenbank in the USA. A total of seven research publications were published by HIRAX SRE team members on research relevant to HIRAX. In addition, members of the HIRAX consortium and international partners gave 62 talks at conferences, workshops, and symposia. These conferences took place nationally, internationally, and virtually.

International training of postgraduate students and postdoctoral fellows

The NRF implements a range of global agreements through various funding initiatives and those within which there have been activities during this period are presented in **Table 4** below:

Table 4: Global Knowledge Partnerships

Global Knowledge Partnerships	Key Purpose	Activities in the reporting period
NRF-DAAD	Programme to support full-time South African Masters and Doctoral students to study at a South African university with a 2 to 6 months research visit at any German University.	For the 2023 academic year, new awards comprised of 32 Masters and 32 Doctoral students (South African citizens and Permanent Residents) all funded at Full Cost of Study (FCS). The awards comprised 67% of Black and 50% of female Master's students. For Doctoral awards 77% and 73% of awards were allocated to Black and female students respectively. Only 2 NRF-DAAD Masters (1) and Doctoral (1) grant holders were approved funding for the short-term research visit to Germany in the current quarter.
Nuffic	Strengthen cooperation between Dutch HEIs and universities in SA through joint supervision of SA Doctoral candidates	During the current reporting period, thirty (30) students have claimed their awards. Of these, 18 awards were taken up by students under split-site mode, while 12 were claimed by students under single-site mode. These awards comprise 44% Black and 78% female students under split-site mode. For single-site mode, the awards constitute 67% female and 92% are Black.
Fulbright Visiting Student Researcher (VSR) Programme	NRF-funded Doctoral students to undertake up to 12 months of research training at a university in the USA under the Fulbright VSR Programme.	Seven (7) VSR scholars comprising of Black males (57%) and females (43%) have been awarded VSR mobility grants for the 2023/24 academic year. The scholars will be pursuing research training at the US based universities from August 2023 to July 2024. Six (6) of the seven (7) awardees travelled to the US between August and September 2023. The one mobility grant was cancelled due to unfulfilled programme requirements.

<p>NRF-MITACS</p>	<p>Strengthen international research collaboration between SA and Canadian companies and universities.</p> <p>International research mobility component for NRF-funded doctoral students and postdoctoral fellows.</p>	<p>Five (5) Doctoral students were awarded mobility grants during the current reporting period. The awards constitute of 80% Black and female students based at the Durban University of Technology, Stellenbosch and Johannesburg Universities to pursue research training at Universities of Ottawa, British Columbia, de Montreal, and Alberta, respectively, in 2023/24. Three (3) more postdoctoral fellows based at the Agricultural Research Council, the Universities of Limpopo and Zululand were awarded funding to pursue research training at Universities of Western Ontario, Manitoba and Bishop's University, respectively, in 2023/24. These awards comprise 66% female and 100% Black. Three (3) Canadian Doctoral students will also travel to South African institutions, and will be based at the Universities of Pretoria, Cape Town and North-West to pursue research training. The new 2023 Thematic Call closed in November 2023. Funding outcomes of this call will be announced in March/April 2024.</p>
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Support for emerging researchers

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

By the end of the reporting period, there were 1 378 active grant-holders (**Table 5**) comprising mainly of postdoctoral fellowships, Thuthuka grants, BAAP, n-GAP and Y-rated awardees.

Funding decisions of the Y-Rated researchers' call were completed in December 2023 for the 2024 funding year. The delayed awarding of the Scarce Skills Postdoctoral Fellowships (due to the late approval of the Scarce Skills Development Fund (SSDF) budget allocation for 2023/24 by the Department of Higher Education and Training (DHET)) has resulted in the improvement of the grants uptake. This increase can also be attributed to the demand by South African Research Chairs Initiative (SARChI) grant holders for additional postdoctoral fellowships and the conclusion of all claims for 2023/24 due to the successful launch of the claim functionality for Designated Authorities on NRF Connect in the second quarter. The transformation trajectory regarding female and South African Black participation needs further improvement, which can be achieved through the direct and deliberate application of customised interventions within the SARChI.

Table 5: Profile of NRF-funded early/emerging researchers for the 2023/24

RIISA emerging researchers									
	A	C	I	Not specified	W	Total F	Total B	Total D	Total funded
Non-SA	170	5	30	6	29	91	205	0	240
Perm Res	201	5	14	0	17	77	220	3	237
SA	455	83	99	0	264	558	637	15	901
Grand Total	826	93	143	6	310	726	1 062	18	1 378

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

Institutional grants

The Centres of Excellence (CoE) core researchers are responsible for the implementation of the CoEs research agenda and projects, and may be located at either the host, co-host, or collaborating institutions attached to the CoE. The number of DSI-NRF CoEs supported in 2023/24 is 16 including the Centre for Indigenous Knowledge System (CIKS) and National Institute for Theoretical and Computational Science (NITheCS). The demographics of the CoEs' Directors at the start of the year were 11 (69%) males and 5 (31%) females. This picture changed with the resignation of the SACEMA Director who was female and was replaced with a White male, leading to a significant change resulting in 25% females and 75% males. Only one Flagship researcher was funded in 2023, a Black South African male.

Since the inception of SARChI, 276 Research Chairs were awarded to 22 Universities and National Research Facilities in various disciplines of scientific research. At the end of the

reporting period, 199 Chairs have been filled by institutions and all are operational, whilst 77 have exited the system. The demographics of the Chair holders for the 2023/24 reporting period are shown in Table 8. By end of 2023/24, the overall numbers, and proportions, based on the operational Chairs, there were 73 (37%) Black and 105 (53%) White South African Chair holders. In addition, the number of operational female Chair holders decreased slightly from 105 to 102 (51%) but remained higher than the operational male Chair holders at 97 (49%), which is a milestone achievement since the inception of the Initiative. Furthermore, of the 77, five (5) Chairs were rescinded and 72 phased out and/or ended their funding period of 10 and 15 years respectively. At the end of 2023, seven (7) Chairs ended their 15-year funding period and as a result, there will be a decrease in the overall number of operational Chairs in the new financial year. Through the direct and deliberate application of customised interventions for accelerating transformation within the SARChI, the trajectory towards transformation was achieved at the level of Chairholders, particularly female Chairs.

Table 8: Demographic breakdown of SARChI holders

Description	Number of SARChI holders	Percentage (%) of awarded/operational SARChI holders
Statistics on Awarded Chairs (n=276)		
Cumulative total number of awarded SARChI Chairs	276	100
Total number of operational SARChI Chairs	199	72
Total number of SARChI Chairs phased out/ended their funding cycle	72	26
Total number of rescinded SARChI Chairs	5	1.8
Statistics on Operational Chairs (n=199)		
Operational SARChI Chairs recruited from South African universities	178	89
Operational SARChI Chairs recruited from industry or abroad	21	11
Tier 1 operational SARChI Chairs	128	64
· Female	57	29
· Male	71	35
Tier 2 operational SARChI Chairs	71	35
· Female	45	22
· Male	26	13
SARChI Chairs held by women (operational)	102	51
SARChI Chairs held by men (operational)	97	48
Black (African; Coloured; Indian; Asian) SARChI Chairholders(operational)	73 (39; 11; 22; 1)	36.6 (19.5; 5.6. 11.0; 0.5)
White SARChI Chairholders (operational)	105	52.8
Foreign or International SARChI Chairholders (operational)	21	10.6

d) Programme 4- National Research Infrastructure Platforms

NRIP 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. During the period under review, the performance of the programme has improved significantly compared to the previous financial year. The section below gives an account of performance on outputs committed in the 2023/24 Annual Performance Plan.

National infrastructure development and provision for the NSI

South African Isotopes Facility

During the reporting period, the South African Isotopes Facility (SAIF) has undergone further testing after construction completion at the end of 2022/23 and beginning of the 2023/24 financial year. The facility is anticipated to not only ramp up the beam time available for nuclear research, but also the production of radioisotopes for the treatment of cancer patients locally and internationally. This significant achievement has been applauded by many stakeholders locally and internationally. Noteworthy events were i. the launch of the Facility on 09 June 2023, by the honourable Minister Dr BE Nzimande as well as ii. hosting the Parliamentary Portfolio Committee (PPC) on Higher Education, Science and Innovation meeting on 13 March 2024, for their STI legacy report meeting coupled with the tour of the facility. The current available beam time at the NRF-iThemba LABS has made it possible for the facility to produce 224 000 radioisotopes against an annual target of 220 000. The positive variance can be attributed to continued technical maintenance of the Separated Sector Cyclotron at NRF-iThemba LABS. With the going live of the 70MeV from the SAIF Flagship project, the NRF anticipates a positive trajectory of growth for radioisotopes production.

The NRF-SAEON Elwandle Node Airborne Remote Sensing Platform supports long-term environmental research. The airborne remote-sensing platform is an initiative of the Shallow Marine and Coastal Research Infrastructure (SMCRI) managed by the NRF-SAEON Elwandle Node. During Quarter 3, the platform surveyed the Klein, Bot, Onrus, Keurbooms, Piesang, Goukamma, Knysna and Swartvlei estuaries. The surveys were conducted as part of NRF-SAEON's plan to survey all the estuaries in the country, but the priority list for these specific systems were set by CapeNature, SANParks and BioSCape. Preliminary results were presented to the Western Cape Estuaries Task Team and the Kogelberg Marine Working Group.

The telescopes at NRF-SAAO, including SALT, and the MeerKAT at NRF-SARAO were among the instruments used in the discovery of a new white dwarf

pulsar, published in Nature Astronomy. Researchers at the NRF Astronomy National Facilities contributed to the discovery. The scientists involved in the research indicated that due to their old age, the white dwarfs in the pulsar system should be cool. Their companions also have to be close enough that the gravitational pull of the white dwarf was, in the past, strong enough to steal mass from the companion, causing them to be fast spinning. All of those assumptions hold for the new pulsar found: the white dwarf is cooler than 13,000K, has a spin of around five minutes, and the gravitational pull and radiation from the white dwarf have a strong effect on the companion star. This research attests to the notion that science works and when predictions are put to the test, science as a field of study progresses.

Research synthesis for policy decision-making

During the 2023/24 financial year, the National Facilities produced and disseminated a total of 24 policy and technical briefs against a target of 20. The positive variance was due to a growing demand by government and other sector stakeholders to provide more scientific research insights to influence policy decision-making. These briefs were in fields such as marine studies, ecosystems, land and agricultural management and conservation and water quality management to mention a few.

Important results from the NRF-SAEON research data platforms enabled the Grassland node to enhance knowledge-based societal impact in providing substantive comments on the National Water Act Amendment Bill, and informing the Department of Water and Sanitation (DWS) "Classification of Significant Water Resources and Determination of Resource Quality Objectives for Water Resources in the Usutu to Mhlathuze Catchments", both policy briefs have the potential to impact positively on water resources management. In addition, an update on the hydro climatological trends from the NRF-SAEON Cathedral Peak Long-Term Ecological Research Network, considering El Niño conditions, was provided to relevant stakeholders, the results of which are relevant to fire management within Ezemvelo KZN Wildlife protected areas as well as farmers and agricultural initiatives within the adjacent area.

The water crisis in the Northern Cape, particularly Kimberley, continues to cause distress to communities and industry. The Arid Lands Node is engaging with DWS and the Sol Plaatje municipality in hopes of gaining more involvement in public awareness and environmental education concerning the water issues of Kimberley. The Arid Lands Node has also been invited to submit a policy brief on the status of water in Kimberley. Engagements will also follow the release of the policy brief, that will involve Arid Lands Node staff interacting with community members and sharing important information on the water status of the local town. Arid Lands Node also participated in The Northern Cape Provincial Policy, Planning and

Research Forum meeting in which 'Conservation and the impact of drought in the Northern Cape' presentations were given. This initiative was hosted by the Northern Cape Office of the Premier.

Research on ecological engineering is on the rise worldwide aiming at the rehabilitation and restoration of impacted environments and the Indigenous Marine Innovations for Sustainable Environments and Economies (IMIsEE) project, an initiative funded by the South African National Research Foundation and hosted by NRF-SAIAB. Indigenous knowledge and practices to counteract the negative impacts of coastal armoring by improving the biodiversity value of marine urban habitats. NRF-SAIAB prepared and shared with the Keiskamma Organisation, a policy brief that provides an in-depth overview of ongoing research pursued by researchers at the South African Institute for Aquatic Biodiversity (NRF-SAIAB) on nature-based co-creations as ecological engineering solutions for urban coastal environments. The brief further highlighted key elements of the IMIsEE project such as its aspiration to sustainable, inclusive and equitable eco-engineering solutions, forged by a deep collaborative partnership between scientists, members of a local rural community and maritime industry, and its potential impact on coastal environments, communities and knowledge systems.

NRF-iThemba LABS being the key nuclear research institution on the African continent, is well positioned to not only benefit the nuclear research community but also the medical community at large. During the period under review, the National Facility developed and shared a response with the South African Health Products Regulatory Authority (SAHPRA) on a debate regarding the requirements of a qualified Radiation Protection Officer. The response, based on NRF-iThemba LABS' vast knowledge on nuclear radiation, was packaged into a formal policy brief to enlighten SAHPRA on the required syllabus on radio protection.

Human capital support by the National Facilities

By the end of the reporting period, NRF-SAEON was supervising 85 postgraduate students, 50 of whom were funded by the NRF. These students included: three Honours, 25 Masters, 17 PhD students and five Postdoctoral fellows. Remarkably, 84% of these recipients are from designated groups. A number of students have submitted their dissertations, and more graduations can be expected in Quarter 1 of 2024/25.

Through its Human Capital Development programme, NRF-SARAO provides financial support in terms of grants and scholarships to postgraduate students studying in the field of Science and Engineering, Postdoctoral Fellowships and researchers at various universities. For the 2023 academic year, NRF-SARAO had 59 (including 25 new intakes) postgraduate students on its HCD programme studying for degrees at Honours, Masters and PhD levels. Of the 59 postgraduate students who received financial support in 2023 academic year, 76.27% are South African citizens of which 71.11% are from South African designated groups. Furthermore, NRF-SARAO currently funds nine (including five research chairs) researcher positions at various universities and 33.3% of those funded are from South African designated groups. Furthermore, 8 new funding awards were issued in 2023/24 for Postdoctoral Fellowships and 25% of the awardees are South African designated groups.

Progress against Outcomes, Outputs, Output Indicators and Targets in the 2023/24 Annual Performance Plan

Table 9 below provides an account of performance against predetermined objectives for the 2023/24 financial year. The table includes output indicators and targets for the four NRF Programmes

Table 9 Outcomes, Outputs, output indicators and targets for 2023/24

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
Programme 1: Administration								
A Transformed Organisation that Lives its Culture and Values	A transformed leadership and management cohort	Proportion of employees from designated groups at Peromnes levels 1-7	61%	65%	65%	69%	+4%	Target exceeded by 6%. Targeted attraction and retention of designated employees at PI-7
	Predictable and sustainable resourcing of the NRF mandate	Outcome of annual audit by AGSA	Clean audit	Clean audit	Unqualified	Clean audit	NRF exceeded its target of an unqualified audit, and received a clean audit.	Target exceeded. Due to the NRF's commitment to high standards of financial management and internal control.

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
Programme 2: Science Engagement								
Enhanced Impact of Science Engagement (SE)	Science engagement interventions	Number of public engagements with and in science interventions	New	17	12	16	+4	Target exceeded by 33%. NRF seized opportunities to implement additional new and unscheduled interventions.
		Number of Interventions supporting the development of skills for the future of work	New	26	16	20	+4	Target exceeded by 25%. NRF seized opportunities to implement additional new and unscheduled interventions.
		Number of interventions to build SE capacity across the NSI	New	New	4	8	+4	Target exceeded by 100%. NRF seized opportunities to implement additional new and unscheduled interventions.

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
Programme 3: Research and Innovation Support and Advancement								
A Transformed Research Workforce (internationally competitive and sustainable)	NRF-funded postgraduate students	Number of NRF-funded postgraduate students	7 732	6 697	5 943	6 179	+236	Target exceeded by 3.9%. Active awarding in line with the DSI-NRF Postgraduate Student Funding Policy as well as the 15% overallocation on new awards.
	NRF-funded researchers	Number of NRF-funded researchers	3 201	3 323	3 612	3 261	(351)	Target missed by 9.7%. NRF has made more awards beyond the target. However, the achievement of the target is dependent on expenditure by grantholders. The lag on expenditure against grants awarded resulted in the target being missed.
	NRF-rated researchers	Number of rated researchers	New	New	4 452	4 590	+138	Target exceeded by 3%. There was higher than expected response to the call which signifies the support for the rating system.

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
Programme 4: National Research Infrastructure Platforms								
Enhanced impact of the research enterprise	Socio-Economic contribution of NFs	Foreign income (R million) derived from NFs activities/ operations	RI07	RI52	R235	R240	+R5	Target exceeded by 2%. The is due to significant gains on Isotope sales as a result of low power interruptions and technical failures as well additional unbudgeted orders received in Q4.
	Knowledge translation for societal benefit	Number of patient doses generated from radioisotopes produced by NRF-iThemba LABS	171 713	164 433	220 000	224 000	+4 000	Target exceeded by 2%. Relatively more beam time was available for radioisotope production as less technical failures were experienced on the SSC, due to a successful maintenance shutdown conducted in January 2024.
		Number of technical and policy briefs produced or published by NFs	new	28	20	24	+4	Target exceeded by 20%. The growing interest for technical briefs from stakeholders encouraged the NFs to produce more briefs, thereby contributing to the NRF Mandate of disseminating knowledge and information.
		Number of active intellectual property products	new	14	3	16	+13	Target exceeded by 433%. IP products from 2022/23 which are still active, and underdevelopment were carried over to 2023/24, and two new IP products were added to the development pipeline during the 2023/24 financial year.

Linking performance with budgets

Table 10: Expenditure Trend per Programme 2023/24

Programme	2022/2023			2023/2024		
	Estimate	Actual Expenditure	(Over)/Under	Estimate	Actual Expenditure	(Over)/Under
	R'000	R'000	R'000	R'000	R'000	R'000
Programme 1	165 767	140 421	25 346	168 228	426 697	(258 469)
Programme 2	116 996	126 130	(9 134)	145 909	125 472	20 437
Programme 3	2 498 059	2 369 953	128 106	2 938 390	2 521 990	416 400
Programme 4	2 157 526	2 146 530	10 996	2 815 781	2 720 356	95 425
Total	4 938 348	4 783 034	155 314	6 068 309	5 794 515	273 794

Strategies to address areas of underperformance

Human Capital Development (Researcher) funding

The slow uptake of research awards contributed to the negative variance on researcher funding. The appropriate functionality is now implemented, and this will improve the efficiency of claims. Further, engagements with grant holders will be intensified to ensure timely uptake of funds.

13. REVENUE COLLECTION

Total income is lower than the budget by R 680m in 2023/24 mainly due to contract funding revenue aligned to deliverables with corresponding expenditure accounted for in the respective year in which the expenditure is incurred. NRF income is largely dominated by contract funding (75% in 2023/24), 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 Government appropriations and contract sponsors. The Parliamentary grant and DSI contract income decreased with a total of R 69m due to the National Treasury 2023 Adjusted Estimates of National Expenditure (AENE) budget cut. DSI contract income also decreased due to unspent infrastructure funding for the SKAO buildings, as well as unspent grant funding with the roll-out of a new granting system, certain grant activities were postponed to the 2024/25 financial year. Other contract income increased as a result of the additional DHET Scarce Skills Development Fund income received.

