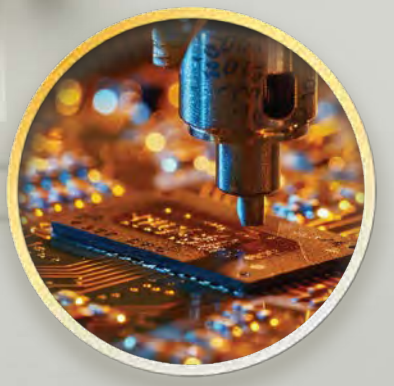










nmisa

National Metrology Institute of South Africa

ANNUAL REPORT 2025/26




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PART A

GENERAL INFORMATION





1 PUBLIC ENTITY'S GENERAL INFORMATION

Registered name:	National Metrology Institute of South Africa
Physical address:	Building 5 CSIR Campus Meiring Naude Road Brummeria Pretoria
Postal address:	Private Bag X34 Lynnwood Ridge 0040
Telephone number:	+27 (12) 947 2874
Email address:	info@nmisa.org
Website address:	www.nmisa.org
External auditors:	Nexia SAB&T 119 Witch-Hazel Avenue Highveld Technopark Centurion
Bankers:	Standard Bank Lynnwood Ridge Pretoria
Company/board secretary:	Ms Busisiwe Mkhize



2 LIST OF ABBREVIATIONS/ACRONYMS

AfCFTA	African Continental Free Trade Area
AFRIMETS	Intra-Africa Metrology System
APP	Annual Performance Plan
ARC	Audit and Risk Committee
ARI	Africa Reference Institute
AVE	Advertising Value Equivalent
B-BBEE	Broad-Based Black Economic Empowerment
BIPM	Bureau International des Poids et Mesures (International Bureau of Weights and Measures)
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIPM	International Committee for Weights and Measures
CMC	Calibration and Measurement Capability
CRM	Certified Reference Material
CSIR	Council for Scientific and Industrial Research
DCC	Digital Calibration Certificate
DCLF	Direct Current Low Frequency
the dtic	Department of Trade, Industry and Competition
ERP	Enterprise Resource Planning
EWP	Employee Wellness Programme
GDP	Gross Domestic Product
GIZ	Deutsche Gesellschaft fur Internationale Zusammenarbeit
HCD	Human Capital Development
HR	Human Resources
IAEA	International Atomic Energy Agency
ILC	Inter-laboratory Comparison
ISO	International Organization for Standardization
KCDB	Key Comparison Database
KPI	Key Performance Indicator
LED	Light-emitting Diode
MoU	Memorandum of Understanding
MRA	Mutual Recognition Arrangement
MSME/SMME	Micro, Small and Medium Enterprise
MTEF	Medium-Term Expenditure Framework
NHLS	National Health Laboratory Service
NLA	National Laboratory Association
NMI	National Metrology Institute
NMISA	National Metrology Institute of South Africa
NMS	National Measurement Standard
NNR	National Nuclear Regulator
NPL	National Physical Laboratory
NRCS	National Regulator for Compulsory Specifications
PDP	Personal Development Plan
PFMA	Public Finance Management Act (Act No. 1 of 1999)
PTB	Physikalisch-Technische Bundesanstalt – German NMI
PTS	Proficiency Testing Scheme
QHRS	Quantum Hall Resistance Standard
QI	Quality Infrastructure
RF	Radio Frequency
RTMC	Road Traffic Management Corporation
SABS	South African Bureau of Standards
SADC	Southern African Development Community
SADCMET	SADC Cooperation in Measurement Traceability
SANAS	South African National Accreditation System
SAWS	South African Weather Service
SEZ	Special Economic Zone
SI	International System of Units
SLA	Service Level Agreement
SOE	State-Owned Enterprise
TIC	Testing, Inspection, and Certification
UK	United Kingdom
UTC	Coordinated Universal Time



3 FOREWORD BY THE MINISTER

South Africa's ability to grow its economy, expand industrial capacity, compete in global markets and improve the quality of life of its people depends on capable institutions that support innovation, industrial development, trade and regulatory confidence. A trusted national measurement system forms an essential part of this foundation, providing confidence in the quality, safety and performance of products, services and infrastructure. Through its specialised mandate, the National Metrology Institute of South Africa (NMISA) continues to play an important role in supporting these national objectives.

As South Africa advances its industrialisation, localisation and economic transformation agenda, the importance of trusted technical infrastructure continues to grow. Institutions such as NMISA help create the conditions necessary for investment, innovation, competitiveness and sustainable growth, while supporting the development of capabilities required by the industries of the future.

Particularly encouraging is NMISA's continued contribution to priorities that support inclusive economic growth. Through support provided to micro, small and medium enterprises (MSMEs), companies located in Special Economic Zones and non-metropolitan areas, skills development initiatives, and the advancement of digital and sustainability-related capabilities, the Institute continues to align its activities with the strategic objectives of the Department of Trade, Industry and Competition (**the dtic**).

> **"Long-term national progress is built on institutions and capabilities that help strengthen the conditions for economic resilience and future growth."**

During the year, NMISA supported a South African manufacturer in exporting specialised measurement equipment to international markets, strengthened the reliability and international comparability of South Africa's air quality and emissions measurements, led the development of international standards for reference materials, and advanced food testing capability across Africa in support of the African Continental Free Trade Area.



The Institute also invested in the next generation of scientists and in advanced quantum measurement technologies to ensure that South Africa's national measurement standards remain aligned with global scientific developments.

NMISA's contribution also extends beyond South Africa's borders. Through regional cooperation, capacity development initiatives and support for the implementation of the African Continental Free Trade Area (AfCFTA), the Institute contributes to stronger quality infrastructure systems across the continent and supports efforts to reduce technical barriers to trade. These activities reinforce South Africa's position as a valued contributor to regional integration, industrial development and economic cooperation.

NMISA's work demonstrates the importance of investing in the capabilities that enable long-term national progress. By maintaining and advancing South Africa's measurement infrastructure, the Institute helps to ensure that the country is equipped to respond to future opportunities and challenges with confidence.

I commend the Board, management and employees of NMISA for their dedication and commitment, and I thank all stakeholders and partners who continue to contribute to the Institute's success.

Together, we will continue working towards a more competitive, innovative and inclusive economy that creates opportunities for all South Africans.



Mr Parks Tau, MP
Minister of Trade, Industry and Competition

31 August 2026



4 STATEMENT BY THE DEPUTY MINISTER

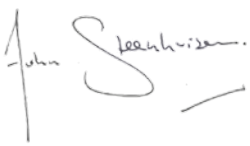
The advancement of a competitive and inclusive economy depends on creating opportunities for businesses, developing skills, supporting innovation and ensuring that enterprises can participate successfully in local and international markets. Institutions such as the NMISA make an important contribution to these objectives by providing the measurement capabilities and technical expertise that support confidence, quality and competitiveness across many sectors of the economy.

An important aspect of NMISA's contribution is its investment in people and capability development. During the year under review, the Institute continued to support human capital development (HCD) through internships, training programmes, technical capacity-building initiatives and collaborations with local and international partners. These efforts help develop the next generation of scientists, engineers and technical specialists while strengthening South Africa's scientific and industrial base.

The Institute also continued to broaden the reach of its services through support provided to MSMEs, companies operating in Special Economic Zones and non-metropolitan areas, as well as organisations across the African continent. Through these activities, NMISA contributes to expanding access to technical expertise, strengthening institutional capacity and creating opportunities for greater participation in the economy.

I applaud the Board, management and staff of NMISA for their ongoing commitment and dedication. My thanks also go to all stakeholders and partners for supporting the Institute's important work. Together, we will keep building the knowledge, expertise and technical capacity required for a prosperous and inclusive future.

> **"Building technical capability is ultimately about creating opportunities for people, businesses and communities to thrive."**



Mr John Henry Steenhuisen, MP
Deputy Minister of Trade, Industry and Competition

31 August 2026



5 FOREWORD BY THE CHAIRPERSON

NMISA remains a critical pillar of South Africa's national quality infrastructure and an important enabler of economic growth, industrial competitiveness, innovation and confidence in measurement. As Chairperson of the Board, I am pleased to present this report on a year characterised by resilience, strategic progress and continued commitment to the Institute's legislative mandate.

Despite a challenging operating environment, NMISA achieved 95 % of its annual performance targets, demonstrating the organisation's commitment to operational excellence and the achievement of its strategic objectives. This performance reflects the technical capabilities of the Institute, the dedication of its employees and the effectiveness of the governance and management structures supporting its mandate.

The Board's strategic priority remains to ensure that NMISA continues to operate as a trusted national asset that enables trade, supports industrial development, facilitates innovation and responds effectively to the evolving needs of society and the economy. Accurate, reliable and internationally recognised measurements are fundamental to these objectives. They underpin the integrity of markets, support regulatory compliance, facilitate international trade and provide the scientific foundation for technological and industrial advancement.