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 increased as isotope production and international sales at iThemba LABS increased due to the availability of additional beamtime. Higher interest income from investments is due to lower spending on capital projects in progress, specifically within SARAO and higher interest rates than originally anticipated. Other income increased due to registration fees and donations from CSIR towards the Seabird Scientific project.

Table 11: Revenue Collection 2023/24

Sources of revenue	2022/2023			2023/2024		
	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	997 408	997 409	1	1 001 295	991 295	(10 000)
DSI contract income	3 336 759	3 247 108	(89 651)	4 263 246	3 291 507	(971 739)
Other contract income	365 512	267 160	(98 352)	539 131	662 992	123 861
Sales revenue	103 444	96 307	(7 137)	1 110 749	142 777	32 028
Interest received	28 970	61 064	32 094	23 705	1 110 457	86 752
Other Income	2 314	11 740	9 426	6 301	65 550	59 249
Total Income	4 834 407	4 680 788	(153 619)	5 944 427	5 264 578	(679 849)

14. CAPITAL INVESTMENT

Table 12: Infrastructure Projects Expenditure 2023/24

Project Name	Total Estimated Cost (Original)	Total Estimated Cost (Latest)	2022/2023			2023/2024		
			Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
			R'000	R'000	R'000	R'000	R'000	R'000
NRF-iThemba LABS: SAIF Project	550 000	591 643	384 132	174 528	209 604	-	50 778	(50 778)
NRF-iThemba LABS: TIP Phase 2	20 000	20 000	-	-	-	17 500	17 797	(297)
NRF-SAIAB: 1000m ROV	12 000	15 000	12 000	4 311	7 689	7 689	10 689	(3 000)
NRF-SAIAB: Phuhlisa HDIs JML	18 000	18 000	13 965	13 965	-	4 035	4 035	-

NRF-SAIAB: Aqualab	10 000	9 000	9 000	9 000	-	-	-	-
NRF-SAIAB: Technical Hub	5 000	4 950	-	-	-	5 000	4 950	50
NRF-SAEON: SMCRI	635 500	635 500	39 129	39 568	(439)	30 711	50 240	(19 529)
NRF-SAEON: EFTEON	509 500	509 500	19 224	9 731	9 493	22 429	20 488	1 941
NRF-SAEON: SAPRI	75 000	75 000	25 000	15 553	9 447	25 000	37 339	(12 339)
NRF-SARAO: MeerKAT Extension	545 000	555 000	146 500	134 797	11 703	125 000	86 695	38 305
NRF-SARAO: SKA Dark Fibre	128 000	128 000	92 163	-	92 163	-	-	-
NRF-SARAO: SKA Northern Cape Visitor's Science Centre	32 000	31 000	-	-	-	-	2 573	(2 573)
NRF-SARAO: SKA Regional Centre	25 000	25 000	-	-	-	-	-	-
NRF-SARAO: SKA Engineering Operations Centre (EOC)	142 000	363 000	-	-	-	-	-	-
NRF-SARAO: SKA Science Operating Centre (SOC)	450 000	450 000	-	-	-	-	-	-
NRF-SARAO: SKA Science Processing Centre (SPC)	607 000	607 000	-	-	-	-	-	-
NRF-SARAO: National Park Game Fence	60 000	140 000	-	-	-	-	-	-
TOTAL	3 824 000	4 177 593	741 113	401 453	339 660	237 365	285 586	(48 221)

South African Isotope Facility (SAIF) project comprises of three (3) subcategories, namely: *SAIF infrastructure* - Construction of new infrastructure and services for the 70 MeV cyclotron; *SAIF accelerator equipment* - Procurement of the new 70 MeV cyclotron and beam line equipment, and *SAIF targetry* - Development and manufacturing of new target stations and targetry infrastructure for the 70 MeV cyclotron. As of the end of the 2023/24 financial year progress on the project was as follows:

- **SAIF Infrastructure:** Practical completion has been achieved and building handover is in progress. Snags are being attended to and completion is expected by the end of quarter 1 of 2024/25.
- **SAIF accelerator equipment:** Site acceptance testing of the C70 cyclotron and beam transmission line has been successfully achieved. The project has been completed and the cyclotron has been commissioned.
- **SAIF targetry:** Target stations delivered, commissioned and fully certified.

Technology Innovation Platform (TIP) Phase 2 commenced in 2023/24; much progress has been made with the IT/AV infrastructure of the TIP Building, which is expected to be installed in Q1 of 2024/25. The instrumentation for the laboratory has been delivered and training on the use of the equipment concluded. Final commissioning and launch are expected in 2024/25.

The 1000 Metre Remote Operating Vehicle (ROV) for NRF-SAIAB was delivered by the end of September 2023. Training was provided, set-up completed and the ROV is now operational. Included in the final cost is the forward exchange cover which escalated the cost beyond the original estimate of R12m. The final project expenditure including the FEC cost was R15m, and although above the estimated project cost, was still within the total allocated budget for the project.

Rhodes University (RU) was awarded a grant of R9m by the end of 2022/23 to oversee the **NRF-SAIAB Aqualab project**, as it involves the construction of infrastructure on their premises. The tender process is currently in progress. The project is at a pre-feasibility stage for sign-off by the NRF and RU. While construction drawings have been endorsed by the municipality, the appointment of a contractor is still pending.

Rhodes University was awarded an additional grant of R5m towards the Aqualab project, which encompasses the construction of a **Technical Hub building**. The funds have been completely transferred to RU; however, the contractor has not yet commenced the work.

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

During 2023/24, significant progress has been made towards the procurement of four Acoustic Doppler Current Profilers (ADCPs), two Coastal Observation Moorings and five Smart moorings. The last two major 5-year procurement contracts were awarded in 2023/24, valued at more than R50 million, which will result in the establishment of a state-of-the-art real-time MetOcean observation network around the coast of South Africa and the sub-Antarctic islands. In addition, the establishment of several 5-year service and maintenance contracts for the biogeochemistry laboratories, vehicles, vessels, scientific equipment, etc., will ensure a smooth transition into the operational phase.

Expanded Freshwater and Terrestrial Environmental Observation Network (EFTEON) -

EFTEON is a modular, highly networked infrastructure to support research on coupled ecological-social terrestrial systems in South Africa. It is largely modelled on NRF-SAEON's well-established network of terrestrial nodes and LTER sites and seeks to expand that with the addition of six well-instrumented EFTEON nodes.

Carbon exchange observations (Eddy Covariance Flux measurements) are operating in 4 of the landscapes with the joint operation of instrumentation in the Lowveld to start with the CSIR. Meteorological instrumentation is operating in the Northern Drakensberg, Lowveld, Maputaland and Kimberley landscapes with final site selection underway in Cape Town. During this period, EFTEON has finally caught up on spending rollover funds, through the procurement of water quality and level sampling instrumentation, the remainder of the Meteorological instrumentation and further procurement of Eddy covariance equipment.

South African Polar Research Infrastructure (SAPRI)- is designed as a consortium hosted by NRF-SAEON. Its activities and outputs are to establish the SAPRI Management system, undertake the setup of collaborative working arrangements and agreements which govern the relationships and put into place the necessary oversight committees for the successful running of the SAPRI.

SAPRI has achieved the goal of spending more than 90% of funds for the first three years of funding in two and a half years of operations. This was achieved with increased spending in the last half of 2023/24, including procurement of telemetry tags and ship-based infrastructure, preparing for the Marion Island take-over work including that of long-term observations for top predators and engaging with project partners through contracts to procure critical infrastructure in various disciplines. The SAPRI has also committed funding into the next financial year with large procurements of ocean-observing infrastructure, such as buoyancy gliders and Argo floats, and is working on the next phase to set up service contracts for iridium communications, storage of infrastructure not deployed and infrastructure maintenance.

The **MeerKAT+ Extension project** progressed well during the financial year as follows:

- The Band 2 contract via EMSS was successfully delivered during the year and will provide the relevant Receivers for the MeerKAT + Extension Antennae.
- The Helium contract is currently in progress and due for completion by the end of July 2024.
- The MeerKAT+ Extension back-end deliverables are progressing well, and various tenders have been issued and are to be completed during the 2024/25 financial year. These contracts have lead times of 3 to 6 month. Due to COVID-19, there were supply delays, however, all is now on track. This involves Correlator, Digitiser & Compute Server Infrastructure in support of the MeerKAT extension project.

NRF-SARAO's Dark Fibre project was delayed due to SANREN (the Agent appointed to manage the acquisition) concluding the contract with a 3rd party later than planned. Primarily it was delayed ensuring the most optimal technical solutions could be implemented to manage environmental issues, wayleaves from Northern Cape/Western Cape government and ensuring costs are minimised in terms of overhead versus

underground construction to mitigate the risk of downtime of the network. The infrastructure is critical to ensure that the vast quantity of data from the MeerKAT Antennae is transported to the Science Processing Centre and Other Computing Hubs. As at the end of 2023/24, the MoA is being re-instated between NRF and CSIR, and the project is expected to commence in Q1 of 2024/25.

The total estimated cost for the **SKA Northern Cape Visitor's Science Centre project** is R62m; NRF-SARAO 50% share of total cost is R31m; balance to be funded by the Department of Tourism. NRF-SARAO received R7m from the Department of Tourism in 2022/23 to commence planning. A tender was awarded in 2023/24 for the Design of the Building. Architects are progressing with the design.

The following projects are in planning stages however expenditure had not been incurred on them by the end of the reporting period:

- SKA Regional Centre project
- SKA Engineering Operations Centre (EOC)
- SKA Science Operating Centre (SOC).
- SKA Science Processing Centre (SPC).
- NRF-SARAO's National Park Game Fence project.



PART C: GOVERNANCE

15. INTRODUCTION

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

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

16. PORTFOLIO COMMITTEES

The Parliamentary Portfolio Committee (PPC) on Higher Education, Science and Innovation of the National Assembly processes legislation and conducts oversight pertaining to the work of the NRF. During the 2023/24 financial year, the NRF Board and the NRF Corporate Executive Committee interacted with the PPC on HEST to allow the PPC to exercise its oversight over the planning and performance of the organisation through the following:

- NRF Annual Report (AR) 2022/23 was tabled in Parliament by the Minister and presented to the PPC by the NRF Board.
- NRF Annual Performance Plan (APP) 2024/25 was tabled in Parliament by the Minister.
- The organisation also responded to three parliamentary questions during this financial year.
- NRF briefing on the funding of postgraduate students.
- Briefing by the DSI and NRF/South African Radio Astronomy Observatory (NRF-SARAO) on progress of the SKA and radio astronomy.
- PPC visited the NRF-iThemba LABS South African Isotope Facility (SAIF) to view the Research infrastructure and also considered its committee's Legacy Report on Science and Innovation portfolio.

17. EXECUTIVE AUTHORITY

Below is the list of reports and plans submitted to the Executive Authority during the 2023/24 financial year. There were no issues raised by the Executive Authority.

Accounting Reports and Plans	Date of Submission
Annual Report 2022/23	25 August 2023
Tabling of NRF AR 2022/23 in Parliament	21 September 2023
APP 2024/25 – 2026/27	09 February 2024
Tabling of NRF APP 2024/25 in Parliament	25 March 2024
Fourth Quarter Report 2022/23	Submission to DSI - 21 April 2023
First Quarter Report 2023/24	Submission to DSI - 20 July 2023
Second Quarter Report 2023/24	Submission to DSI - 20 October 2023
Third Quarter Report 2023/24	Submission to DSI – 22 January 2024

18. THE ACCOUNTING AUTHORITY /BOARD

Introduction

The NRF Board is appointed by the Minister of Higher Education, Science and Technology in terms of section 6 of the National Research Foundation 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 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 and Innovation) (DSI) responsible for that public entity, all material facts including those reasonably discoverable, which in any way may influence the decisions or actions of the executive authority of that legislature; and seek within the sphere of influence of that accounting authority, to prevent any prejudice to the financial interests of the state.

The role of the Board

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

- 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 and 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:
 - o Maximise returns;

- o Increase sustainability;
 - o Safeguard the people, assets and reputation of the NRF; and
 - o Ensure an effective control environment and compliance with applicable laws and regulations.
- Ensure robust and effective oversight through:
 - o The appropriate constitution of Board committees;
 - o The relationship and discourse with executive management in implementing the strategies, decisions, values and policies; and
 - o The effective approach to governance, integrated reporting, risk management and combined assurance.
 - Ensure that the organisation has appropriately constituted and effective Board committees as required by the PFMA, the Companies Act, and recommended best corporate governance practice;
 - 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:
 - o Give effect to the mandate, objectives and purpose of the NRF regarding the resources and instruments available;
 - o 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;
 - o Determine the strategy to achieve the NRF's purpose and implement NRF values;
 - o 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;
 - o 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;
 - o Approve the NRF Annual Financial Statements (AFS);
 - o Approve the NRF Annual Performance Report (APR) and the related Key Performance Indicators before submission to the Department of Science and Innovation (DSI);
 - o Review the updated NRF strategic risk register on an annual basis;

- o Approve comprehensive NRF human resource development strategies and plans;
- o 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; and
- o Ensure that the independent institutional review of the NRF, using a method approved by the DSI and the NRF Board, takes place in a published cycle of every five years unless agreed otherwise by the DSI.
- o In line with section 72(4) of the Companies Act, read together with regulation 43 of the Companies Regulations, the NRF Board must ensure the implementation of the legal requirements and prevailing codes of best practice and standards with regard to social and ethical responsibilities.

Board Charter

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

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

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

Composition of the Board

As at 1 April 2023 to 30 March 2024, the NRF Board was constituted as set out in Table 13 below.

Table 13: Board members as at 01 April 2023 to 31 March 2024

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	End Date	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
Prof Matlagolo Mosa Moshabela	Chairperson - NRF Board	01 December 2022	Term ends 30 November 2026	<ol style="list-style-type: none"> University of KwaZulu-Natal (Nelson R Mandela School of Medicine), Durban, South Africa 2001 Degree: MBChB Field of Study: Medicine and Surgery; Colleges of Medicine of South Africa, Johannesburg, Degree: Diploma HIV (SA) Field of Study: HIV Medicine University of Limpopo (MEDUNSA), Pretoria 	Public and Global Health	MEMBERSHIP IN SOCIETIES <ol style="list-style-type: none"> 2021 – present Academy of Science of South Africa, ASSAf; 2020- present Consortium of Universities for Global Health (CUGH); 2020- present The Network: Towards Unity for Health (TUFH); 2018- present Africa Forum for Research and Education in Health (AFREhealth); 	N/A	5 NRF Board Meetings (Chair) 1 NRF Strategy Workshop 1 NRF Board Meeting [Special] 3 NRF Board [In-Committee Meeting]

				<p>Degree: Masters in Family Medicine Field of Study: Family Medicine;</p> <p>4. University of the Witwatersrand, Johannesburg Degree: PhD Field of Study: Public Health; and</p> <p>5. London School of Hygiene and Tropical Medicine, London, United Kingdom Degree: MSc Field of Study: Demography and Health</p>		<p>5. 2016-present National Chairperson, the Rural Doctors Association of South Africa (RuDASA);</p> <p>6. 2014-present Member expert panel on quality improvement for Health Systems Global Society;</p> <p>7. 2013-present Board member for the Centre for Rural Health, University of KwaZulu-Natal;</p> <p>8. 2009-present Member, International AIDS Society (IAS);</p> <p>9. 2006-present Diplomate, the College of Medicine of South Africa (CMSA);</p> <p>10. 2005-present Member, Rural Doctors Association of</p>	
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						<p>South Africa (RuDASA);</p> <p>11. 2004-present Member, Southern African HIV Clinicians Society;</p> <p>12. 2003-present Member, South African Family Practice (SAFP);</p> <p>13. 2002-present Health Professions Council of South Africa (HPCSA); and</p> <p>14. 2002-present Member, South African Medical Association (SAMA)</p>		
Prof Glenda Gray	<p>1. Board Member;</p> <p>2. Member of Audit & Risk Committee; and</p> <p>3. Member of Remuneration & HR Committee</p>	Second term 01 December 2022	Second Term ends 30 November 2026	<p>1. MBBCH - University of Witwatersrand</p> <p>2. FCPAED (SA) -College of Medicine, South Africa</p> <p>3. DSc (honoris causa, SFU);</p> <p>4. Doctor of Law (honoris causa, Rhodes University)</p>	<p>1. Medical Scientist,</p> <p>2. HIV vaccinology,</p> <p>3. AMR, paediatric infections, clinical research,</p> <p>4. SAMRC public entity R&D,</p>	<p>ADVISORY BOARDS:</p> <p>1. Global Alliance for Chronic Diseases (GACD);</p> <p>2. Black Womxn Caucus Board (BWC);</p> <p>3. Scientific Advisory Board Centre for HIV/AIDS</p>	Wits University Council COVID-19 Ministerial Advisory Committee [MAC]	<p>5 NRF Board Meetings</p> <p>0 NRF Strategy Workshop</p> <p>1 NRF Board meeting [Special]</p> <p>2 NRF Board [In-Committee Meeting]</p> <p>4 Audit & Risk Committee Meeting</p>

					<p>5. Clinical product development</p> <p>Vaccine Immunology and Immunogen Discovery (CHAVI-ID) with Scripps;</p> <p>4. GARDP (Global Antimicrobial Research and Development Partnership);</p> <p>5. HeLTI Council;</p> <p>6. Presidency National Order Advisory Council;</p> <p>7. AMRC Board;</p> <p>8. Scientific Advisory Board RI-MUHC, McGill Research Institute;</p> <p>9. Strategic and Technical Advisory Group for Tuberculosis (STAG-TB);</p> <p>10. Wits Council;</p> <p>BOARDS:</p> <p>11. Access to Advanced Health Institute (AAHI) Board;</p>	1 Remuneration & HR Committee
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						<p>12. African Potential Trust;</p> <p>13. HCRISA;</p> <p>COMMITTEES:</p> <p>14. D43 Training Advisory Committee;</p> <p>15. Glasgow HIV 2022 Scientific Committee;</p> <p>16. Global Evidence Local Adaptation - GELA - project International Advisory Group;</p> <p>17. Global HIV Vaccine Enterprise at the IAS - International AIDS Society;</p> <p>18. HVTN(NIH/HIV Vaccines Trials Network - of conflict of interest sub-committee;</p> <p>19. Moderna Fellowship Program Global Steering Committee;</p> <p>20. NSTF Awards Adjudication Committee/Panel;</p>		
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						<p>21. UCT - Institute of Infectious of Disease And Molecular Medicine (IDM);</p> <p>22. WHO STAG for TB;</p> <p>23. Wits - Honorary Degrees Committee;</p> <p>24. Wits Council Risk; and</p> <p>PRINCIPAL INVESTIGATOR:</p> <p>25. HVTN Co-Principal Investigator</p>		
Ms Lahlane Hellen Malema	<p>1. Board Member;</p> <p>2. Member of Audit & Risk Committee; and</p> <p>3. Chair of Procurement Committee</p>	01 December 2022	Term ends 30 November 2026	<p>1. LLB [UL] 1999</p> <p>2. B. PROC [UL] 1996</p>	<p>Admitted Attorney of High Court RSA</p> <ul style="list-style-type: none"> ✓ Law ✓ Compliance, Accreditations & Regulations ✓ Procurement ✓ Corporate Governance ✓ Audit & Risk ✓ Social & Ethics ✓ Tribunals ✓ Appeals 	<p>1. SHRA Board [Social Housing Regulatory Authority]:</p> <ul style="list-style-type: none"> ✓ Chair of Social & Ethics Committee ✓ Member of Compliance, Accreditations & Regulations Committee <p>2. WPH Board (Weskoppies Psychiatric Hospital):</p> <ul style="list-style-type: none"> ✓ Chair of Clinical, Risk & Quality Committee ✓ Chair of Audit, Finance & Risk Committee 	N/A	<p>6 NRF Board Meetings</p> <p>1 NRF Strategy Workshop</p> <p>1 NRF Board meeting [Special]</p> <p>3 NRF Board [In-Committee Meeting]</p> <p>5 Board Procurement Committee Meeting (Chair)</p> <p>6 Audit & Risk Committee Meeting</p>