During the year under review, NMISA continued to strengthen its contribution to South Africa's national quality infrastructure while expanding its role in regional integration and continental development. Of particular significance was the Institute's continued participation in African metrology initiatives and programmes supporting the implementation of the AfCFTA. These efforts contribute to strengthening measurement capability across the continent, reducing technical barriers to trade and supporting a more integrated and competitive African market.

> **"A strong quality infrastructure begins with measurement standards that are trusted locally and recognised globally."**

NMISA's international partnerships also remain an important component of its strategic positioning. During the year, the Institute strengthened collaboration with regional and international metrology institutions, research organisations and industry stakeholders. Partnerships with leading National Metrology Institutes, including the National Physical Laboratory (United Kingdom), Physikalisch-Technische Bundesanstalt (Germany), National Institute of Metrology (China) and the Instituto Nacional de Metrologia, Qualidade e Tecnologia (Brazil), are particularly valuable. Such partnerships enhance scientific and technical capability, support knowledge exchange and research collaboration, and contribute to the international recognition of South Africa's measurement system. They also position NMISA to contribute meaningfully to the advancement of measurement science in Africa and to support South Africa's participation in global value chains.

The year was, however, not without its challenges. The Board navigated leadership transitions, Board and sub-committee vacancies, fiscal constraints and persistent pressures associated with attracting, developing and retaining scarce scientific and technical skills. These challenges reinforced the importance of institutional resilience, effective succession planning, strong governance and sustainable human capital development.

The appointment of a permanent Chief Executive Officer (CEO), together with progress in strengthening governance and the initiation of organisational development processes, represents important progress towards enhancing institutional stability, organisational effectiveness and long-term sustainability. The Board remains committed to ensuring that NMISA's governance framework promotes accountability, transparency, ethical leadership and sound decision-making while enabling the Institute to fulfil its mandate effectively.

Looking ahead, the Board will maintain a strong focus on financial sustainability, human capital development, infrastructure renewal, digital transformation and scientific and technological capability. Equally important will be ensuring that NMISA remains responsive to emerging technologies and future industrial priorities, including the energy transition, advanced manufacturing, digital technologies and other areas of strategic economic importance.

The Board recognises that NMISA's continued success depends on the strength of its partnerships and the commitment of its people. On behalf of the Board, I extend my sincere appreciation to my fellow Board members for their stewardship and oversight and to the CEO, Executive Management Team, Senior Managers and all NMISA employees for their dedication, professionalism and contribution during the year under review.

I also wish to convey my appreciation to our government partners, our industry stakeholders, our customers, research institutions, regional and international metrology partners, and all other stakeholders for their continued confidence in and support of NMISA. These partnerships are essential for advancing the measurement capabilities of South Africa and positioning it in the global metrology community.

Looking to the future, the Board is confident in NMISA's ability to build on the progress achieved and to respond decisively to the opportunities and challenges ahead. Together, we will continue to strengthen the measurement foundation upon which South Africa's industrial development, international competitiveness and future prosperity depend.



Dr Precious Gugulethu Motshwene
Chairperson of the Board

31 August 2026



6 CHIEF EXECUTIVE OFFICER'S OVERVIEW

Accurate, reliable and internationally recognised measurements form the basis of industrial development, trade, innovation, public health and environmental sustainability. As the country's National Metrology Institute, NMISA provides the foundation on which accurate, reliable and internationally recognised measurement depends and, through it, much of what the **the dtic** is working to achieve for inclusive growth and a more competitive economy. During the year under review, NMISA achieved **95 %** of its annual performance targets while strengthening the measurement infrastructure that underpins South Africa's industrial development, trade, innovation, public health and environmental sustainability.

This success can be attributed to a year of good organisational performance, real scientific achievement and measurable stakeholder impact. We advanced our national standards of measurement, supported industry and regulators, strengthened regional metrology capacity, and expanded into emerging areas such as quantum technologies, food safety and environmental monitoring. Each of these reaffirm NMISA's contribution to economic growth, facilitation of trade, innovation and improvement of the quality of life for all South Africans.

The strengthening of our national measurement infrastructure was particularly encouraging. NMISA realised five SI base units and maintained a sixth through imported traceability. We held internationally recognised Calibration and Measurement Capabilities (CMCs) covering **81 %** of our metrological services, supporting the international recognition and comparability of South Africa's measurements across a wide range of disciplines.