						<p>3. SAFCOL Board [South African Forestry Company Ltd]:</p> <ul style="list-style-type: none"> ✓ Member of Audit & Risk Committee ✓ Member of Finance & Investment Committee ✓ Member of Social & Ethics Committee <p>4. LPC Committee [Legal Practice Council]:</p> <ul style="list-style-type: none"> ✓ Member of Investigating Committee ✓ Member of Disciplinary Committee ✓ Member of Mediation Committee <p>5. UNISA Board [University of South Africa]</p> <ul style="list-style-type: none"> ✓ Member of Audit & Risk Committee ✓ Member of Finance & Investment Committee ✓ Member of ICT Committee <p>6. Water Tribunal</p> <ul style="list-style-type: none"> ✓ Presiding Chair ✓ Additional Member <p>7. Appeals Authority:</p>		
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						Ekurhuleni Municipality ✓ Presiding Member 8. Malema Attorneys ✓ Legal Practitioner		
Dr Len Konar	1. Board Member; and 2. Chair of Audit & Risk Committee	01 December 2022	Term ends 30 November 2026	1. Bachelor of Commerce, University of Durban-Westville – gold medallist for being best graduate; 2. Post Graduate Diploma in Accounting, University of Durban-Westville – best Management Accountant graduate; 3. Chartered Accountant (South Africa); 4. Certificate in Tax Law, University of South Africa; 5. Certificate in Electricity Tariffs, University of Stellenbosch; 6. Master of Accounting Sciences, University of Illinois – awarded	1. Tertiary Education; 2. Financial Management 3. Auditing & Accounting; 4. Risk Management/ Compliance; 5. Strategic Planning & Analysis; 6. Higher Education and Training; 7. Internal Control / Investment; 8. Presentations; 9. Restructuring; 10. Lecturing and Research;	1. Chartered Accountant (SA) – Registered Accountant and Auditor; 2. Member/ Fellow in Good Standing of: King Committee on Corporate Governance (King Committee); 3. Independent Regulatory Board for Auditors (IRBA); 4. South African Institute of Chartered Accountants (SAICA); 5. Fellow of the Institute of Internal	N/A	5 NRF Board Meetings 1 NRF Strategy Workshop 1 NRF Board meeting [Special] 3 NRF Board [In-Committee Meeting] 4 Audit & Risk Committee Meeting (Chair) 1 AGSA Meeting (ARC) 4 Board Procurement Committee Meeting

				Atlantic Richfield; 7. Academic Excellence Award for being top graduate with a gpa	11. Executive Leadership; and 12. Academic Supervisor.	Auditors (IIA); 6. Fellow of the Institute of Directors (IoD); 7. National Association of Corporate Directors (NACD) – USA; Association for Certified Fraud Examiners (ACFE).		
Dr Mabatho Ntomb'zikhona Mutshekwane (Ntombi)	1. Board Member; and 2. Member of Audit & Risk Committee	01 December 2022	Term ends 30 November 2026	1. Entrepreneurship in Emerging Economies HarvardX; 2. Post Graduate Diploma in Health Technology; Management PG Dipl HTM, UCT; 3. Masters in Business Leadership, UNISA (SBL); and 4. MBCHB Sefako Makgatho University (MEDUNSA) Bachelor of Medicine and Surgery	Entrepreneur, Medical Doctor, Healthcare & Technology Consultant	1. Mutsh Medical International (Pty) Ltd (MutshMed); 2. Boxfusion Healthcare (Pty) Ltd; 3. Maatho Projects (Pty) Ltd; 4. Blue Sands Trading CC; 5. Mutshekwane Trust; 6. Houghton Medical Centre (Pty) Ltd; 7. Japanto Health Solutions (Pty) Ltd;	N/A	4 NRF Board Meetings 1 NRF Strategy Workshop 1 NRF Board meeting [Special] 3 NRF Board [In-Committee Meeting] 5 Audit & Risk Committee Meeting

						8. Dikento Property (Pty) Ltd; and 9. Dr Mutshekwane Inc.		
Mr Mark Brits	1. Board Member; 2. Member of Procurement Committee; and 3. Member of Research Development Committee	01 December 2022	Term ends 30 November 2026	1. Master of Science in Financial Management, University of London 2001; and 2. Bachelor of OF 5.0; 8. Doctor of Commerce, University of South Africa; and 9. Certification in Risk Management Assurance, United States of America. Commerce, UNISA 1995	1. Digital Banking; and 2. Regulatory specialist Finance	1. Centre of Excellence in Financial Services; and 2. The Banking Association South Africa. 8. National Horse Racing Authority (NHRA); 9. Association for the Advancement of Black Accountants in South Africa (ABASA); 10. Compliance Institute of South Africa; 11. Institute of Risk Management, South Africa (IRMSA); 12. Public Sector Audit Committee Forum (PSACF); 13. Corporate Governance Network (CGN);	N/A	6 NRF Board Meetings 1 NRF Strategy Workshop 1 NRF Board meeting [Special] 2 NRF Board [In-Committee Meeting] 5 Board Procurement Committee Meeting] 4 Research Development Committee

						14. Audit Committee Forum (ACF); 15. Association of Black Securities and Investment Professionals (ABSIP); 16. Investment Analysts Society of South Africa; and		-
Prof Nadine Petersen	1 Board member; and 2 Member of Procurement Committee	01 October 2018 Second term 01 December 2022	Second Term ends 30 November 2026	1. Higher Diploma in Education (1989) [with distinction] Rand College of Education; 2. B.A. Education (1995) [with distinction] University of South Africa; 3. B. Ed Honours (1997) [cum laude] Rand Afrikaans University; 4. M. Ed (1999) [cum laude] Rand Afrikaans University; Minor dissertation: The experience of women academics in a male-dominated environment; and	1 Teacher Education; 2 Higher Education Management; 3 Higher Education and Training; 4 Adult and Community Education	N/A	N/A	4 NRF Board Meetings 0 NRF Strategy Workshop 1 NRF Board meeting [Special] 3 NRF Board [In-committee Meeting] 1 Board Induction Workshop 4 Board Procurement committee meeting

				5. PhD (2007) University of Johannesburg Thesis: Community service learning in teacher education: about 'otherness' and locating the self				
Prof Pamela Maseko	1. Board Member; 2. Member of Remuneration & HR Committee; and 3. Chair of Research Development Committee	01 December 2022	Term ends 30 November 2026	1. PGDip in Higher Education Rhodes University 2017 Higher education Studies; 2. Doctor of Philosophy Rhodes University 2011 Sociolinguistics; 3. Certificate in Assessor's Course Rhodes University 2010 Assessment in HE; 4. Master of Arts Rhodes University 2007 Language Policy Studies; and 5. Bachelor of Arts (Hons) UWC 1994 Sociology of Language, Literary Studies.	Sociolinguistics and Language Policy	N/A	N/A	5 NRF Board Meetings 0 NRF Strategy Workshop 1 NRF Board meeting [Special] 1 NRF Board [In-Committee Meeting] 3 REM & HR Committee meeting 4 Research Development Committee Meeting (Chair)

Prof Pumla Gobodo-Madikizela	<ol style="list-style-type: none"> 1. Board Member; 2. Member of Remuneration & HR Committee; and 3. Member of Research Development Committee 	01 December 2022	Term ends 30 November 2026	<ol style="list-style-type: none"> 1. University of Cape Town PhD in Psychology June 2000; 2. Rhodes University Masters in Clinical Psychology November 1984; 3. Fort Hare University Honours in Psychology November 1978; and 4. Bachelor of Arts in Social Work November 1977 	Psychology	N/A	N/A	<ol style="list-style-type: none"> 2 NRF Board Meetings 0 NRF Strategy workshop 1 NRF Board meeting [Special] 1 NRF Board [In-Committee Meeting] 3 Research Development Committee Meeting 0 REM & HR Committee Meeting
Prof Refilwe Phaswana-Mafuya	<ol style="list-style-type: none"> 1. Board Member; and 2. Member of Research Development Committee 	01 April 2019 Second term 01 December 2022	Second Term ends 30 November 2026	<ol style="list-style-type: none"> 1. PhD, 04 Oct 2002, UNIN, 1999-2002 2. MSc (Epi), 1 Nov 2016, LSHTM, University of London, UK funded by Africa London Nagasaki Scholarship (UK) and Wellcome Trust Fellowship (UK) 3. PG Diploma (Epi), 1 Nov 2013, LSHTM, University of London, funded by Africa London Nagasaki 	<ol style="list-style-type: none"> 1. Epidemiology, 2. Public Health and Behavioural Sciences; 3. Epidemiological Research; 4. Public Health Sciences; 5. Social Sciences; 6. Higher Education Management and Governance; 	<ol style="list-style-type: none"> 1. South African Medical Research Council/University of Johannesburg (SAMRC/UJ) –Pan African Centre for Epidemics Research (PACER) Extramural Unit 	N/A	<ol style="list-style-type: none"> 5 NRF Board Meetings 1 NRF Strategy Workshop 0 NRF Board meeting [Special] 3 NRF Board [In-Committee Meeting] 1 Board Procurement Committee 3 Research Development Committee Meeting

				<p>Scholarship (UK) and Wellcome Trust Fellowship (UK)</p> <p>4. MA(SW), 19 Sep 1998, UNIN, 1997-1998, exempted from fees</p> <p>5. BA(SW), 29 April 1995, University of the North (UNIN), 1991-1994; partially funded by TEFSA for academically deserving but financially struggling students</p>	<p>7. Research Leadership and Management;</p> <p>8. Research Capacity Building;</p> <p>9. Science engagement;</p> <p>10. Science Activism;</p> <p>11. Building Science Networks, partnerships and alliances.</p>			
Prof Saurabh Sinha*	<p>1. Board member;</p> <p>2. Chair of Remuneration & HR Committee; and</p> <p>3. Member of Procurement Committee</p>	<p>01 October 2018</p> <p>Second term 01 December 2022</p>	<p>Second Term ends 30 November 2026</p>	<p>ACADEMIC:</p> <p>1. PhD(Eng) MEng (Microelectronics) (cum laude) – University of Pretoria</p> <p>2. BEng(Electronic) (cum laude) – University of Pretoria</p> <p>PROFESSIONAL:</p> <p>1 Pr Eng,</p> <p>2 FSAAE,</p> <p>3 FSAIEE,</p> <p>4 FIEEE, MASSAf</p>	<p>1. Engineering;</p> <p>2. Electronic Engineering; and Microelectronics</p>	<p>1. Board of Director and Chair, Resolution Circle (Pty) Ltd;</p> <p>2. University of Johannesburg (UJ) (DVC: Research and Internationalisation);</p> <p>3. UJ Invnt (Pty) Ltd;</p> <p>4. GCRO; IEEE Educational Activities Board</p>	Prof Saurabh Sinha	<p>0 Board meetings; 0 NRF Strategy Workshop</p> <p>0 NRF Board meeting [Special]</p> <p>1 NRF Board Meeting [In-Committee]</p> <p>0 Chair of Remuneration & HR Committee; and</p> <p>1 Member of Procurement Committee</p>

Dr Simanga Alex Tsela*	1. Board Member; 2. Member of Audit & Risk Committee; and Member of Procurement Committee	01 December 2022	Term ends 30 November 2026	<ol style="list-style-type: none"> 1. University of Witwatersrand (Johannesburg) Ph.D. in Applied Nuclear Physics, 2000; 2. University of Sussex, Brighton, England MSc in Nuclear Physics 1992; 3. University of Swaziland, Kwaluseni, Swaziland BSc in Physics and Mathematics 1989; 4. University of the Pretoria, Pretoria, South Africa Masters in Business Administration (Strategy) 2003 ; 5. Damelin Management School Diploma In Business Management 1998; 6. University of Swaziland Diploma in Science Education 1989; 7. Argonne National Laboratory, United State of America Certificate in Nuclear Security, 	Nuclear Science	<ol style="list-style-type: none"> 1. CEO, Mzansi Energy Solutions and Innovations (Pty) Ltd; 2. Uncle Publishers Deregistration Process – Active; 3. Success64 In Business –Active; 4. Apostle Love Fund Deregistration Process – Active; 5. Mzesi Water And Construction In Business –Active; 6. Mzesi Energy In Business –Active; 7. Kebone Health Deregistration Process - Active 8. Occ Life Changers Deregistration Process – Active; 9. Mzesi Academy In Business –Active; 10. Global Economic Fraternal Deregistration Process – Active; 	Dr Simanga Alex Tsela	<ol style="list-style-type: none"> 2 Board Meetings; 0 NRF Strategy Workshop 1 NRF Board Meeting [Special] 2 NRF Board Meeting [In-committee] 3 Member of Audit & Risk Committee 2 Member of Procurement committee
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				<p>Argone Laboratory 2005;</p> <p>8. Diamond Education College Rough Diamond Evaluator 2016; and</p> <p>9. Newburgh Theological Seminary & College of the Bible, United States Ph.D in Biblical Studies 2020.</p>		<p>11. Keavaya And Home In Business –Active;</p> <p>12. Alex Tsela Global Finance In Business –Active;</p> <p>13. K2016346257 (South Africa) Deregistration Process – Active;</p> <p>14. Amanzi Technologies In Business –Active;</p> <p>15. Tsela Precious Stones Deregistration Process – Active;</p> <p>16. Torsion Africa Deregistration Process – Active;</p> <p>17. Mzesi Holdings In Business –Active;</p> <p>18. The Whetstone Academic Institute Deregistration Process – Active;</p> <p>19. Dr Alex Tsela Foundation In Business –Active;</p>		
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						20. Kebei Investment Group In Business – Active; and 19. Simanga Mambane Consulting Deregistered – Inactive.		
Prof Teboho Audrey Moja	1. Board Member; 2. Member of Remuneration & HR Committee; and 3. Member of Research Development Committee	01 December 2022	Term ends 30 November 2026	1. Ph.D. 1985 University of Wisconsin – Madison Major: Curriculum and Instruction Minor: Educational Administration; 2. M.Ed. 1982 University of Witwatersrand, South Africa Thesis: Failure in the Teaching of Biology; 3. B.Ed. 1979 University of the North, South Africa; and 4. B.A. 1977 University of the North, (With Distinction)	Education	N/A	N/A	6 NRF Board Meetings 1 NRF Strategy Workshop 1 NRF Board meeting [Special] 3 NRF Board [In-Committee Meeting] 3 REM & HR Committee Meeting 4 Research Development Committee Meeting

* Dr Alex Tsela resigned from the NRF Board with effect from 08 January 2024.

* Prof Saurabh Sinha resigned from the NRF Board with effect from 01 July 2023.

Committees

Table 14 : Board Committee meetings 01 April 2023 to 31 March 2024

Committee	No. of meetings held	No. of members	Name of members
NRF Board	10 - Board meetings 1 - Strategy Workshop	13 [including NRF CEO]	As per "Composition of the Board"
Audit and Risk Committee	6	5	1. Dr Len Konar [Chair] 2. Dr Ntombi Mutshekwane 3. Ms Lahlane Malema 4. Prof Glenda Gray 5. Dr Alex Tsela*
Procurement Committee	5	5	1. Ms Lahlane Malema [Chair] 2. Mr Mark Brits 3. Prof Nadine Petersen 4. Dr Alex Tsela* 5. Prof Saurabh Sinha*
Remuneration & HR Committee	3	5	1. Prof Tebogo Moja [Chair] 2. Prof Pamela Maseko 3. Prof Pumla Gobodo-Madikizela 4. Prof Glenda Gray 5. Prof Saurabh Sinha [Chair] *
Research Development Committee	4	5	1. Prof Pamela Maseko [Chair] 2. Prof Tebogo Moja 3. Prof Pumla Gobodo-Madikizela 4. Mr Mark Brits 5. Prof Refilwe Phaswana-Mafuya

* Dr Alex Tsela resigned from the NRF Board with effect from 08 January 2024.

* Prof Saurabh Sinha resigned from the NRF Board with effect from 01 July 2023.

Remuneration of board members

The NRF Board was classified as an AI 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 does not qualify for remuneration from the NRF as they are government employees:

- Prof Glenda Gray [NRF Board member and member of the Audit and Risk and Remuneration and HR Committees]

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 15 : Remuneration of Board members 01 April 2023 to 31 March 2024

Name	Remuneration [Gross Before PAYE] ZAR	Other allowances	Other re-imbursements	Total ZAR
Prof Matlagolo Mosa Moshabela (Chairperson)	146 211	Nil	Nil	146 211
Ms Lahlane Hellen Malema	135 017	Nil	1 310	136 327
Dr Len Konar	129 008	Nil	1 246	130 254
Dr Mabatho Ntomb'zikhona Mutshekwane	75 056	Nil	580	76 636
Mark Brits	105 256	Nil	1 472	106 728
Prof Nadine Petersen	56 168	Nil	571	56 740
Prof Pamela Maseko	98 686	Nil	Nil	98 686
Prof Pumla Gobodo-Madikizela	43 896	Nil	Nil	43 896
Prof Refilwe Phaswana-Mafuya	48 380	Nil	Nil	48 380
Dr Simanga Alex Tsela	24 476	Nil	Nil	24 476
Prof Teboho Moja	106 396	Nil	4 082	110 478
Prof Saurabh Sinha	12 524		639	13 164
Prof Glenda Gray	Public office bearer hence does not receive remuneration. [None] – S & T Claims			

19. RISK MANAGEMENT

The NRF manages risks in accordance with the PFMA (Act 1 of 1999) and the King IV Report on Corporate Governance through a Board-approved Enterprise Risk Management (ERM). This Policy is reviewed regularly to ensure it remains aligned with evolving business needs and governance responsibilities. The NRF applies a risk management approach aligned with international best practice frameworks. As part of ongoing risk assessment process, the organisation focuses on the management of risks and opportunities that allows well-considered decisions under conditions of uncertainty, in line with the risk appetite and tolerance.

The Board, through the Audit and Risk Committee (ARC), actively monitors, and reviews strategic risks. The Board identified eleven strategic risks this year following a robust risk review process and the strategic intent and emerging risks. The ARC

independently monitors the effectiveness of the system of risk management. The residual rating of risk considers the efficacy of risk mitigation and control efforts. Although the Board has ultimate responsibility for risk management, the Audit and Risk Committee provides objective oversight and makes recommendations to the Board for consideration and approval.

An ERM and Compliance Management software solution which assists in annual top-down and quarterly bottom-up risk reviews within the various business units is in place. Through the risk management process, the organisation identified the top risks and reported mitigation progress. The ERM committee advises management on the overall system of risk management as well as the operational risk registers.

All risks are uploaded on the software to ensure monitoring of risk and control plans.

During the financial year, the strategic risk register was reviewed and independently verified for completeness and appropriateness. Additionally, all improvement recommendations to the ERM programme by the co-sourced internal audit were implemented.

These included revision of the ERM Policy, ERM Framework, Appetite and Tolerance statements. The Organisational Resilience (OR) and Business Continuity Management (BCM) review project was concluded. Oversight of specialised risk management activities including insurance, Health and Safety, Asset protection, Fraud and Cyber continues.

20. INTERNAL CONTROL UNIT

The NRF does not have an internal control unit. A Combined Assurance Framework and the Implementation Plan was adopted by the Board which aimed at embedding the combined assurance principles and improving efficiency. Internal control functions are performed by the Internal Audit.

21. INTERNAL AUDIT

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 organisation to enable it to discharge its responsibilities effectively. The Internal Audit function has unrestricted access to the Audit and Risk Committee.

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

- a) Governance-related Reviews;
- b) Performance Information Reviews;
- c) Performance Audits (Economy, Efficiency and Effectiveness);
- d) ICT-related Reviews;
- e) Financial Audits (Assets, Budgets, Accounts Payable, Debtors, Bank).

Internal audit activities are measured against the approved internal audit plan and the Head: Internal Audit tabled progress reports in this regard to the Audit and Risk Committee.

Internal Audit was responsible for reviewing and providing assurance on the adequacy and effectiveness of the internal control environment across all of the significant areas of the organisation's operations. The Internal audit function is currently capacitated through a co-sourced model.

The Audit and Risk Committee is satisfied that adequate, objective internal audit policies and procedures exist within the organisation and that the organisation's Internal Audit function had complied with the internal audit standards, and the required legal, regulatory and other responsibilities as stipulated in its charter during the period under review. The NRF Internal Audit Function was subjected to the five-year External Quality Assurance Review by Leadership Academy for Guardians of Governance, a subsidiary of The Institute of Internal Auditors South Africa (IIA SA), to undertake the review of NRF's internal audit function in terms of the Standards of Professional Practice of the Institute of Internal Auditors. We are pleased to report that the NRF Internal Audit Function achieved the "Generally Conforms" rating, which is the highest rating permissible in terms of the IIA standards and its requirements.

The NRF Internal Audit function will be ready to adopt the new IIA Global Standards in the course of the next reporting period. The Charter and Internal Audit Methodology are currently being revised as well as supporting tools utilised for early adoption.

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

22. 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, recognize 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 relevant information on the Audit and Risk Committee members.

Table 16: Audit and Risk committee members as at 01 April 2023 to 31 March 2024

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date resigned	No. of Meetings attended
Dr Len Konar [Chairperson]	<ol style="list-style-type: none"> Bachelor of Commerce, University of Durban-Westville – gold medallist for being best graduate. Post Graduate Diploma in Accounting, University of Durban-Westville – best Management Accountant graduate. Chartered Accountant (South Africa). Certificate in Tax Law, University of South Africa. Certificate in Electricity Tariffs, University of Stellenbosch. Master of Accounting Sciences, University of Illinois – awarded Atlantic Richfield. Academic Excellence Award for being top graduate with a gpa OF 5.0. Doctor of Commerce, University of South Africa. Certification in Risk Management Assurance, United States of America. 	External/ non-executive Board member	N/A	01 December 2022	Term ends 30 November 2026	5

Dr Ntombi Mutshekwane	<ol style="list-style-type: none"> 1. Entrepreneurship in Emerging Economies HarvardX. 2. Post Graduate Diploma in Health Technology Management PG Dipl HTM, UCT. 3. Masters in Business Leadership, UNISA (SBL). 4. MBCHB Sefako Makgatho University (MEDUNSA) Bachelor of Medicine and Surgery 	External / non-executive Board member	N/A	01 December 2022	Term ends 30 November 2026	5
Dr Alex Tsela	<ol style="list-style-type: none"> 1. Ph.D. in Applied Nuclear Physics, 2000, University of Witwatersrand. 2. MSc in Nuclear Physics 1992, University of Sussex, Brighton, England. 3. BSc in Physics and Mathematics 1989, University of Swaziland. 4. Masters in Business Administration (Strategy) 2003, University of the Pretoria. 5. Damelin Management School Diploma in Business Management 1998; 6. University of Swaziland Diploma in Science Education 1989. 7. Argonne National Laboratory, United State of America Certificate in Nuclear Security, Argone Laboratory 2005. 8. Diamond Education College Rough Diamond Evaluator 2016. 9. Newburgh Theological Seminary & College of the Bible, United States Ph.D in Biblical Studies 2020. 	External / non-executive Board member	N/A	01 December 2022	Term ends 30 November 2026	3
Ms Lahlane Malema	<ol style="list-style-type: none"> 1. LLB [UL] 1999 2. B. PROC [UL] 1996 	External / non-executive Board member	N/A	01 December 2022	Term ends 30 November 2026	6
Prof Glenda Gray	<ol style="list-style-type: none"> 1. MBChB - University of Witwatersrand. 2. FCPAED (SA) - College of Medicine, South Africa. 3. DSc (honoris causa, SFU). 4. Doctor of Law (honoris causa, Rhodes University). 	External / non-executive Board member	N/A	01 December 2022	Term ends 30 November 2026	4

23. COMPLIANCE WITH LAWS AND REGULATIONS

The NRF recognises that systems of good governance should be in place and be reviewed continuously to ensure that they are sound and consistent with world-class standards and remain relevant to the business. Apart from complying with the provisions of the National Research Foundation Act (as amended), the NRF is committed to complying with all applicable laws, regulations and relevant codes and standards.

To ensure a central structured compliance function, the NRF has established and resourced an independent Ethics and Compliance function which will enable management to establish, implement, maintain, and continually improve a compliance management system. Compliance with internal policies and procedures is critical to the improvement of the governance and policies are reviewed regularly to improve the internal control environment and ensure compliance with applicable laws.

In line with King IV, the Board is committed to establish standards and striving to lead the NRF in an ethical, effective, and responsible manner. The Ethics management plan remains in place to implement necessary initiatives aimed at further embedding the culture of ethics in the organisation.

The NRF has adopted a materiality and significance framework in line with Treasury Regulations to ensure compliance to the PFMA.

The framework includes:

Quantitative Thresholds:

Materiality is set at 2% of Total Assets. The threshold is reviewed and adjusted annually based on the entity's financial performance and changes in the operating environment.

Qualitative Considerations:

Transactions with specific disclosure required by law are considered material irrespective of their monetary value. Any fact discovered of which its omission or misstatement could influence the decisions or actions of the executive authority or legislature are considered material irrespective of their monetary value. Any participation, acquisition or disposal outside of the approved strategic plan and budget are considered material.

Revisions:

No revisions to the materiality thresholds were made during the year.

24. FRAUD AND CORRUPTION

The NRF has a zero-tolerance approach to fraud and corruption. The NRF's fraud and corruption methodology enables the organisation to identify and mitigate the occurrence of fraud and corruption through risk assessment and compliance checks. These are performed organisation-wide on an annual basis and help to identify potential high-risk areas of fraud, corruption, and unethical behaviour. A fraud risk control framework template for self-assessments is used for this exercise. The NRF has an all-encompassing policy and a Fraud Prevention Plan. Management ensures adequacy of controls to prevent, detect, and mitigate the fraud risk in focus areas.

The NRF subscribes to the National Anti-Corruption Hotline (NACH), administered by the Public Service Commission (PSC), which ensures that all allegations of fraud and corruption cases are confidentially disclosed and appropriately reported. The hotline is available 24 hours a day, seven (7) days a week and call centre

agents can converse in all official South African languages. Staff awareness of this facility is promoted through posters, the intranet, and the awareness campaign. Additionally, staff are also able to report via their line manager or Human Resource representatives. Over the period various fraud awareness communiques were provided.

The Anti-fraud, Anti-corruption and Anti-SCM Abuse Committee ensures that all reports from all available channels are investigated in line with policy. Depending on the outcome of investigations and based on the recommendations of the oversight committee, issues raised are reported to the CEO, the Audit and Risk Committee and the NRF Board for consideration and appropriate action.

25. MINIMISING CONFLICT OF INTEREST

The Supply Chain management (SCM) policy addresses the process and levels e.g., organisational, functional, financial conflict of interest and SCM Practitioners complete annual declaration. Corporate SCM has specific conflict of interest forms that have been designed and are in use. Committee members (Bid Evaluation Committee, Bid Specification Committee, Bid Adjudication Committee, Bid Specification Advisory Committee, Board Procurement Committee and the NRF Board) provide written or verbal declaration (captured in minutes), where appropriate. The system of internal control has

checks and balances built in e.g. separation of duties and a multiplicity of approval levels to maximise transparency and to minimise risks. The NRF follows the prescribed regulatory process (e.g. SBD4) and any reported instances of potential conflict of interest are thoroughly investigated.

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

26. CODE OF CONDUCT

The Consolidated Human Resources Policies and Procedures contains the Code of Ethics, Values and Business Conduct (“the Code”) which underpins our HR practices. Compliance with the Code is compulsory for all employees of the NRF, irrespective of the nature and duration of employment. To some extent, the Code also applies to customers, suppliers and others acting on behalf of, or dealing with the NRF. Any breach of Code and conduct prohibited by NRF policy, the law, or the Constitution of South Africa, or which is not in line with the NRF values as articulated in the Code, even if it were done on the NRF employee’s behalf by someone

who was not an NRF employee, constitutes misconduct. Where such misconduct or a breach of the Code is suspected, it is subjected to an investigation, which will determine whether a disciplinary inquiry is to be instituted in terms of the NRF Disciplinary Code. Should management determine that a disciplinary inquiry is warranted, it is conducted in accordance with the NRF Disciplinary Code and if an employee is found guilty, lead to a sanction considered befitting the misconduct in question.

27. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The NRF believes in maintaining strong management standards and culture towards health and safety that improves employee productivity and operational efficiency as well as ensures compliance. The organisation is working proactively to identify and mitigate risks to employees, the environment, and other stakeholders.

The various Business Units manage health and safety programmes appropriate to their risk profile, unique environments and responsibility for occupational health and safety compliance. There are dedicated health and safety personnel at Research Infrastructure Platforms (RIPs) tasked with oversight and maintenance of these programmes. This includes regular Safety Committee meetings, sound incident management and coordinating independent reviews by specialised third party assurance providers.

The bi-annual Safety, Health, Environment and Quality Management Forum (SHEQMF) supports a steady oversight of the approved SHEQ policy as well as leading and lagging metrics for health and safety management activities including the promotion of key focus areas and a positive safety culture.

Professional Health and Safety Construction Agents (PRHSCA) are in place additionally to oversee health and safety of large construction projects and ensure compliance with the Construction Regulations and the Occupational Health and Safety Act.

The NRF deploys hybrid working models where possible in line with the remote working guidelines and Corporate Executive directives. As a general control for infectious diseases including influenza; mask wearing, social distancing and sanitising protocols are encouraged. Access to NRF sites, attendance, and research activity at the various facilities as well as staff travel are monitored closely. An internal communication campaign remains in place to keep staff informed and updated on awareness and education on health and safety matters. These emailers have been key in ensuring that employees are consistently informed of pertinent wellness matters.

The NRF focusses on enhancing a positive impact on the planet by encouraging the development and diffusion of environmentally friendly technologies and practices to reduce dependence on municipal water and energy.

28. CORPORATE AND BOARD SECRETARY

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

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

29. SOCIAL RESPONSIBILITY

One of the prerequisites for an effectively functioning NSI is a society that is aware of both the value and challenges of science, and which can evaluate the products of science as well as use the processes of science. The NRF continues to conduct business in a manner that meets existing needs without compromising possibilities for future generations. The NRF takes cognisance of the impact that the business has on its stakeholder community. To this end, the NRF Board enhanced its terms of reference to include the implementation of legal requirements and prevailing codes of best practice and standards with regard to social and ethics matters. In this context, a Social and Ethics report is produced as part of reporting obligations which highlight the NRF's activities in promoting and supporting society and the organisation's ethical responsibility.

The specific activities required to be monitored include the adherence to legislation, regulation and codes of best practice relating to:

- Social and economic development, including the organisations standing relative to the UN Global Compact Principles; the Organisation for Economic Co-operation and Development's (OECD) recommendations regarding the combating of corruption and South Africa's Employment Equity (EE) Act and Broad-based Black Economic Empowerment (BBBEE) Act.

- Good corporate citizenship, including the positioning and efforts in promoting equality, preventing unfair discrimination; and combating corruption, the NRF contribution to the development of communities in which it operates.
- The environment; health and public safety, including the impacts of activities of the NRF on the environment and society.
- Labour and employment, including the NRF's standing relative to the International Labour Organisation's (ILO) Protocol on Decent Work and Working Conditions and the employment relationships and contribution to the development of its employees.

The social and ethics agenda is addressed at various levels of the organisation. Members of the Board, Corporate Executives and other assurance providers within the organisation are equipped with skills to discharge their duties and accountabilities adequately, specifically relating to the governance outcomes of ethics, performance, control and legitimacy.

30. AUDIT AND RISK COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2024.

Audit and Risk Committee Responsibility

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

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

Audit and Risk Committee Members and Attendance

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

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

In terms of Section 77(b) of the PFMA, the Audit and Risk Committee must meet at least twice a year. During the financial year ended 31 March 2024, the Audit and Risk Committee met on 4 occasions. Attendance of meetings can be viewed in the Governance section of the NRF Annual Report.

Effectiveness of Internal Control Environment and Risk Management

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

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

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

Based on the results of Internal Audit reviews for the 2023/2024 financial year, in our opinion, the overall environment across the organisation is considered to be "satisfactorily effective" in providing reasonable assurance that the inherent risks are appropriately managed and that the business objectives will be attained and had remained effective throughout the 2023/2024 financial year.

Internal Audit

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

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

- a) Governance-related Reviews;
- b) Performance Information Reviews;
- c) Performance Audits (Economy, Efficiency and Effectiveness);
- d) ICT-related Reviews;
- e) Financial Audits (Assets, Budgets, Accounts Payable, Debtors, Bank).

Internal audit activities are measured against the approved internal audit plan and the Head: Internal Audit tabled progress reports in this regard to the Audit and Risk Committee.

Internal Audit was responsible for reviewing and providing assurance on the adequacy and effectiveness of the internal control environment across all of the significant areas of the organisation's operations. The Internal audit function is currently capacitated through a co-sourced model.

The Audit and Risk Committee is satisfied that adequate, objective internal audit policies and procedures exist within the organisation and that the organisation's Internal Audit function had complied with the internal audit standards, and the required legal, regulatory and other responsibilities as stipulated in its charter during the period under review. The NRF Internal Audit Function was subjected to the five-year External Quality Assurance Review by Leadership Academy for Guardians of Governance, a subsidiary of The Institute of Internal Auditors South Africa (IIA SA), to undertake

the review of NRF's internal audit function in terms of the Standards of Professional Practice of the Institute of Internal Auditors. We are pleased to report that the NRF Internal Audit Function achieved the "Generally Conforms" rating, which is the highest rating permissible in terms of the IIA standards and its requirements.

The NRF Internal Audit function will be ready to adopt the new IIA Global Standards in the course of the next reporting period. The Charter and Internal Audit Methodology are currently being revised as well as supporting tools utilised for early adoption.

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

Evaluation of the Annual Financial Statements

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

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

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

The review of the Annual Financial Statements and the Draft Annual Report for the 2023/2024 financial year was done at the Audit and Risk Committee's meeting held on 11 July 2024 and recommended to the Board for approval on 29 July 2024.

Programme Performance Information Management

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

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

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

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

Auditor's Report

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

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



Dr Len Konar

**Chairperson of the Audit and Risk Committee
National Research Foundation**

Date: August 2024

31. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

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 <i>(include a discussion on your response and indicate what measures have been taken to comply)</i>
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	N/A	
Developing and implementing a preferential procurement policy?	Yes	NRF Board approved the SCM and Preferential Procurement Policy to align with the new regulations in addition to existing SCM Transformation Strategy and SCM Strategy
Determining qualification criteria for the sale of state-owned enterprises?	N/A	
Developing criteria for entering into partnerships with the private sector?	N/A	
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	N/A	



**PART D:
HUMAN RESOURCE
MANAGEMENT**

32. INTRODUCTION

Overview of People and Culture Matters at the Organisational Level

The People and Culture function is recognised for its critical role of enabling an effective and efficient employee life cycle, with special emphasis on a proactive and deliberate integrative talent management approach. This approach strengthens processes such as attracting and developing employees to promote talent retention and employee wellbeing. For greater impact on organisational performance, the People and Culture policies and practices are aligned with the mission and strategic objectives of the NRF. With the introduction of the Business Partnering Service Delivery Model, the NRF is gearing towards the flexible deployment of people resources across the organisation to optimise the utilisation of scarce skills. The organisational review and implementation of the Business Partnering Service Delivery Model is making steady progress under the conceptualisation and design of functional structures by our Corporate Executives. All business divisional structures went under a review process and have been finalised and signed off, with the exception of the Business Advancement division. During the period under review, the Human Resources (HR) function was rebranded from HR to People and Culture. The shift to People and Culture emphasises the human element, acknowledging that the success of any organisation hinges on the collective experiences, wellbeing and engagement of the workforce. This new paradigm fosters a more profound connection between employees and the organisation; it goes beyond traditional HR functions and focuses on creating a workplace where individuals feel valued, heard and motivated. Employee satisfaction and engagement becomes the key metrics, and organisational culture becomes a driving force for success.

The lifting of the COVID-19 restrictions saw companies throughout South Africa gradually re-opening their workplaces, and workforce re-integration became key. The Employee Assistance Programme (EAP) became integral in providing employees with timely support in dealing with psychosocial and work-life matters.

The organisation has made significant strides in driving the achievement of employment equity at top management, with the appointment of two African Females into the positions of Group Executives: Digital Transformation and Business Advancement.

The migration of the NRF job grading system from the current Peromnes to Paterson is a testament to the commitment of supporting the attraction and retention efforts. The first phase of implementing equal pay for work of equal value has been a game-changer in addressing the organisation's retention and equity challenges. In its first year of implementation, a target of moving 50% of the impacted employees to the median (442:264) was achieved. All corrective measures were progressively accomplished, including budget utilising, among others, savings and remaining within the current Board-approved remuneration versus the operating budget threshold of 22%.

Continuous collaborative relationship building between Management and organised Labour benefits the organisation, borne out of very few disputes, none of which results in strikes and/or referrals to external dispute resolution fora.

During the reporting period, forty-nine (49) cohorts enrolled in the Management Development Programmes (MDP), that is, Future Management Development Programme (FMDP), New Management Development Programme (NMDP), and Strategic Management Development Programme (SMDP) and successfully completed.

Coaching through Expertech was introduced as a strategic intervention to achieve the goals and objectives of the organisation and to also promote self-awareness. Through this initiative fifty-four (54) employees took the opportunity and are currently undergoing coaching sessions with self-selected coaches.