NMISA further surpassed its target of developing new and improved national measurement standards, reference materials and reference methods. The technical advances were substantial: the installation of a state-of-the-art Tabletop

> **"NMISA provides the foundation on which accurate, reliable and internationally recognised measurement depends and, through it, much of what the dtic is working to achieve for inclusive growth and a more competitive economy."**

Quantum Hall Resistance System, progress in ozone and emissions metrology, and advances in high-energy neutron metrology through a consortium-led initiative involving a NMISA-designated institute and international partners. We expanded capabilities that support renewable energy and climate-related trade measures, the kind of infrastructure that matters more each year as export markets tighten their environmental requirements.

NMISA exceeded several of **the dtic** output targets. These included support to MSMEs, to companies in Special Economic Zones and non-metropolitan areas, participation in Africa-wide metrology initiatives, and the provision of services to other African countries.

From a financial perspective, total revenue amounted to **R211,9 million**, with the majority derived from transfer funding from **the dtic**. Revenue from services increased to R28,4 million, reflecting continued demand for NMISA's specialised capabilities, while cash and cash equivalents increased to R96,0 million, providing sufficient liquidity to meet operational commitments. Although total expenditure declined compared with the previous year, the organisation recorded a deficit of R35,6 million, largely reflecting non-cash depreciation associated with its extensive scientific asset base. The sustainability of the current funding model remains an important strategic consideration.

In accordance with the National Treasury formula for the determination of cash surpluses (National Treasury Instruction note 03 of 2025/26), NMISA has calculated a cash surplus of R5,6 million at year-end. NMISA intends to submit a request to National Treasury to retain the cash surplus for critical IT infrastructure investment.The operating environment continued to present capacity challenges, particularly around staff retention and vacancies in specialised scientific and technical positions. To address these, the Institute progressed an organisational development initiative aimed at strengthening workforce planning and long-term institutional sustainability.

The Supply Chain Management and governance remained areas of focus throughout the year. The Internal control and procurement processes continued to operate effectively, while the External Auditors reported an unqualified audit opinion, with no material findings on performance information, compliance with legislation, or internal controls. No concluded unsolicited bid proposals were reported during the year under review. Furthermore, no events occurred after year-end that materially affected NMISA' s financial position or operations.

Looking ahead, our focus remains on maintaining South Africa's national measurement infrastructure, advancing digital transformation, strengthening revenue generation, supporting emerging industrial sectors, and ensuring that NMISA stays technically relevant, financially sustainable and internationally recognised.

We are saddened by the loss of Prof. Lorna Holtman, a valued member of the Board. Her contribution to NMISA and to science education will not be forgotten.

Thank you to all Board members, the Executive Management Team, Senior Managers and employees of NMISA, as well as **the dtic**, our customers, partners and stakeholders, for their continued commitment, support and collaboration. Their collective efforts enable NMISA to fulfil its mandate in service of South Africa and the African continent.



Dr Mbulelo Nokwequ
Chief Executive Officer

31 August 2026

7 STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of our knowledge and belief, we confirm the following:

All information and amounts disclosed in the Annual Report are consistent with the Annual Financial Statements audited by Nexia SAB&T.

The Annual Report is complete, accurate and free from any omissions.

The Annual Report has been prepared in accordance with the Annual Report guidelines issued by National Treasury.

The Annual Financial Statements (Part F) have been prepared in accordance with the Standards of Generally Recognised Practice (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act No. 1 of 1999) applicable to the National Metrology Institute of South Africa.

The Accounting Authority is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.

The Accounting Authority is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance regarding the integrity and reliability of the performance information, human resources information and Annual Financial Statements.

The External Auditors are engaged to express an independent opinion on the Annual Financial Statements.

In our opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and financial affairs of the public entity for the financial year ended 31 March 2026.



Dr Mbulelo Nokwequ
Chief Executive Officer

31 August 2026



Dr Precious Gugulethu Motshwene
Chairperson of the Board

31 August 2026

8 STRATEGIC OVERVIEW

8.1 VISION

To enable regional and global market access for our clients and enhance the quality of life for all South Africans through internationally accepted measurement systems.

8.2 MISSION

To consistently deliver outstanding innovative and internationally accepted measurement systems that support regional and international trade and people's quality of life and enable the protection of the environment.

8.3 VALUES

Knowledge sharing

Achieving more through networking, collaboration and partnerships to build a better future together.