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

The priorities remained the continued effort to meet Employment Equity targets, particularly hiring women leadership into the three Senior levels.

A further priority was to embed wellness and create a healthy workplace by participating all NRF employees in various wellness activities. Furthermore, ensuring a semblance of equity in the organisation has been an important priority, as has reviewing the job grading system and the implementation of equal pay for work of equal value. Another key priority was to continue the development of leadership capabilities in the organisation through the review and improvements to both the Management Development Programmes and the Senior and Executive Coaching Services. Lastly, an important priority was to deepen the cordial employer/employee/management relations through the various engagement fora, including the established Labour and Management consultative structures.

Workforce Planning Framework and key strategies to attract and recruit a skilled and capable workforce

Workforce planning is vital for the NRF as it allows the organisation to align its capabilities with its strategic objectives. By clearly understanding the skills and expertise required for current and future roles, the organisation can ensure that it can effectively meet its operational needs. Additionally, workforce planning enables the organisation to anticipate and prepare for changes in the labour market, technological advancements, and industry trends, thereby staying abreast of future needs.

The NRF continues to embed a workforce plan that supports its strategy through a framework incorporating talent and succession strategies to deal with the demands for critical skills. The current workforce planning framework is also entirely budget-dependent, and the personnel budget from the baseline is not a growing budget. The other key strategies to attract and retain scarce skills include joint appointments and structured contracts, where the NRF is the primary employer, the employee may contract certain hours with

certain employers under determined conditions. One consideration for attracting and recruiting is developing an NRF policy to respond to a shift to a hybrid working model.

Employee Performance Management Framework

The current Performance Management Framework, which is under review for improvements, affords individual employees contracting to clearly and objectively predetermined performance outcomes connected to divisional and overall organisational performance outcomes. The Framework further affords continual review, adjustment and assessment of employee performance and calibrating its contribution to the divisional and organisational performance objectives, which are also independently assessed and reported on in the various mandatory reporting frameworks. As part of the phasing in of the changes in our performance management system, the 5-point rating scale has been introduced. The People and Culture department facilitated training sessions with Managers and employees to ensure an understanding of the rating scale. Rolling the 5-point rating scale aimed to ensure that performance measures clearly define the criteria for each rating level to ensure consistency and accuracy in the ratings, use objective and measurable criteria to evaluate performance to avoid bias, and ensure consistency.

Employee wellness programmes

Employee Wellness services continue to improve in terms of uptake. The division continued to offer proactive wellness services through a five-year collaboration with Life Employee Health Solutions (Life EHS). Interventions like Employee Wellness days and information sharing/ empowerment webinars were shared with employees throughout the financial year. This includes the onsite therapists who have been introduced at various Business Units. The Employee Assistance Programme (EAP) continues to provide employees with timely support in dealing with psychosocial and work-life matters. The services of the onsite therapists and wellness days held across NRF Business Units provide opportunities for proactive management of employee health and wellness. The leadership wellness offerings, which consist of executive wellness medical assessments, are also sought-after and have been afforded to the organisation's Senior leaders.

The service provider provides the People and Culture function with regular reports with statistics, observations and trends to monitor and evaluate the impact of its Employee Wellness Programme on staff across all regions. This helps the NRF to determine focus areas and assist staff with issues where it is needed the most. This is further supported by the promotion of the programme through information sessions and training.

Policy development

The NRF HR policies are continually reviewed, and new ones are developed. During this review period, the Performance Management Policy was reviewed. The Remote/Hybrid Work Model, Employee Recognition and Awards policy, Joint Appointments and Strategic Partnership policy were drafted and submitted to Board for review.

Highlight achievements

The NRF strives to continuously enhance the employee value chain and attract people with the right skills, amid high levels of job market competition. The following are some of the initiatives implemented by the NRF to remain competitive:

- Implemented the first phase of the equal pay for work of equal value;
- Created opportunities for upskilling through secondments, promotions, as well as training and development initiatives;
- Aligned Employee Wellness Programmes that are responsive and provide proactive solutions based on employee needs;
- The appointment of two senior Black Women at the level of Group Executive are some of the notable achievements; and
- The organisational structure review was completed and this paved a way to commence placement and matching of employees into all the structures that were approved.

Challenges Faced by the Organisation

As the NRF was transitioning into the New Service Delivery Model, change management became imperative to minimise employees' uncertainties. The entity still faces serious competition in scarce skills areas such as software development, big data science, nuclear science, engineering disciplines etc, whereby it cannot match competitors in remuneration terms. Further challenges are the ability to develop succession pools that can be progressed into substantive roles for actual experiential development due to the fixed establishment budget system.

Future People and Culture Plans/Goals

The People and Culture function endeavours to promote a culture that facilitates retention and makes the NRF the employer of choice, particularly for the scarce skills categories. To achieve this, the NRF will continuously embed the Employee Value Proposition (EVP) by revamping the on-boarding experience and embedding EVP messages into social media platforms such as LinkedIn to enhance the branding efforts. The NRF will also strive to continue to mature performance management and its alignment with reward and recognition. Culture is also an integral part of the NRF. As such, the organisation will continue strengthening its skills to be empowering, agile, caring, and collaborative. The other future plan is to embed the Business Partnering Model to consistently apply policies, processes, and systems across the organisation and create a common employee experience across all the NRF Business Units.

33. HUMAN RESOURCE OVERSIGHT STATISTICS

The NRF executive management and general staff are remunerated in accordance with the total cost to company approach. To attract and retain high-calibre staff, the NRF positions its average salaries at the median of the general market. General salary adjustments in respect of prevailing economic conditions are negotiated with Labour on an annual basis. To ensure consistent salary parity and fair differentiation, the NRF has embarked on an equal pay for work of equal value analysis to ensure that any unjustifiable salary differentiation, if confirmed, are corrected.

The average personnel cost for 2023/2024 is R725 000 per employee, and no performance rewards were distributed during the financial year.

33.1 Personnel related expenditure

Table 17: Personnel Cost by Programme

Programme	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp.	No. of employees	Average personnel cost per employee (R'000)
Programme 1: Administration	426 697	98 778	23%	85	1 162
Programme 2: Science Engagement (SE)	125 472	53 896	43%	55	980
Programme 3: Research and Innovation Support and Advancement (RISA)	2 521 990	119 383	5%	170	702
Programme 4: National Research Infrastructure Platforms (NRIP)	2 720 356	652 857	24%	956	683
Total	5 794 515	924 914	16%	1266	731

Table 18: Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of Personnel Exp. to Total Personnel Cost (R'000)	No. of Employees	Average Personnel Cost per Employee (R'000)
Top Management	19 721	2%	6	3 237
Senior Management	59 713	7%	31	1 926
Professional Qualified	417 325	45%	396	1 054
Skilled	391 562	43%	704	556
Semi-skilled	19 033	2%	75	254
Unskilled	10 506	1%	54	195
TOTAL	917 859	100%	1266	725

Performance Rewards

The NRF did not pay any performance bonuses for the 2023/24 financial year.

Table 19: Training Costs

Programme	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost	No. of Training Interventions	Avg Training Cost per Employee
Programme 1: Administration	94 427	5 419	5.88%	480	11 290
Programme 2: Science Engagement	34 687	93	0.27%	286	324
Programme 3: Research and Innovation Support Advancement	123 237	271	0.22%	10	27 063
Programme 4: National Research Infrastructure Platforms	665 508	3 937	0.59%	1 222	322
Total	917 859	9 719	1.46%	1998	6 426

Programmes exclude training for non-NRF staff:

- Internships : R213 865 (17 people)
- External Bursaries : R5 877 366 (54 people)
- Apprenticeship : R1 847 885 (26 people)

Employment and vacancies

The NRF strives to fill the positions at the top three levels in terms of its Employment Equity Targets and in particular to make notable progress on the employment of Black Women in senior positions. In this regard, People and Culture communicates the EE targets across all NRF Business Units and indicates the hiring priorities in those units where there are vacancies. The recruitment processes commence with open advertisement followed by engaging specialist search agencies to source the needed skills and profiles and undertake extensive selection processes. Referrals and active headhunting are also followed to optimise the recruitment process.

Table 20: Employment and vacancies

Programme	2022/2023 No. of Employees	2023/2024 Approved Posts	2023/2024 No. of Employees	2023/2024 Vacancies	% of Vacancies
Programme 1 - Administration	69	94	85	9	10.59%
Programme 2 – Science Engagement	68	57	55	3	5.56%
Programme 3 - Research and Innovation Support Advancement	174	178	170	9	5.33%
Programme 4 - National Research Facilities	887	1030	956	83	8.76%
Grand Total	1209	1359	1266	104	8.29%

Employment changes

The recruitment activities in the organisation continues at a steady pace. A total of 111 terminations occurred and 181 vacancies were filled during the financial year.

Salary Band	Employment at Beginning of Period	Appointments	Terminations	Employment at End of the Period
Top Management	5	2	1	7
Senior Management	33	4	3	30
Professional Qualified	389	42	39	396
Skilled	671	108	55	704
Semi-skilled	76	7	9	75
Unskilled	45	18	4	54
Total	1219	181	111	1266

Reasons for staff leaving

In today's highly competitive job market, attracting and retaining top talent has become increasingly challenging for the NRF. The battle for skilled and experienced professionals has led to a significant focus on offering competitive salaries and benefits to employees. eighty two (73.9%) of exits are due to resignations. Employee retention efforts through remuneration proves to be unsuccessful as competitors can outcompete the NRF. However, exit interview trends have indicated that competitive salaries and benefits are important but are no longer enough to ensure long-term retention. In addition to attractive compensation packages, the NRF must create a work environment that promotes employee engagement, career development, and work-life balance.

The NRF has adopted a targeted recruitment strategy. To reach target audience, the organisation uses a variety of online job portals, including Career Junction and professional networking sites like LinkedIn. NRF designs compelling job profiles that clearly define the necessary skills, qualifications, and prospects for growth and progression within the NRF. To align with the Recruitment Policy, all vacant positions are advertised internally and externally to ensure that even internal staff are given an opportunity to apply. However, some positions were filled by external incumbents. This does not mean that there are no processes to capacitate internal staff.

Table 21: Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	5	4.5%
Resignation	82	73.9%
Dismissal	3	2.7%
Retirement	11	9.9%
Ill health	0	0.0%
Expiry of contract	10	9%
Other	0	0.0%
Total	111	100%

Labour Relations: Misconduct and disciplinary action

The organisation considers disciplinary action necessary for consequence management to ensure that employees behave in an appropriate manner to deliver on their performance expectations.

Table 22: Labour relations: Misconduct and disciplinary action

Nature of Disciplinary Action	Number
Verbal Warning	4
Written Warning	21
Final Written Warning	2
Dismissal	3
Total	30

Equity Target and Employment Equity Status

The Employment Equity Report for 2023 was submitted to the Department of Employment and Labour on 15 December 2023. The Employment Equity Plan is at the core of the NRF's commitment to implement employment equity and transformation of the representativity in all occupation levels and categories of its workforce. The plan affects the NRF Employment Equity and Redress Policy adopted by the Board. It sets out the measures to ensure legal compliance with the Employment Equity Act of 1998. Furthermore, it includes the objectives, activities, numerical goals, and targets to progressively achieve the designated groups' representativity across the organisational structure. The NRF's employment equity profile as at 31 March 2024 is shown below, depicting the number of employees (according to demographic category) currently employed by the NRF compared to the targets as planned in the Employment Equity Plan.

Table 23: Equity Target and Employment Equity Status [MALE]

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2	2	1	0	1	2	0	1
Senior Management	7	5	1	1	1	1	13	15
Professional Qualified	77	102	37	36	13	9	101	123
Skilled	180	199	99	136	10	8	41	69
Semi-skilled	22	18	26	40	0	0	1	2
Unskilled	12	11	4	7	0	0	0	0
TOTAL	300	337	168	220	25	20	156	210

Table 24: Equity Target and Employment Equity Status [FEMALE]

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2	2	0	1	0	0	0	0
Senior Management	7	5	1	0	1	2	1	2
Professional Qualified	61	41	12	19	6	5	43	43
Skilled	211	204	62	63	15	11	39	38
Semi-skilled	15	15	11	15	0	0	1	1
Unskilled	16	15	17	15	1	0	0	0
TOTAL	312	282	103	113	23	18	84	84

The challenge remains the attraction of people living with disabilities. During the financial year, People and Culture function launched an internal campaign to improve disability awareness and provided information on the disclosure process. This was hosted in collaboration with the National Employment Equity and Skills Development Forum to improve the understanding of disability disclosure and reasonable accommodation requirements amongst the employees.

Table 25: Equity Target and Employment Equity Status [DISABILITY]

Levels	DISABLED STAFF			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	1	0	0	0
Professional Qualified	2	3	0	2
Skilled	2	7	2	5
Semi-skilled	0	1	1	2
Unskilled	0	0	0	0
TOTAL	5	11	3	9



**PART E:
PFMA COMPLIANCE REPORT**

34. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

34.1 Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2023/24	2022/23
	R'000	R'000
Opening balance	0	12 930
Adjustment to opening balance		
Opening balance as restated		
Add: Irregular expenditure confirmed		
Less: Irregular expenditure condoned		(12 930)
Less: Irregular expenditure not condoned and removed		
Less: Irregular expenditure recoverable ¹		
Less: Irregular expenditure not recoverable and written off		
Closing balance	0	0

Non-compliance with Instruction Note 3 of 2016/17 in 2020/21 considered and approved by the Board for removal in 2022/23.

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure that was under assessment	R3 157	
Irregular expenditure that relates to the prior year and identified in the current year		
Irregular expenditure for the current year		
Total	R 3 157	0

¹ Transfer to receivables

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

Description ²	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure under assessment	R 3 157	
Irregular expenditure under determination		
Irregular expenditure under investigation		
Total	R 3 157	0

An emergency procurement (R18k) was undertaken with a supplier to avoid further damage to infrastructure. The supplier was listed as a restricted supplier by National Treasury and tax non-compliant. A service provider was appointed, where the award allegedly does not comply with the CIDB Act, Treasury Regulations and the PPPFA. Expenditure incurred on the contract for 2023/24 amounts to R 3 138 669. The matters are under assessment by the Loss Control Function of the NRF.

c) Details of irregular expenditure condoned

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure condoned		12 930
Total	0	12 930

Irregular expenditure incurred in 2020/21 approved by the Board for removal following the necessary corrective action and consequence management. The NRF received value for money on the related contracts.

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

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure NOT condoned and removed		
Total	0	0

e) Details of irregular expenditure recoverable

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure recoverable		
Total	0	0

² Group similar items

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

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure written off		
Total	0	0

Additional disclosure relating to Inter-Institutional Arrangements

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

Description
N/A
Total

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

Description	2023/2024 ⁴	2022/2023
	R'000	R'000
N/A		
Total		

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

Disciplinary steps taken
N/A

34.2. Fruitless and wasteful expenditure

a) **Reconciliation of fruitless and wasteful expenditure**

Description	2023/24	2022/23
	R'000	R'000
Opening balance	0	0
Adjustment to opening balance		
Opening balance as restated		
Add: Fruitless and wasteful expenditure confirmed	25	
Less: Fruitless and wasteful expenditure recoverable ⁵		
Less: Fruitless and wasteful expenditure not recoverable and written off		
Closing balance	25	0

Theft of cash withdrawn.

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

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

⁵Transfer to receivables

Reconciling notes

Description	2023/24	2022/23
	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	25	
Total	25	0

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

Description ⁶	2023/24	2022/23
	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

Fruitless and wasteful expenditure for the year was confirmed.

c) Details of fruitless and wasteful expenditure recoverable

Description	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure recoverable	25	
Total	25	0

Disciplinary and recovery process is in progress.

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

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure written off		
Total	0	0

⁶Group similar items

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

Disciplinary steps taken

The matter was referred to the Human Resources department for disciplinary action, which is in progress.

34.3. Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) &(iii)⁷

a) **Details of material losses through criminal conduct**

Material losses through criminal conduct	2023/2024	2022/2023
	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	2023/2024	2022/2023
	R'000	R'000
<i>(Group major categories, but list material items)</i>		
Total	0	0

c) **Other material losses recoverable**

Nature of losses	2023/2024	2022/2023
	R'000	R'000
<i>(Group major categories, but list material items)</i>		
Total	0	0

d) **Other material losses not recoverable and written off**

Nature of losses	2023/24	2022/2023
	R'000	R'000
<i>(Group major categories, but list material items)</i>		
Total	0	0

⁷Information related to material losses must also be disclosed in the annual financial statements.

35. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	32 683	1 200 878
Invoices paid within 30 days or agreed period	17 602	788 719
Invoices paid after 30 days or agreed period	13 391	350 717
Invoices older than 30 days or agreed period (unpaid and without dispute)	292	1 506
Invoices older than 30 days or agreed period (unpaid and in dispute)	6	80

Include reasons for the late and or non-payment of invoices, including reasons that the invoices are in dispute, where applicable.

Invoices paid after 30 days mainly due to:

- Suppliers paid on receipt of the supplier statements (not invoice) and after completion of creditor's reconciliation, as agreed with suppliers.
- Outstanding user confirmation of goods/services received.
- Account queries with vendors and outstanding credit notes.
- Invoice payment delayed until completion of related project and/or delivery of services.

Invoices in dispute:

- Invoices not charged according to contract and therefore in dispute.