Respect

Embracing diversity and different perspectives, with consideration for our social and physical environment.

Accountability

Acting ethically and responsibly in all aspects of work and taking ownership of our actions and their outcomes.

Forward thinking

Evolving and adapting with new technologies to deliver innovative measurement solutions for niche markets.

Trustworthy

Inspiring confidence in stakeholders that our commitments are consistently met and that their satisfaction is our priority.



9 LEGISLATIVE AND OTHER MANDATES

NMISA was established and operates in accordance with the Measurement Units and Measurement Standards Act (Act No. 18 of 2006). This Act provides for the use of the International System of Units (SI) as the basis for all measurements in South Africa. It also authorises the designation of other measurement units where necessary and outlines the designation, development, maintenance and dissemination of the National Measurement Standards (NMS), including reference measurements, reference standards and reference materials.

9.1 APPLICABLE ACTS

Measurement Units and Measurement Standards Act (Act No. 18 of 2006)	• Provides for the use of measurement units of the SI and certain other measurement units; • Provides for the designation of national measurement units and standards; • Provides for the maintenance of NMS and units; • Establishment of a National Metrology Institute (NMI); • Repeals certain laws; and • Provides for matters connected therewith.
Legal Metrology Act (Act No. 9 of 2014)	Provides for the administration and maintenance of legal metrology technical regulations to promote fair trade, public health and safety, environmental protection, and related matters. NMISA has extensive metrology laboratories, standards, and equipment, together with a solid base of scientific metrology skills, knowledge, and capacity to support legal metrology in health, safety, and environment measurements.
Public Finance Management Act (PFMA) (Act No.1 of 1999) as amended	Regulates financial management in national and provincial government to ensure that revenue, expenditure, assets and liabilities are managed efficiently and effectively; to provide for the responsibilities of people entrusted with financial management in those governments; and to provide for matters connected therewith. NMISA is an extension to government and therefore subscribes to the PFMA.
Hazardous Substances Act (Act No. 15 of 1973), Regulation No. R. 247, 26 February 1993	NMISA provides measurement traceability and calibration of equipment used for monitoring of ionising radiation.
The Civil Aviation Act (Act No. 13 of 2009)	NMISA provides measurement traceability and training for the civil aviation industry. Calibration services include pressure, torque and dimensional metrology.
The Foodstuffs, Cosmetics and Disinfectant Act (Act No. 54 of 1972), as amended	NMISA assigns values to contaminants and nutrients in food matrices and provides proficiency testing schemes (PTS) in support of food safety and food labelling requirements published by the Department of Health regulations relating to hazardous contaminants in foodstuffs and the labelling and advertising of foodstuffs.
National Road Traffic Act (Act No. 93 of 1996)	NMISA supports Section 59 of the Act by providing speed measurement calibration services, including calibration to the latest specifications.
Air Quality Act (Act No. 39 of 2004)	NMISA supports the Act by providing reference gas mixtures for air pollution and environmental monitoring.
Road Traffic Management Corporation Act (Act No. 20 of 1999)	NMISA supports the Act through the calibration of breathalysers used for law enforcement.
Occupational Health and Safety Act (Act No. 85 of 1993 – regulations)	NMISA supports the Act through calibration of noise, illuminance, and air monitoring equipment.