36. SUPPLY CHAIN MANAGEMENT

36.1. Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
NRF-SAIAB Seaeye Falcon Remotely Operated Vehicle (ROV) maintenance, repairs, upgrades, provision of spares and technical support.	Marine Solutions Pty (Ltd)	Single Source	NRF/SAIAB 2023-002	R7 000
Procurement of Acoustic Telemetry Hardware, repairs, servicing, and associated items	Oceans Research Institute (Pty) Ltd	Single Source	NRF/SAIAB 2023-001	R16 905
The annual renewal of AWR design software for three years.	FlowCAD Poland sp. z o.o		NRF/SARAO SDIG/42/2023-24	R2 084
Elsevier Citation databases and research evaluation tools subscription renewals for a period of three (3) years	Elsevier B.V	Single Source	NRF/RIISA BBL/17/ 2023 - 24	R11 236
Clarivate Citation databases and research evaluation tools subscription renewals	Worldwide Information Services (Pty) Ltd	Single Source	NRF/RIISA BBLM/18/2023-24	R11 040
Quarter Four Audits (2023/24)	Rakoma & Associates Inc.	Single Source	NRF/CORP IA/002/2023-24	R1 054
Total				R49 319

36.2. Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Expansion of Contract: NRF SARAO SKA - 001- 2020-: MEERKAT Extension/Expansion	Concor Infrastructure & OptiPower Consortium	Expansion	NRF SARAO SKA - 001- 2020	R242 296	N/A	R61 228
Appointment of Professional Consulting Engineers for the Design Development, documentation and procurement, contract administration and inspection, and close-out of Civil and Structural works, Electrical works and Mechanical works for the new 70 MeV cyclotron installation at iThemba LABS site in Faure, Western Cape.	CSM Consulting Services (Pty) Ltd	Expansion	NRF/iThemba LABS/2018-19:26	R 9 849	R 6 680	R 3 470
Procurement of services for the support and continuous enhancement of the NRF Connect grants management platform via a Service Level Agreement (SLA) with Devson Software.	Devson Software	Expansion	NRF CORP IT/08/2022-23	R932	N/A	R745
Appointment of a service provider to operate NRF canteen and to supply refreshments to the NRF Head Office for a period of 12 months	Mosenong Catering (Pty) Ltd	Extension	NRF RIISA CATERING 2/2022-23	R483		R308

The provision of cleaning services.	Dikapi cleaning services	Extension	NRF/ SAAO/ 97411	R 305	N/A	R 150
The provision of security services.	Prime African Security	Extension	NRF/ SAAO/ 97401	R 620	N/A	R 231
Travel Management Services	TMCs (Travel with Flair, Mary Reynolds, Tourvest)	Extension	NRF/TMC 001/2018	R6 000	N/A	R850
iLAB-PO000006769, Relocating household goods of an employee whose contractual term ended with iThemba Labs from Cape Town to Rome, was issued to Tswalanang Logistics (Pty) Ltd	Tswalanang Logistics (Pty) Ltd	Expansion	iLAB-PO000006769	R223	N/A	R 102
Appointment of a service provider to supply and deliver bags for the NRF 2023 awards to the National Research Foundation in Brummeria Pretoria	Msomni Africa Communications	Expansion	NRF/CORP COMMS RFQ 35/2023	R104	N/A	R20
Construction works an infrastructure services for 70mev cyclotron.	Stefanutti Stocks Building Western Cape, a division of Stefanutti Stocks (Pty) Ltd	Expansion	NRF/ iLABS/17/2020-21	R241 652	R0,00	R29 281
Appointment of a service provider to print and deliver books for the NRF awards to the national Research Foundation in Brummeria, Pretoria.	Shereno Printers	Expansion	NRF/CORP COMMS RFQ 39/2023	R25	R0,00	R56
iLAB-PO000006575, supply and installation of filters, and validations of cleanrooms by Filta Matix Pty Ltd	Filta-Matix	Expansion	iLAB-PO000006575	R66	N/A	R241
Total				R502 555	R6 680	R102 682



**PART F:
FINANCIAL INFORMATION**

37. REPORT OF THE EXTERNAL AUDITOR

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 the National Research Foundation set out on pages 97 to 148, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Research Foundation as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with the standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act I of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the accounting authority for the financial statements

6. The Accounting Authority is responsible for the preparation and fair presentation of the financial statements in accordance with the standards of GRAP and the requirements of the PFMA; and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, the Accounting Authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the Auditor-General for the audit of the financial statements

8. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 95 of the annexure to the auditor's report, forms part of our auditor's report.

Report on the annual performance report

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The Accounting Authority is responsible for the preparation of the annual performance report.
11. I selected the following material performance indicators related to Programme 3: Research and Innovation Support and Advancement (RISA) presented in the annual performance report for the year ended 31 March 2024. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

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

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

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 included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

14. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

15. I did not identify any material findings on the reported performance information for the selected indicators.

Other matter

16. I draw attention to the matter below.

Achievement of planned targets

17. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under achievements.

18. The table that follows provide information on the achievement of planned targets and lists the key indicator 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 22 of 88.

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

<i>Targets achieved: 67%</i>		
<i>Budget spent: 85%</i>		
Key indicator not achieved	Planned target	Reported achievement
Number of NRF-funded researchers	3612	3261

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 officer is responsible for the public entity's compliance with legislation.

20. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

21. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

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

Other information in the annual report

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

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

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

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

Internal control deficiencies

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

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

Auditor - General

Pretoria

31 July 2024



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report.

However, future events or conditions may cause a public entity to cease operating as a going concern

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied. 8

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows: Legislation	Sections or regulations
Public Finance Management Act I of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); Section 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); Section 55(1)(c)(i); 56(1); 57(b)
Treasury Regulations, 2005	Regulation 8.2.1; 8.2.2; 16A3.2; 16A3.2(a); Regulation 16A6.1; 16A6.2(a) 16A6.2(b); Regulation 16A6.3(a); 16A6.3(b); 16A6.3(c); Regulation 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; Regulation 16A7.1; 16A7.3; 16A7.6; 16A7.7; Regulation 16A8.3; 16A8.4; 16A9.1(b)(ii); Regulation 16A9.1(d); 16A9.1(e); 16A9.1(f); Regulation 16A9.2; 16A9.2(a)(ii); 30.1.1; Regulation 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; Regulation 31.1.2(c); 31.2.1; 31.2.5; 31.2.7(a); Regulation 33.1.1; 33.1.3

Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations 2004	Regulation 17; 25(7A)
Second amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury instruction No 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6

National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 11 of 2008/9	Paragraph 2.1; 3.1(b)
Practice Note 5 of 2009/10	Paragraph 3.3
Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Paragraph 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

Statement of Financial Position as at 31 March 2024

	Note(s)	2024 R'000	2023 Restated* R'000
Assets			
Current Assets			
Inventories	11	13 714	12 557
Other financial assets	7	459 270	475 390
Receivables from exchange transactions	12	178 003	115 165
Receivables from non-exchange transactions	13	146 922	45 329
Prepayments	9	330 083	496 064
Grants paid in advance	10	10 373	11 522
Cash and cash equivalents	14	1 125 396	454 206
		2 263 761	1 610 233
Non-Current Assets			
Property, plant, and equipment	3	3 056 652	2 733 218
Intangible assets	4	119 726	99 515
Heritage assets	6	15 665	15 665
Investments in associates	5	12 797	10 356
Other financial assets	7	4 146	-
Employee benefit asset	8	582	530
Prepayments	9	10 274	3 230
		3 219 842	2 862 514
Total Assets		5 483 603	4 472 747
Liabilities			
Current Liabilities			
Payables from exchange transactions	19	143 381	133 262
Provisions	17	16 599	-
Designated income received in advance	18	1 961 245	1 358 311
		2 121 225	1 491 573
Total Liabilities		2 121 225	1 491 573
		3 362 378	2 981 174
Net Assets			
Reserves			
SALT Fund	16	12 797	10 356
Capital fund	15	3 192 044	2 848 396
Infrastructure Development Fund		149 486	111 777
Accumulated surplus		8 051	10 645
Total Net Assets		3 362 378	2 981 174

Statement of Financial Performance

	Note(s)	2024 R'000	2023 Restated* R'000
Revenue			
Revenue from exchange transactions			
Sale of goods	20	142 777	96 307
Other income	21	16 048	9 738
Interest received - investment	22	110 457	61 064
Gain on foreign exchange		47 009	-
Actuarial gains	8	52	47
Share of surpluses from associates accounted for using the equity method	5	2 441	1 955
Total revenue from exchange transactions		318 784	169 111
Revenue from non-exchange transactions			
Transfer revenue			
DSI contract income	23	3 291 507	3 247 107
Parliamentary grant		991 295	997 409
Other Contract income	24	662 992	267 161
Total revenue from non-exchange transactions		4 945 794	4 511 677
Total revenue		5 264 578	4 680 788
Expenditure			
Programme 1: Administration		(155 253)	(128 060)
Programme 2: Science Engagement		(117 497)	(124 754)
Programme 3: Research, Innovation Support and Advancement		(2 248 777)	(2 326 294)
Programme 4: National Research Infrastructure Platforms		(2 360 183)	(1 925 759)
Loss on disposal of assets and liabilities		(1 664)	(1 098)
Loss on foreign exchange		-	(13 725)
Total expenditure		(4 883 374)	(4 519 690)
Surplus for the year		381 204	161 098

The surplus excludes the net acquisition of fixed assets amounting to R 344m. The accounting policies on pages 102 to 114 and the notes on pages 116 to 148 form an integral part of the annual financial statements.

Statement of Changes in Net Assets

	SALT Fund '000	Capital fund '000	Infrastructure fund '000	Total reserves '000	Accumulated surplus '000	Total net assets '000
Opening balance as previously reported	8 401	2 700 351	96 777	2 805 529	7 274	2 812 803
Adjustments						
Prior year adjustments (Note 34)	-	7 273	-	7 273	-	7 273
Balance at 01 April 2022 as restated*	8 401	2 707 624	96 777	2 812 802	7 274	2 820 076
Changes in net assets						
Surplus for the year	-	-	-	-	161 098	161 098
Transfer to Infrastructure Fund	-	-	15 000	15 000	(15 000)	-
Transfer to Capital Fund	-	140 772	-	140 772	(140 772)	-
Transfer to SALT Fund	1 955	-	-	1 955	(1 955)	-
Total changes	1 955	140 772	15 000	157 727	3 371	161 098
Restated* Balance at 01 April 2023	10 356	2 848 396	111 777	2 970 529	10 645	2 981 174
Changes in net assets						
Transfer to Infrastructure Fund	-	-	37 709	37 709	(37 709)	-
Transfer to Capital Fund	-	343 648	-	343 648	(343 648)	-
Transfer to SALT Fund	2 441	-	-	2 441	(2 441)	-
Surplus for the year	-	-	-	-	381 204	381 204
Total changes	2 441	343 648	37 709	383 798	(2 594)	381 204
Balance at 31 March 2024	12 797	3 192 044	149 486	3 354 327	8 051	3 362 378
Note(s)	16	15				

Cash Flow Statement

	Note(s)	2024 R'000	2023 Restated* R'000
Cash flows from operating activities			
Receipts			
Parliamentary grant		991 295	997 409
DSI contract funding received		3 867 066	3 067 791
Other contract funding received		588 774	218 044
Interest income		110 457	61 064
Other receipts		91 841	153 110
		<u>5 649 433</u>	<u>4 497 418</u>
Payments			
Employee costs		(911 246)	(860 075)
Suppliers		(1 311 273)	(1 296 371)
Grants, bursaries and other research		(2 126 163)	(2 190 429)
		<u>(4 348 682)</u>	<u>(4 346 875)</u>
Net cash flows from operating activities	29	<u>1 300 751</u>	<u>150 543</u>
Cash flows from investing activities			
Purchase of property, plant, and equipment	3	(593 373)	(369 288)
Proceeds from the sale of property, plant and equipment	3	1 637	679
Purchase of other intangible assets	4	(27 825)	(24 872)
Purchase of financial assets		(10 000)	-
Net cash flows from investing activities		<u>(629 561)</u>	<u>(393 481)</u>
Net increase/(decrease) in cash and cash equivalents		671 190	(242 938)
Cash and cash equivalents at the beginning of the year		454 206	697 144
Cash and cash equivalents at the end of the year	14	<u>1 125 396</u>	<u>454 206</u>

The accounting policies on pages 102 to 114 and notes on pages 116 to 148 form an integral part of the annual financial statements.

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R'000	R'000	R'000	R'000	
Statement of Financial Performance					
Revenue					
Revenue from exchange transactions					
Sale of goods and services	113 791	113 791	142 777	28 986	38
Other income	3 260	3 260	16 048	12 788	38
Interest received - investments	23 704	23 704	110 457	86 753	38
Total revenue from exchange transactions	140 755	140 755	269 282	128 527	
Revenue from non-exchange transactions					
DSI contract income	4 263 245	4 263 245	3 291 507	(971 738)	38
Parliamentary grant	1 001 295	1 001 295	991 295	(10 000)	38
Other contract income	539 132	539 132	662 992	123 860	38
Total revenue from non-exchange transactions	5 803 672	5 803 672	4 945 794	(857 878)	
Total revenue	5 944 427	5 944 427	5 215 076	(729 351)	
Expenditure					
Personnel	(1 122 633)	(1 122 633)	(924 914)	197 719	38
Depreciation and amortisation	(315 725)	(315 725)	(272 299)	43 426	38
Grants, bursaries, and other research expenditure	(2 793 942)	(2 793 942)	(2 153 455)	640 487	38
Programme and operating expenditure	(650 094)	(650 094)	(1 531 042)	(880 948)	38
Total expenditure	(4 882 394)	(4 882 394)	(4 881 710)	684	
Loss on disposal of assets and liabilities	(168)	(168)	(1 664)	(1 496)	
Gain on foreign exchange	(10 700)	(10 700)	47 009	57 709	38
Actuarial gains/(losses)	-	-	52	52	
Share of surpluses or deficits from associates or joint ventures accounted for using the equity method	-	-	2 441	2 441	
	(10 868)	(10 868)	47 838	58 706	
Surplus for the year	1 051 165	1 051 165	381 204	(669 961)	
Opening Accumulated surplus	-	-	10 645	10 645	
Net capital expenditure	(1 057 468)	(1 057 468)	(343 648)	713 820	
Transfer from/(to) reserves	6 303	6 303	(40 150)	(46 453)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	8 051	8 051	

I. Significant accounting policies

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

I.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.

I.2 Presentation currency

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

I.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.

I.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.

I.5 Significant judgements and sources of estimation uncertainty

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

Trade receivables and/or loans and receivables

The entity assesses its trade receivables and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the entity makes judgements as to whether observable data is indicating 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 and 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.

1.5 Significant judgements and sources of estimation uncertainty (continued)

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

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

Post-retirement benefits

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

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

Effective interest rate

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

1.6 Property, plant, and equipment

Property, plant, and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, 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.

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 bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted 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, its deemed cost is the carrying amount of the asset(s) given up.

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

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

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

Items such as spare parts, standby equipment and 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	Straight-line	Indefinite
Buildings	Straight-line	7-25 years
Plant and machinery	Straight-line	3-10 years
Furniture and fixtures	Straight-line	5-17 years
Motor vehicles	Straight-line	5-10 years
Office equipment	Straight-line	3-16 years
IT equipment	Straight-line	3-12 years
Computer software	Straight-line	1-9 years
Infrastructure	Straight-line	2-5 years
Research equipment	Straight-line	2-20 years
Exhibits	Straight-line	2-10 years
Books and journals	Straight-line	5-10 years
Leased assets	Straight-line	2-5 years
Spare parts	Straight-line	10 years

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

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

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

The entity assesses at each reporting date whether there is any indication that the entity's expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

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

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

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

The entity 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:

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

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

An intangible asset is recognised when:

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

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

1.7 Intangible assets (continued)

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

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

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

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

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

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets, 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 - 10 years

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

Intangible assets are derecognised:

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

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

1.8 Heritage assets

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

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

Recognition

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

Initial measurement

Heritage assets are measured at cost.

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

Subsequent measurement

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

Impairment

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

Transfers

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

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

Derecognition

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

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

1.9 Financial instruments

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

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

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

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

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

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

A financial asset comprises of:

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

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

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

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

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

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

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

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

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

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

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

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

Classification

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

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

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

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

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

Class	Category
Residual interest in Share Capital	Measured at cost

1.10 Tax

Tax expenses

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

1.11 Leases

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

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

Operating leases - lessor

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

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

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

Operating leases - lessee

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

1.12 Inventories

Inventories are initially measured at cost except where 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 all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

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

1.13 Cash and cash equivalents

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

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

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

1.14 Grant deposits

The NRF advances funding to higher education and research institutions in the form of grant deposits. The advances are calculated based on the expected grant awards for the year. The balance is reviewed annually by the NRF to determine the adequacy of the amount. The advances are done in order to facilitate adequate cash flow for the grant-making process at these institutions. Grant deposits must be preserved and maintained at the approved normal level. Per the agreement, the interest earned on the grant deposits by the institutions is used to fund administration costs, inclusive of staff of the institutions that are 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 are 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 (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

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

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

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

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

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

1.16 Employee benefits (continued)

- 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 the unused entitlement that has 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 will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

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

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

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

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

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

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

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

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

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

Other post-retirement obligations

The entity provides post-retirement health care benefits upon retirement 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 over the period of employment. Independent qualified actuaries carry out valuations of these obligations at least every three years.

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

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

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

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

1.17 Provisions and contingencies

Provisions are recognised when:

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

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

1.18 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

1.19 Revenue from exchange transactions

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

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

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

Measurement

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

Sale of goods

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

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

Rendering of services

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

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

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

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

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

Interest, royalties and dividends

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

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

Interest is recognised using the effective interest rate method.

I.20 Revenue from non-exchange transactions

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

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

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

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

Recognition

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

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

Measurement

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

I.20 Revenue from non-exchange transactions (continued)

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised, it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Gifts and donations, including goods in-kind

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

Contract income

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

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

I.21 Cost of sales

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



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

Contract costs comprise of:

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

I.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.

I.23 Investment income

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

I.24 Translation of foreign currencies

Foreign currency transactions

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

At each reporting date:

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

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

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

I.25 Comparative figures

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

I.26 Fruitless and wasteful expenditure

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

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

I.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.

I.28 Segment information

A segment is an activity of an entity:

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

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

Measurement

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

I.29 Research and development expenditure

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

An asset arising from development is recognised when:

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

I.30 Budget information

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

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

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

The approved budget covers the fiscal period from 2023/04/01 to 2024/03/31.

The budget for the economic entity includes all the entities approved budgets under its control.

The annual financial statements and the budget are on the same basis of accounting, 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.

I.31 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity to obtain benefits from its activities.

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control over those policies.

Key management are those persons responsible for planning, directing, and controlling the activities of the entity, including those charged with the governance of the entity under legislation, in instances where they are required to perform such functions. All individuals from the level of Corporate Executive up to the Board of Directors are regarded as key management.

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 concerning 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 under the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

The entity operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

I.32 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken based on the financial statements.

I.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.

I.34 Infrastructure 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.

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards (GRAP) and interpretations (iGRAP), which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2024 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
<ul style="list-style-type: none">GRAP 103 (as revised): Heritage Assets	No effective date	Impact is currently being assessed
<ul style="list-style-type: none">GRAP 1: Presentation of financial statement (going concern)	No effective date	Unlikely there will be a material impact
<ul style="list-style-type: none">GRAP 104 (as revised): Financial Instruments	01 April 2025	Impact is currently being assessed
<ul style="list-style-type: none">IGRAP 22: Foreign Currency Transactions and Advanced Consideration	01 April 2025	Impact is currently being assessed

Notes to the Annual Financial Statements

Figures in Rand thousand

3. Property, plant, and equipment

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	307 918	-	307 918	307 735	-	307 735
Buildings	595 444	(169 542)	425 902	445 616	(152 081)	293 535
Plant and machinery	554 342	(76 389)	477 953	106 824	(57 669)	49 155
Furniture and fixtures	36 483	(23 787)	12 696	33 684	(21 912)	11 772
Motor vehicles	91 086	(58 181)	32 905	76 911	(53 289)	23 622
Office equipment	71 486	(55 580)	15 906	67 323	(54 436)	12 887
IT equipment	300 595	(209 745)	90 850	250 634	(192 221)	58 413
Computer software	112 565	(94 747)	17 818	107 644	(93 896)	13 748
Infrastructure	517 610	(156 993)	360 617	383 363	(138 356)	245 007
Exhibits	5 689	(4 035)	1 654	6 946	(4 901)	2 045
Capital work in progress	460 697	-	460 697	796 877	-	796 877
Research equipment	2 186 142	(1 353 322)	832 820	2 087 153	(1 186 311)	900 842
Spare parts	33 876	(15 362)	18 514	29 675	(12 606)	17 069
Books and journals	1 639	(1 237)	402	1 576	(1 065)	511
Total	5 275 572	(2 218 920)	3 056 652	4 701 961	(1 968 743)	2 733 218

Figures in Rand thousand

3. Property, plant, and equipment (continued)

Reconciliation of property, plant, and equipment - 2024

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	307 735	183	-	-	-	307 918
Buildings	293 535	4 363	(2 015)	147 924	(17 905)	425 902
Plant and machinery	49 155	6 532	(117)	441 373	(18 990)	477 953
Furniture and fixtures	11 772	2 635	(50)	518	(2 179)	12 696
Motor vehicles	23 622	14 807	(39)	-	(5 485)	32 905
Office equipment	12 887	5 025	(59)	1 960	(3 907)	15 906
IT equipment	58 413	32 404	(549)	24 359	(23 777)	90 850
Computer software	13 748	4 921	-	-	(851)	17 818
Infrastructure	245 007	1 931	(76)	132 471	(18 716)	360 617
Exhibits	2 045	175	(179)	-	(387)	1 654
Capital work in progress	796 877	430 532	-	(766 712)	-	460 697
Research equipment	900 842	89 800	(210)	13 682	(171 294)	832 820
Spare parts	17 069	-	-	4 201	(2 756)	18 514
Books and journals	511	65	-	-	(174)	402
	2 733 218	593 373	(3 294)	(224)	(266 421)	3 056 652

Figures in Rand thousand

3. Property, plant, and equipment (continued)

Reconciliation of property, plant, and equipment - 2023

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	307 735	-	-	-	-	307 735
Buildings	291 041	-	-	17 374	(14 880)	293 535
Plant and machinery	53 973	2 021	(235)	1 186	(7 790)	49 155
Furniture and fixtures	10 300	635	(26)	2 806	(1 943)	11 772
Motor vehicles	24 437	5 041	(319)	-	(5 537)	23 622
Office equipment	13 482	2 403	(139)	938	(3 797)	12 887
IT equipment	52 148	26 812	(762)	312	(20 097)	58 413
Computer software	14 482	-	-	41	(775)	13 748
Infrastructure	254 719	6 393	-	942	(17 047)	245 007
Exhibits	2 315	139	17	-	(426)	2 045
Capital work in progress	521 123	305 820	-	(30 066)	-	796 877
Research equipment	1 043 859	19 955	(291)	6 509	(169 190)	900 842
Spare parts	19 737	-	-	-	(2 668)	17 069
Books and journals	625	69	-	-	(183)	511
	2 609 976	369 288	(1 755)	42	(244 333)	2 733 218

	2024 R'000	2023 R'000
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	122 150	121 633
	123 427	122 910
Portion 4 of the farm No 996, Blue Downs, Stellenbosch, with buildings thereon		
Land	9 717	9 717
Buildings	190 967	43 042
	200 684	52 759
Portion 6 of the farm Kuilenburg No 96, Sutherland, with buildings thereon		
Land	346	346
Buildings	18 267	24 589
	18 613	24 935
Erf 26423, Observatory, Cape Town, with buildings thereon		
Land	263	263
Buildings	17 938	11 612
	18 201	11 875
Astronomy reserve properties for SKA project, Carnarvon (former farms - register available)		
Land	276 820	276 638
Buildings	35 610	35 610
	312 430	312 248
Stand No 2859, 211 Nana Sita Street, Pretoria		
Land	92	92
Buildings	2 152	2 172
	2 244	2 264
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	134 175
	141 985	141 972

	2024 R'000	2023 R'000
3. Property, plant, and equipment (continued)		
Mey's Dam Farm No 68, Fraserburg Regional District		
Land	8 721	8 721
Buildings	7 127	9 550
	15 848	18 271
56 Florence Street, Colbyn, Pretoria - SAEON		
Land	1 200	1 200
Buildings	5 950	5 950
	7 150	7 150
Leasehold improvements - SAIAB		
Capitalised expenditure	34 600	30 807
Leasehold improvements - SKA Klerefontein		
Capitalised expenditure	11 297	11 314
Leasehold improvements - SAEON		
Capitalised expenditure	2 000	2 000
Leasehold improvements- HartRAO		
Capitalised expenditure	3 721	3 684
Total cost of land and buildings	903 362	753 351

All property in Carnarvon were former farms. These farms are not being farmed on but are held as part of the astronomy 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.

3. Property, plant, and equipment (continued)

Reconciliation of Work-in-Progress 2024

	Land & Buildings	Research Equipment	Included within Other PPE	Total
Opening balance	2 584	521 555	272 738	796 877
Transfers in the opening balance	-	(170)	170	-
New additions/capital expenditure	4 459	348 581	77 493	430 533
Transferred to completed items	(678)	(440 907)	(325 128)	(766 713)
Transfer between categories	-	9 606	(9 606)	-
	6 365	439 005	15 327	460 697

Reconciliation of Work-in-Progress 2023

	Land & Buildings	Research Equipment	Included within Other PPE	Total
Opening balance	7 076	385 825	128 222	521 123
New additions/capital expenditure	14 287	142 788	148 746	305 821
Transfer between categories	(2 023)	1 684	339	-
Transferred to completed items	(16 756)	(8 742)	(4 569)	(30 067)
	2 584	521 555	272 738	796 877

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

Contracted services	39 503	31 356
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Figures in Rand thousand

4. Intangible assets

	2024			2023		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, under development	637	-	637	75 755	-	75 755
Computer software, other	165 482	(74 424)	91 058	79 130	(67 188)	11 942
Other intangible assets	28 031	-	28 031	11 818	-	11 818
Total	194 150	(74 424)	119 726	166 703	(67 188)	99 515

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Disposals	Transfers	Amortisation	Total
Computer software, under development	75 755	8 752	-	(83 870)	-	637
Computer software, other	11 942	2 860	(6)	84 094	(7 832)	91 058
Other intangible assets	11 818	16 213	-	-	-	28 031
	99 515	27 825	(6)	224	(7 832)	119 726

Reconciliation of intangible assets - 2023

	Opening balance	Additions	Disposals	Transfers	Amortisation	Total
Computer software under development	65 314	10 483	-	(42)	-	75 755
Computer software, other	14 254	4 986	(17)	-	(7 281)	11 942
Other intangible assets	2 415	9 403	-	-	-	11 818
	81 983	24 872	(17)	(42)	(7 281)	99 515

5. Interests in other entities

Investments in associates

Name	Determination of ownership interest	% ownership interest 2024	% ownership interest 2023	Carrying amount	
				2024	2023
SALT Foundation (Pty) Ltd.	Unlisted shares	40,34%	33,56%	12 797	10 356
				12 797	10 356

The carrying amounts of associates are shown net of impairment losses

Movements in carrying amount

Opening balance	10 356	8 401
Share of surplus	2 441	1 955
	12 797	10 356

Principal activities, country of incorporation, and voting power

Legal name	Principal activity	Country of incorporation	Proportion of voting power
SALT Foundation (Pty) Ltd.	Development, upgrade and operation of an 11 metre telescope for astronomical research	S.A.	40,34%

Summary of associates' financial information

Current assets	92 142	88 736
Non-current assets	112 505	113 820
Total Liabilities	8 846	12 805
Revenue	55 052	51 117
Surplus/(deficit)	6 050	5 827

Figures in Rand thousand

6. Heritage assets

	2024			2023		
	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 structures and monuments	56	-	56	56	-	56
Total	15 665	-	15 665	15 665	-	15 665

Reconciliation of heritage assets 2024

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

Reconciliation of heritage assets 2023

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

	2024	2023
	R'000	R'000

6. Heritage assets (continued)

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 as they are handwritten, one of a kind and irreplaceable. These books cannot be reliably measured for economic value as there is no market for them and they are irreplaceable. These books contributed significantly to the research output of the Observatory in the past and are being preserved for future generations. They are being kept for historical purposes only.

National Biological Specimen Collection

The collection of museum specimens comprises over 100 000 containers of fish and other aquatic organisms, such as amphibians, invertebrates and diatoms. Many of the specimens in the collection are unique and largely 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. The biological collection is supported by scientific graphic images. 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	-
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The NRF holds 240 ordinary shares (19.35%) in Tsolo Storage Systems (Pty) Ltd.

At amortised cost

Grant deposit accounts

449 270	475 390
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The approved grant deposits are repayable to the NRF on 30 days' notice, in the event of the funding being discontinued.

Contingency Risk Plan

10 000	-
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Short term insurance contingency policy for overwinter evacuations at research stations.

459 270	475 390
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Total other financial assets

463 416	475 390
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Non-current assets

Residual interest at cost

4 146	-
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Current assets

At amortised cost

459 270	475 390
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8. Employee benefit obligations

Defined benefit plan

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 has remained, the NRF has acquired an annuity policy which qualifies as a plan asset. There are 18 (2023: 18) qualifying members and dependents remaining on the plan.

	2024 R'000	2023 R'000
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8. Employee benefit obligations (continued)

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	(10 248)	(10 698)
Fair value of plan assets	10 830	11 228
	582	530

The plan assets consist of an annuity insurance policy. The annuity portfolio is made up of a growth account and a guaranteed account. Increases are guaranteed at a minimum of CPI per annum. The growth account is used to make up the difference between the guaranteed account annuities and the employer contributions.

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	(10 698)	(11 062)
Benefits paid	1 417	1 370
Service and interest cost	(967)	(1 006)
	(10 248)	(10 698)

Net expense recognised in the statement of financial performance

Interest cost	967	1 006
Expected return on plan assets	(1 019)	(1 053)
	(52)	(47)

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

Opening balance	11 228	11 545
Expected return	1 019	1 053
Benefits paid	(1 417)	(1 370)
	10 830	11 228

Key assumptions used

Assumptions used at the reporting date:

Discount rate used	9,73%	9,73%
Consumer Price Inflation (CPI)	6,28%	6,28%
Real discount rate	1,81%	1,81%
Healthcare cost inflation	7,78%	7,78%
Normal retirement age	65	65

2024
R'000

2023
R'000

8. Employee benefit obligations (continued)

Other assumptions

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

	One percentage point increase	One percentage point decrease
Effect on the aggregate of the service cost and interest cost	6	6
Effect on defined benefit obligation	6	6

Amounts for the current and previous four years are as follows:

	2024 '000	2023 '000	2022 '000	2021 '000	2020 '000
Defined benefit obligation	(10 248)	(10 698)	(11 062)	(11 406)	(11 842)
Plan assets	10 830	11 228	11 545	13 843	14 074
Surplus / (deficit)	582	530	483	2 437	2 232

Defined contribution plan

It is the policy of the entity to provide retirement benefits to all its employees through the National Research Foundation pension fund, which is subject to the Pensions Fund Act. The fund is administered by Alexander Forbes Consultants and Actuaries.

The entity is under no obligation to cover any unfunded benefits.

The amount recognised as an expense for defined contribution plans is

	74 925	69 730
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9. Prepayments

Long-term operational prepayments	10 274	3 230
Prepayment on SKAO membership fees	241 998	207 201
Other prepayments	88 085	288 863

	340 357	499 294
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10. Grants and bursaries paid in advance

Funding advanced for grants and bursaries	10 373	11 522
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11. Inventories

Consumable stores and maintenance spares	13 714	12 557
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12. Receivables from exchange transactions

Trade debtors	156 151	104 419
Employee costs in advance	273	269
Deposits	14 283	4 134
Other receivables	7 296	6 343

	178 003	115 165
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2024	2023
R'000	R'000

12. Receivables from exchange transactions (continued)

Credit quality of trade and other receivables

Credit risk, with respect to trade and other receivables, is limited due to the large number of customers comprising the NRF's customer base, and their dispersion across different industries and geographical areas.

Trade receivables

None of the financial assets that are fully performing have been renegotiated in the last year.

Fair value of trade and other receivables

The fair value of the financial assets is not expected to differ materially from the carrying values, due to the short-term nature thereof.

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2024 R20,875m (2023: R2,566m) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

2 months past due	13 228	30
3 months past due	7 647	2 536

Trade and other receivables impaired

As of 31 March 2024, trade and other receivables of R1,191m (2023:R 0,718m) were impaired and provided for.

The amount of the provision was R1,191 m as of 31 March 2024 (2023: R0,718m).

Reconciliation of provision for impairment of trade and other receivables

Opening balance	719	952
Provision for impairment	662	403
Amounts written off as uncollectible	(98)	(515)
Unused amounts reversed	(92)	(121)
	1 191	719

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.

13. Receivables from non-exchange transactions

Contract income	146 922	45 329
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Credit quality of receivables from non-exchange transactions

The credit quality of other receivables from non-exchange transactions that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates.

	2024 R'000	2023 R'000
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13. Receivables from non-exchange transactions (continued)

None of the financial assets that are fully performing have been renegotiated in the last year.

Fair value of receivables from non-exchange transactions

The fair value of financial assets is not expected to differ materially from their carrying values, due to the short-term nature thereof.

14. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	61	61
Bank balances	98 806	169 955
Short-term investments at the Corporation for Public Deposits	1 026 529	284 190
	1 125 396	454 206

The balance includes R539m for SARAO committed towards the SKAO Buildings, fence, and dark fibre contract. The balance is mainly due to a large amount of the DSI HCD funding carried forward to 2024/25 as a result of delayed grant awards.

Credit quality of cash at bank and short-term deposits, excluding cash on hand

Cash equivalents and short-term deposits are placed with highly rated National Treasury-approved financial institutions, including the Corporation for Public Deposits.

15. Capital fund

Opening balance		2 848 396	2 707 624
Net acquisition of assets/transfer of assets		343 648	140 772
Acquisition of property, equipment, intangible and heritage assets	3&4&6	621 198	394 160
Depreciation, amortisation and disposals	3&4&6	(277 550)	(253 388)
		3 192 044	2 848 396

16. SALT fund

The SALT Fund represents income received from the Department of Science and Innovation, to invest the funds in the SALT Foundation (Pty) Ltd. The balance is adjusted with post-acquisition surpluses/losses of the SALT Foundation (Pty) Ltd.

Income available for the SALT Foundation (Pty) Ltd.	12 797	10 356
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	2024	2023
	R'000	R'000

17. Provisions

Reconciliation of provisions - 2024

	Opening Balance	Additions	Total
Provision for performance bonus	-	13 076	13 076
Provision for compensating events	-	3 523	3 523
	-	16 599	16 599

The provision for performance bonuses represents an estimated amount to be paid for performance bonuses. The process of finalising performance reviews for the current year will be concluded in the next financial year, when the actual payments and the determination thereof will occur.

The provision for compensating events is events registered that occurred in 2023/24, whose liability and amount will be confirmed with mutual agreement between 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	1 961 245	1 358 311
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19. Payables from exchange transactions

Trade payables	60 009	44 100
Other payables	1 097	7 479
Accrued leave pay	77 660	77 309
Remuneration accrual	4 615	4 374
	143 381	133 262

20. Sales of goods and services

Sale of isotopes	139 775	93 998
Service rendered	2 927	2 225
Other sales	75	84
	142 777	96 307

21. Other income

Sundry income	4 590	6 441
Rent received	3 417	2 955
Donations received	7 481	10
Insurance recoveries	560	332
	16 048	9 738

	2024 R'000	2023 R'000
22. Interest income		
Bank	110 455	61 063
Interest charged on trade and other receivables & other receipts	2	1
	110 457	61 064
23. DSI contract income		
DSI MTEF Contract funding received	3 867 066	3 067 79
Net funds carried forward from the prior year/(to the following year)	(575 559)	179 316
	3 291 507	3 247 107
24. Other contract income		
Government organisations and public entities	405 640	57 511
Private and international organisations	257 352	209 650
	662 992	267 161

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.

25. Board and Corporate Executive members' remuneration

Non-Executive Members (Board members)	Short term benefits R' 000	Total Board Fees 2024 R' 000	Total Board Fees 2023 R' 000
*Prof G Gray (From 1 December 2022)	-	-	-
Ms CA Buseti (From 1 April 2017 to 30 November 2022)	-	-	46
Prof Matlagolo Mosa Moshabela (Chair) (From 1 December 2022)	146	146	53
Prof NM Mkhize (From 1 October 2018 to 30 November 2022)	-	-	50
Dr BD Ngqulunga (From 1 October 2018 to 30 November 2022)	-	-	19
Prof NF Petersen (From 1 December 2022)	56	56	65
Prof S Sinha (From 1 December 2022 to 1 July 2023)	13	13	35
Ms M Letlape (From 1 March 2015 to 30 November 2022)	-	-	32
Dr Len Konar (From 1 December 2022)	129	129	51
Ms Lahlane Hellen Malema (From 1 December 2022)	135	135	48
Dr Mabatho Ntomb'zikhona Mutshekwane (From 1 December 2022)	75	75	40
Mr MR Lubisi (From 1 October 2014 to 30 November 2022)	-	-	55
Mr Mark Brits (From 1 December 2022)	105	105	45
Prof Pamela Maseko (From 1 December 2022)	99	99	45
Dr Simanga Alex Tsela (From 1 December 2022 to 8 January 2024)	24	24	45
Prof Teboho Moja (From 1 December 2022)	106	106	43
Prof Pumla Gobodo-Madikizela (From 1 December 2022)	44	44	36
Prof R Phaswana-Mafuya (From 1 December 2022)	48	48	52
	980	980	760

*Member of the NRF Board who does not qualify for remuneration as a public office bearer.

Members of the Corporate Executive	Short term benefits	Bonuses and performance related payments	Retirement Fund contributions	Medical contributions	Other benefits	Total package 2024	Total package 2023
	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000
**Dr FV Nelwamondo (CEO)	3 707	-	254	94	129	4 184	3 955
Dr C Nxomani (up to October 2023)	1 393	-	92	87	97	1 669	2 572
Dr BA Damonse (up to February 2023)	-	-	-	-	-	-	3 127
Dr G Moche (from December 2023)	888	-	84	33	149	1 154	-
Mr KJ Oagile	2 354	-	126	-	117	2 597	2 356
Dr E Lottering	2 924	-	356	93	110	3 483	3 313
Mr B Singh (CFO)	2 915	-	180	80	125	3 300	3 120
Dr T Mgwebi (from February 2024)	431	-	29	19	16	495	-
Dr PP Matutu (up to July 2022)	-	-	-	-	-	-	888
	14 612	-	1 121	406	743	16 882	19 331
Total remuneration	15 592	-	1 121	406	743	17 862	20 091

** Denotes ex-officio member of the NRF Board.

Corporate Executive members are considered to be key management personnel as they are the delegated key decision makers.