9.2 LEGISLATIVE FRAMEWORK

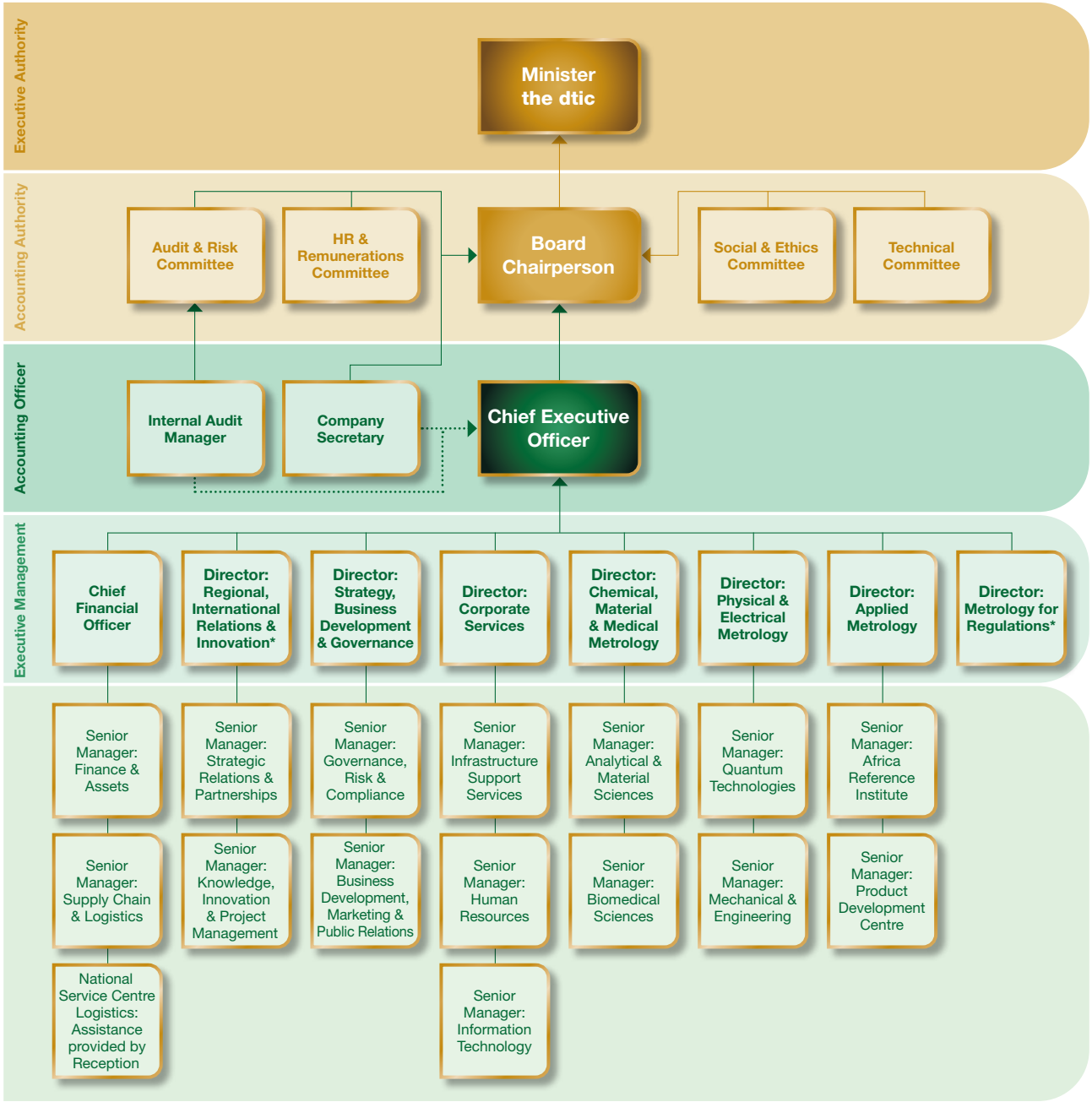
The legislative framework applicable to NMISA as a Schedule 3A public entity is as follows:

King V Code™ (non-statutory, with indirect legal effect)	Provides a benchmark of best practice in governance, ethics and accountability.
Frameworks for Managing Programme Performance Information	Provides guidance on planning processes as mandated in Sections 215 and 216 of the Constitution of South Africa; Strategic Plans and Annual Performance Plans.
National Treasury Regulations	Provide guidance to NMISA on matters of compliance and good governance in an evolving economy.
ISO 45001: 2018	Requires the calibration of measurement and monitoring equipment used by accredited approved inspection authorities to evaluate organisational health and safety performance in workplaces.
ISO 14001: 2015	Requires the use of calibrated measuring equipment for measuring key characteristics of operations that can have significant environmental impact.



10 ORGANISATIONAL STRUCTURE

NMISA is a Schedule 3A public entity, governed by the NMISA Board and managed by the CEO, who is supported by the Executive Management Team. The organisational structure comprises the governance structure and the functional structure shown in the following figure.



* The organisational structure is currently under review by the NMISA Board.

Figure 1: NMISA organisational structure

PART B

PERFORMANCE INFORMATION





1 AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The auditor, Nexia SAB&T, performs the necessary audit procedures on the performance information to provide limited 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 any material findings being reported under the Predetermined Objectives heading in the Report on Other Legal and Regulatory Requirements section of the Auditor's Report.

Refer to pages 103 to 104 of the Auditor's Report, published in Part F: Financial Information.