	2024 R'000	2023 R'000
26. Cost of sales		
Sale of goods		
Cost of goods sold - Isotopes	46 663	32 909
Cost of goods sold-other	14	134
	46 677	33 043
27. Auditor's remuneration		
AG external audit-current year	1 419	1 016
AG external audit-prior year	4 068	3 174
External audit other - contracts	474	78
	5 961	4 268
28. Operating surplus		
Operating surplus for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	14 298	14 109
Equipment		
• Contractual amounts	1 104	861
	15 402	14 970
Loss on sale of property, plant, and equipment	1 664	1 098
Loss/(gain) on exchange differences	47 009	13 725
Amortisation on intangible assets	7 832	7 281
Depreciation on property, plant, and equipment	266 421	244 333
Employee costs	924 914	859 339
Defined contribution funds	74 925	69 730
29. Cash generated from operations		
Surplus	381 204	161 098
Adjustments for:		
Depreciation and amortisation	274 253	251 610
Loss on sale of assets and liabilities	1 664	1 098
Income from equity-accounted investments	(2 441)	(1 955)
Movements in retirement benefit assets and liabilities	(52)	(47)
Movements in provisions	16 599	-
Non-cash donations and other in-kind benefits	(4 146)	-
Changes in working capital:		
Inventories	(1 157)	50
Receivables from exchange transactions	(36 719)	(27 737)
Other receivables from non-exchange transactions	(101 593)	(27 535)
Prepayments	158 937	72
Grants and bursaries paid in advance	1 149	440
Payables from exchange transactions	10 119	(5 653)
Designated income received in advance	602 934	(200 898)
	1 300 751	150 543

2024	2023
R'000	R'000

30. Financial instruments disclosure

Categories of financial instruments

2024

Financial assets

	At amortised cost	Total
Other financial assets	459 270	459 270
Trade and other receivables from exchange transactions	163 447	163 447
Other receivables from non-exchange transactions	146 922	146 922
Cash and cash equivalents	1 125 396	1 125 396
	1 895 035	1 895 035

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	61 106	61 106

Residual interest

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

2023

Financial assets

	At amortised cost	Total
Other financial assets	475 390	475 390
Trade and other receivables from exchange transactions	110 762	110 762
Other receivables from non-exchange transactions	45 329	45 329
Cash and cash equivalents	454 206	454 206
	1 085 687	1 085 687

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	51 579	51 579

	2024 R'000	2023 R'000
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31. Commitments

Authorised capital expenditure

Already contracted for but not provided for

• Property, plant and equipment	227 628	363 423
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The capital expenditure will be financed from the parliamentary grant (MTEF) and designated funds.

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	4 069	13 728
- in second to fifth year inclusive	1 261	510
	5 330	14 238

Operating lease payments represent rentals payable by the entity for certain of its office properties and equipment. Leases are negotiated for an average term of between two years and 100 years and rentals escalate between 0% and 8% annually. No contingent rent is payable.

Operating leases - as lessor (income)

Minimum lease payments due

- within one year	675	360
- in second to fifth year inclusive	387	461
	1 062	821

The entity has entered into non-cancellable commercial property leases and equipment leases for the duration of the lease period. These leases are negotiated for a term of between 2 and 5 years and rentals escalate between 0% and 8% annually. There are no contingent rent receivable.

32. Contingencies

Contingent liabilities

Future grants awarded	3 866 010	3 383 097
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The NRF has awarded multi-year grants for up to 5 years, with subsequent years' payments conditional upon receipt of progress reports.

Removal of historic packageable radioactive waste	6 400	6 400
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Packageable radioactive waste consists of low - 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 regards 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 possible obligation calculated represents the best cost estimate of such a disposal process, for which funding has been set aside.

	2024	2023
	R'000	R'000

33. Related parties

Relationships

Members of key management	Refer to note 25
Executive Authority	Ministry of Higher Education, Science and Innovation
Functional Controlling Department	Department of Science and Innovation
Fellow Controlled Department	Department of Higher Education and Training
Associates	Refer to note 5
Fellow of DSI-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) and Technology Innovation (TIA)
Fellow DHET controlled entities	AGRISETA, BANKSETA, CHIETA, CETA, CHE, CATHSSETA, ETDP-SETA, EWSETA, FP&M SETA, FASSET, FOODBEV-SETA, HWSETA, INSETA, LGSETA, MERSETA, MICT-SETA, MQA, NSF, NSFAS, PSETA, QCTO, SASSETA, SERVICES SETA, SAQA, TETA, W&RSETA, Higher Health

Due to the fact that the NRF is a national public entity, and controlled by national government, any other controlled entity of the national government is a related party. All transactions with such entities are at arm's length, and on normal commercial terms.

The nature of transactions and outstanding balances with entities within the Higher Education, Science, and Innovation Ministry falls within the mandated areas of the NRF and were concluded on normal operating terms. It includes providing grants for Science Engagement projects, services rendered, research collaborations and funding, the payment of royalties, infrastructure projects, collaboration for the funding of commercialisation of projects, funding for the evaluation of alternative telecommunication technologies, hosting of interns, receipt of funding for bursary programs, receipt of funding to support research chairs, funding of research activities and post-graduate bursaries/scholarships conducted at Higher Education Institutions and research institutions and development programmes for science and technology research activities.

Related party balances

Amounts included in Trade Receivables / (Trade Payables) regarding related parties

SALT Foundation (Pty) Ltd.	3 140	5 969
Prepayment to SALT Foundation (Pty) Ltd.	6 446	10 095

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

Related party transactions

Payments to the SALT Foundation (Pty) Ltd.

Annual operations levy	32 649	31 073
Other grants and contributions	1 569	5 627

Receipts from SALT Foundation (Pty) Ltd.

The recovery of services rendered	38 606	35 155
Invoice paid on behalf of SALT Foundation (Pty) Ltd.	1 799	-

Department of Science and Innovation

Parliamentary grant and DSI contract income	4 858 361	4 065 200
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2024
R'000

2023
R'000

34. Prior-year adjustments

Presented below are those items contained in the statement of financial position and statement of financial performance that have been affected by prior-year adjustments:

Statement of financial position 2023

	Note	As previously reported	Correction of error	Restated
WIP Intangible Assets	4	61 623	14 132	75 755
Capital Fund	15	2 858 532	(10 136)	2 848 396
WIP Research Equipment	3	545 823	(24 268)	521 555
		3 465 978	(20 272)	3 445 706

Statement of financial performance 2023

	Note	As previously reported	Correction of error	Restated
Employee remuneration	28	866 198	(6 859)	859 339
Sundry expenses		1 302	24 268	25 570
Surplus for the year		867 500	17 409	884 909

Errors

The following prior period errors adjustments occurred:

A portion of developer costs were not allocated to the NRF Connect Software in 2021/22 and 2022/23 for a total of R 14m.

Compensating events on a construction contract were allocated to Research Equipment WIP instead of expenditure in 2022/23 for a total of R 24m.

35. Risk management

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 derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central treasury department (entity treasury) under policies approved by the board. The entity treasury identifies, evaluates, and hedges financial risks in close cooperation with the entity's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

2024
R'000

2023
R'000

35. Risk management (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, through proper management of working capital, capital expenditure, actual vs forecasted cashflows and its investment policy. Adequate reserves and liquid resources are also maintained.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2024

	Less than 1 year	Between 1 and 2 years
Trade and other payables	61 106	-

At 31 March 2023

	Less than 1 year	Between 1 and 2 years
Trade and other payables	51 579	-

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 does not have any 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 on a regularly. Interest-bearing investments are held with reputable banks to minimise exposure. The entity furthermore manages its interest rate risk by obtaining competitive rates from different banks. No significant risks have been identified with regard to interest rates.

Cash flow interest rate risk

Financial instrument	Current interest rate	Due in less than a year
Trade and other receivables - normal credit terms	11,25%	156 151
Trade and other receivables - normal credit terms	- %	7 296
Cash in current banking institutions	8,25%	98 806
Short-term deposits	6,75%	1 026 529
Trade and other payables	- %	61 106
Other financial assets	- %	459 270

	2024	2023
	R'000	R'000

35. Risk management (continued)

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 the statement of financial position date

Current assets

Foreign bank account denominated in Euro	47 780	16 969
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Exchange rates used for the conversion of foreign items were:

EUR	20,64	19,43
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36. Fruitless and wasteful expenditure

Add: Fruitless and wasteful expenditure identified - current	25	-
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Fruitless and wasteful expenditure incurred due to cash lost due to alleged hijacking and robbery. A disciplinary process is currently underway.

37. Segment information

General information

Identification of segments

The entity is organised and reports to management based on seven business units of the entity. The segments were organised around the type of service delivered. Management uses these same segments for determining strategic objectives.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

The Corporate office is regarded as an administrative department, which does not generate economic benefits or have service potential. It has subsequently been disclosed as a reconciling item to the entity surplus/deficit.

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	Goods and/or services
Research, Innovation, Impact, and Support and Advancement (RIISA)	The business unit provides for the promotion, innovation, impact and support of research and research capacity development in all fields of knowledge and technology, through investing in knowledge, people, and infrastructure; the full creative potential of researchers; assisting with the development of institutional capacity; and, facilitating strategic national and international partnerships and knowledge networks.
iThemba Laboratory for Accelerator-Based Sciences (iThemba LABS)	The facility provides advanced, viable, multidisciplinary facilities for training, research, and services in the fields of sub-atomic nuclear science and applied radiation medicine.
South African Astronomical Observatory (SAAO)	SAAO is the national centre for optical and infrared astronomy in South Africa. Its primary function is to conduct fundamental research in astronomy and astrophysics. SAAO operates SALT, located at its sites near Sutherland, on behalf of an international consortium and promotes astronomy and astrophysics in Southern Africa.
South African Institute for Aquatic Biodiversity (SAIAB)	SAIAB serves as a research hub for aquatic biodiversity in southern Africa by providing unique specialist aquatic research infrastructure, e.g. coastal vessels, genomics laboratories, marine robotics, and biodiversity collections. It generates knowledge that aims to drive sustainable development in the "Blue Economy" through interactive and collaborative scientific research and disseminates scientific knowledge at all levels.
South African Agency for Science and Technology Advancement (SAASTA)	SAASTA's core activities include science engagement through advancing public awareness, appreciation and understanding of science, engineering, and technology in South Africa, as well as the integration of science awareness activities across the entity.
South African Environmental Observatory Network (SAEON)	SAEON is a research unit that establishes and maintains nodes (environmental observatories, field stations or sites) linked by an information management network to serve as research and education platforms for long-term studies of ecosystems that will provide for incremental advances in our understanding of ecosystems and our ability to detect, predict and react to environmental change. An application has been submitted to the Minister of Higher Education, Science and Innovation to declare SAEON as a national facility.
South African Radio Astronomy Observatory (SARAO)	The SKA project is an international effort to build the world's largest radio telescope, with approximately a square kilometre 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 system currently in existence. 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.

Figures in Rand thousand

37. Segment information (continued)

Segment surplus or deficit, assets and liabilities 2024

	RIISA	iThemba LABS	SAAO	SARAO	SAEON	SAIAB	SAASTA	Inter-segment transfers & Corporate office	Total
Revenue									
Parliamentary grant	462 186	210 948	73 370	29 203	14 416	30 573	32 744	-	853 440
DSI contract income	1 535 581	44 135	31 246	1 459 821	133 448	30 920	56 356	-	3 291 507
Other contract income	484 976	9 808	43 396	109 706	4 647	6 454	3 723	-	662 710
Revenue from exchange transactions	210	143 864	3 923	5 056	3 372	1 392	647	-	158 464
Inter-segment transfers	2 658	245 236	19 690	21 913	8 648	31 976	1 601	(331 722)	-
Share of surplus in associates	-	-	2 441	-	-	-	-	-	2 441
Interest revenue	44 882	(5 670)	2 185	41 867	7 319	5 107	2 777	-	98 467
Total segment revenue	2 530 493	648 321	176 251	1 667 566	171 850	106 422	97 848	(331 722)	5 067 029
Corporate office revenue								435 760	435 760
Corporate inter-segment transfers								(285 271)	(285 271)
Entity's revenue	2 530 493	648 321	176 251	1 667 566	171 850	106 422	97 848	(181 233)	5 217 518
Expenditure									
Salaries and wages	1 119 383	156 542	85 372	321 586	65 259	36 066	36 047	-	820 255
Grants, bursaries, and other research expenditure	2 033 530	6 824	9 561	63 214	1 710	8 891	28 076	-	2 151 806
Programme and operating expenditure	99 058	159 597	77 301	1 245 121	60 066	33 291	26 811	-	1 701 245
Inter-segment transfers	288 249	9 495	3 622	46 113	16 725	1 219	5 406	(370 829)	-
Total segment expenditure	2 540 220	332 458	175 856	1 676 034	143 760	79 467	96 340	(370 829)	4 673 306
Total segmental surplus/(deficit)	(9 727)	315 863	395	(8 468)	28 090	26 955	1 508	39 107	393 723

Figures in Rand thousand

37. Segment information (continued)

	RIISA	iThemba LABS	SAAO	SARAO	SAEON	SAIAB	SAASTA	Inter-segment transfers & Corporate office	Total
Total revenue reconciling items								150 489	150 489
Corporate office expenditure								(409 173)	(409 173)
Corporate inter-segment transfers								246 164	246 164
Entity's surplus/(deficit) for the period	(9 727)	315 863	395	(8 468)	28 090	26 955	1 508	26 587	381 203
Opening segment accumulated surplus/(deficit)	(4 054)	(2 797)	2 559	7	-	4 304	(391)	11 017	10 645
Transfer to SALT fund	-	-	(2 441)	-	-	-	-	-	(2 441)
Transfer to infrastructure fund	(10 200)	(16 000)	(1 800)	-	-	-	-	(9 709)	(37 709)
Segment net capital expenditure	236	(339 003)	(6 176)	(165 089)	(42 153)	(37 641)	(2 711)	-	(592 537)
Depreciation and amortisation	16 192	46 390	8 457	173 550	14 063	13 706	1 897	-	274 255
Corporate office net capital expenditure	-	-	-	-	-	-	-	(25 365)	(25 365)
Accumulated Surplus/(Deficit)	(7 553)	4 453	994	-	-	7 324	303	2 530	8 051

Figures in Rand thousand

	RIISA	iThemba LABS	SAAO	SARAO	SAEON	SAIAB	SAASTA	Inter-segment transfers & Corporate office	Total
37. Segment information (continued)									
Assets									
Segment assets	1 269 100	969 214	125 515	2 708 279	201 421	148 749	61 325	-	5 483 603
Total assets as per Statement of Financial Position									5 483 603
Liabilities									
Segment liabilities	947 062	101 381	27 700	851 024	90 647	50 252	53 159	-	2 121 225
Total liabilities as per Statement of Financial Position									2 121 225

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

Figures in rand thousand

37. Segment information (continued)
2023

	RIISA	iThemba LABS	SAAO	SARAO	SAEON	SAIAB	SAASTA	Inter-segment adjustments & Corporate office	Total
Revenue									
Parliamentary grant	491 450	201 864	70 211	27 945	13 794	29 257	30 641	-	865 162
DSI contract income	1 725 603	142 042	32 190	1 159 478	96 910	26 342	59 694	-	3 242 259
Other contract income	130 812	11 362	40 192	75 409	1 874	2 945	4 564	-	267 158
Revenue from exchange transactions	74	99 321	3 765	1 020	213	847	566	-	105 806
Inter-segment transfers	2 127	18 298	26 237	15 070	5 454	25 257	431	(92 874)	-
Share of surplus of associates	-	-	1 955	-	-	-	-	-	1 955
Interest revenue	15 381	394	1 520	28 264	4 476	3 545	1 322	-	54 902
Total segment revenue	2 365 447	473 281	176 070	1 307 186	122 721	88 193	97 218	(92 874)	4 537 242
Corporate office revenue								173 196	173 196
Corporate inter-segment transfers								(29 699)	(29 699)
Total revenue reconciling items								143 497	143 497
Entity's revenue	2 365 447	473 281	176 070	1 307 186	122 721	88 193	97 218	50 623	4 680 739
Expenditure									
Salaries and wages	123 137	150 115	82 149	296 717	49 085	32 687	38 005	-	771 895
Grants, bursaries, and other research expenditure	2 113 021	5 976	10 747	60 321	2 128	24 092	33 709	-	2 249 994
Programme and operating expenditure	93 652	175 260	75 553	907 809	51 616	33 901	24 294	-	1 362 085
Inter-segment transfers	44 779	10 400	3 092	37 810	19 663	815	1 571	(118 130)	-
Total segment expenditure	2 374 589	341 751	171 541	1 302 657	122 492	91 495	97 579	(118 130)	4 383 974
Total segmental surplus/(deficit)	(9 142)	131 530	4 529	4 529	229	(3 302)	(361)	25 256	153 268

Figures in Rand thousand

	RIISA	iThemba LABS	SAAO	SARAO	SAEON	SAIAB	SAASTA	Inter-segment adjustments & Corporate office	Total
37. Segment information (continued)									
Total revenue reconciling items								143 497	143 497
Corporate office expenditure								(140 110)	(140 110)
Corporate inter-segment transfers								4 443	4 443
Entity's surplus/(deficit) for the period	(9 142)	131 530	4 529	4 529	229	(3 302)	(361)	33 086	161 098
Opening segment accumulated surplus/(deficit)	951	815	317	6	893	3 682	(201)	811	7 274
Transfer from infrastructure fund	-	-	(1 955)	-	-	-	-	(15 000)	(16 955)
Segment net capital expenditure	(11 767)	(167 028)	(7 606)	(173 497)	(15 017)	(7 707)	(1 867)	-	(384 489)
Depreciation and amortisation	15 905	31 885	7 273	168 968	13 895	11 631	2 039	-	251 596
Corporate office net capital expenditure	-	-	-	-	-	-	-	(7 879)	(7 879)
Accumulated Surplus/(Deficit)	(4 053)	(2 798)	2 558	6	-	4 304	(390)	11 018	10 645

	RIISA	iThemba LABS	SAAO	SARAO	SAEON	SAIAB	SAASTA	Inter-segment adjustments & Corporate office	Total
37. Segment information (continued)									
Assets									
Segment assets	856 166	690 749	124 215	2 406 825	204 951	142 599	47 242	-	4 472 747
Total assets as per Statement of Financial Position									4 472 747
Liabilities									
Segment liabilities	556 157	138 778	22 401	540 331	122 266	71 057	40 583	-	1 491 573
Total liabilities as per Statement of Financial Position									1 491 573

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

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.

37. Segment information (continued)

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 are across different regions around 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 financial year. Significant differences can occur between the budget compared with 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 729m. It includes offsets from additional sources of income and reductions on others. **Sales** increased mainly due to higher Isotope sales at iThemba LABS due to the availability of additional beamtime. **Other income** includes donations of assets from the CSIR and an equity option in Tsolo Storage System (Pty) Ltd received for no consideration. Higher **interest income** from investments is due to lower spending on capital projects in progress and higher interest rates than originally budgeted. **DSI contract income** and the **Parliamentary Grant** decreased by R 69m due to a budget cut imposed during the AENE process. In addition, DSI contract income decreased due to the carry forward of SARAO funds, delays in infrastructure spending as well as lower spending at RIISA due to the delayed uptake of grants awarded and staff vacancies. **Other contract income** - increased due to the late transfer of funds from the Department of Higher Education & Training (DHET) for the Scarce Skills Development Fund.

Expenditure

Total expenditure, which also includes capital expenditure, is lower than the budget by R 773m. The decrease in **employees' remuneration** is due to various vacancies as a result of the OneNRF renewal exercise aimed at an improved Service Delivery Model, which was still in progress at year end as well as vacancies at SARAO as staff positions are phased to align to the SKAO/SARAO partnership agreement. **Depreciation** decreased due to the lower infrastructure spending and the capitalisation of the iThemba LABS SAIF project later than anticipated. **Grants, bursaries, and other research expenditure** decreased mainly due to the roll-out of the new grant-making system and uncertainty of the DHET Scarce Skills Development Fund funding. **Programme and operating expenses** increased largely due to SKAO membership fees, paid on behalf of South Africa as a member country to the International SKA project. **Gain on foreign exchange** relates to a foreign exchange contract entered into for the purchase of the cyclotron at iThemba LABS. **Capital expenditure** decreased mainly due to delays in the completion of the SARAO fibre rollout and the SKAO Host Building Costs to be contracted in 2024/25.

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