2 OVERVIEW OF PERFORMANCE

2.1 SERVICE DELIVERY ENVIRONMENT: NMISA'S PERFORMANCE IN SERVICE OF INDUSTRY AND STAKEHOLDERS

NMISA continued to drive and monitor performance across its core mandate areas, namely national obligations, international participation and equivalence, organisational development, stakeholder and customer services, and financial sustainability. During the 2025/26 financial year, **the organisation achieved 95 % of its annual performance targets**, meeting or exceeding 21 of the 22 key performance indicators reported.

Performance against national metrology obligations remained sound. NMISA achieved its target of realising five SI base units and maintaining one SI base unit, with the latter maintained through imported traceability. This met the annual target and supported the continued integrity and international recognition of South Africa's measurement infrastructure. Coverage of metrological services through CMCs reached 81 %, slightly exceeding the target of 80 %. The Institute also exceeded its target for developing and improving NMS, reference materials and reference methods, delivering four outputs against a target of two, including new capabilities in radio frequency metrology and reference materials for mycotoxin analysis.

In the area of measurement services and stakeholder support, NMISA achieved all its targets. Revenue generation reached R28,4 million, marginally above the target, while participation in interlaboratory comparisons and proficiency testing schemes (PTS) increased significantly in response to growing client demand. Client satisfaction with measurement services remained above the organisational benchmark at 82 %, and satisfaction with training courses was particularly strong at 90 %. A new collaborative agreement was concluded during the year, and the proportion of active service and collaboration agreements increased to 79 %, reflecting continued engagement with stakeholders and partners.

Organisational development indicators also showed positive outcomes. Staff turnover was maintained at 2 %, well below the maximum target of 7 %, supporting organisational stability and retention of expertise. NMISA hosted eight interns and trainees during the year, exceeding the target of six through partnerships with external human capital development programmes. The Institute also continued to strengthen its visibility through targeted communication activities, resulting in media exposure that is significantly above the annual target.

Achievement against **the dtic** output targets was similarly positive. NMISA exceeded targets related to support for SMMEs, hosting international delegates, supporting companies in priority industrial and regional locations, providing services to other African countries, and organising proficiency testing activities within the Intra-Africa Metrology System (AFRIMETS). The Institute also achieved its targets for implementing digital solutions and participating in the review of the Sugar Master Plan.

The only target not achieved during the reporting period related to securing funding for the development and

implementation of Digital Calibration Certificates (DCCs). Progress was constrained by limited industry awareness and uptake of the concept. NMISA will continue stakeholder engagement efforts in the coming financial year to support broader understanding and adoption of DCCs.

Overall, the 2025/26 performance results demonstrate steady progress in delivering NMISA's mandate, maintaining NMS, supporting industry and trade, developing technical capabilities, and strengthening stakeholder engagement, while continuing to address areas requiring further development.

2.2 ORGANISATIONAL ENVIRONMENT

The 2025/26 financial year was characterised by a combination of domestic economic challenges and evolving international trade dynamics that influenced the environment within which NMISA operates. While South Africa experienced modest economic growth, activity in key sectors such as manufacturing, mining and industrial production remained constrained by infrastructure limitations, logistics inefficiencies, and ongoing cost pressures. These conditions continued to place emphasis on productivity, quality assurance and compliance with technical standards, reinforcing the importance of reliable measurement systems in supporting industrial competitiveness and market access.

Internationally, the global trading environment became increasingly uncertain as countries responded to geopolitical developments, changing trade policies and supply chain disruptions. Rising trade policy uncertainty, including the increased use of tariffs, industrial policy measures and regulatory requirements, heightened the need for internationally recognised measurements, testing and conformity assessment systems to facilitate trade and reduce technical barriers. As South Africa's National Metrology Institute (NMI), NMISA continued to support the country's technical infrastructure by ensuring the international comparability and traceability of measurements.

The growing global focus on sustainability, climate-related trade measures and the energy transition initiatives also increased demand for specialised measurement capabilities. International and domestic policy developments relating to energy efficiency, renewable energy technologies, emissions monitoring and environmental sustainability highlighted the need for accurate and reliable measurement services. These developments aligned with NMISA's ongoing efforts to strengthen measurement capabilities that support emerging industrial and environmental requirements.

Technological advancement and digital transformation continued to reshape the metrology landscape. The increasing adoption of digital systems, data-driven processes and advanced manufacturing technologies placed greater emphasis on measurement confidence, interoperability and the digital exchange of technical information. In response to these broader trends, NMISA continued to pursue initiatives aimed at improving operational efficiency and supporting the modernisation of metrology services.

Regionally, demand for metrology training, technical support and measurement services remained evident across the African continent as countries sought to strengthen their quality infrastructure systems and facilitate trade under regional integration initiatives. This provided opportunities for continued collaboration between NMISA and counterpart institutions in Africa, contributing to capacity development and the broader harmonisation of measurement practices across the region.

Against this backdrop, NMISA continued to fulfil its statutory mandate by maintaining and developing NMS, supporting industry and government stakeholders, and contributing to South Africa's technical infrastructure in a changing local and international environment.



2.3 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

Amendment of the POPIA and PAIA regulations

During the 2025/26 financial year, amended regulations under the Protection of Personal Information Act (POPIA) and the Promotion of Access to Information Act (PAIA) came into effect, introducing revised requirements for the management of personal information, electronic communications, consent processes and access to information procedures. These amendments reinforce the importance of effective information governance and the secure management of digital records. For NMISA, the changes are relevant to the management of client information, laboratory records, calibration certificates and other technical data generated through its service delivery processes. In response, NMISA strengthened its information management and digital service delivery practices to support compliance with applicable regulatory requirements and maintain confidence in its technical records and services.

Integrated Resource Plan 2025

The publication of the Integrated Resource Plan (IRP) 2025 updated South Africa's long-term electricity planning framework and reaffirmed the country's focus on energy security, renewable energy deployment, energy storage technologies and broader energy transition objectives. The implementation of these priorities increases the importance of accurate and traceable measurements in areas such as electricity generation, power quality, renewable energy systems and energy efficiency. As the custodian of national measurement standards, NMISA continued to maintain and develop measurement capabilities that supported the evolving requirements of the energy sector and contributed to the reliability and comparability of measurements used across the electricity value chain.

European Union Carbon Border Adjustment Mechanism (CBAM)

The continued implementation of the European Union's Carbon Border Adjustment Mechanism (CBAM) during the reporting period reinforced the growing importance of accurate measurement and reporting of greenhouse gas emissions in international trade. The mechanism requires exporters in designated sectors to provide increasingly detailed emissions information associated with their products, placing greater emphasis on the quality, traceability and reliability of underlying measurement data. These developments are particularly relevant to South African industries participating in international markets. In response, NMISA continued to strengthen measurement capabilities that supported environmental monitoring, emissions-related measurements and broader industrial requirements associated with climate-related trade measures and sustainability reporting.



2.4 PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

During the 2025/26 financial year, NMISA continued to contribute to the broader development outcomes envisaged by the National Development Plan and supported by **the dtic** through strengthening South Africa's quality infrastructure system. These efforts supported improved industrial competitiveness, enhanced participation in regional and international markets, human capital development, and the adoption of technologies required for a modern and inclusive economy.

The expansion of measurement services, technical support and training activities improved the technical capability of South African enterprises, particularly smaller businesses. By providing access to measurement expertise, quality assurance services and specialised training, NMISA assisted industry in strengthening production quality, improving compliance with technical requirements and enhancing readiness for participation in domestic and export markets. These interventions support the broader outcome of a more competitive and inclusive industrial sector.

Progress was also made towards developing future scientific and technical capabilities within the country. Through ongoing investment in training and skills development opportunities, NMISA contributed to building a pipeline of qualified professionals with expertise in science, engineering and metrology. This supports longer-term national objectives relating to skills development, innovation capacity and the creation of opportunities for young professionals to participate meaningfully in the economy.

At a regional level, NMISA continued to strengthen cooperation with NMIs and technical institutions across Africa. Through the provision of metrology services, training and proficiency testing activities, the Institute supported greater measurement comparability and technical competence across the continent. These activities contribute to reducing technical barriers to trade and support regional economic integration objectives, including the broader implementation of the AfCFTA.

NMISA's engagement with organisations located within Special Economic Zones, industrial parks and non-metropolitan areas further advanced the objective of broadening access to technical infrastructure services. Improved access to measurement capabilities and quality-related services supports industrial development beyond major metropolitan centres and contributes to more geographically inclusive economic participation.

The Institute also continued to support the modernisation of South Africa's quality infrastructure through digitalisation initiatives and the adoption of more efficient service delivery approaches. While digital transformation in the metrology environment remains an evolving process, progress made during the year improved operational effectiveness and laid the foundation for future digital service enhancements.

In addition, NMISA strengthened measurement capabilities relevant to sustainability, energy efficiency and environmental performance. These efforts contribute to South Africa's ability to respond to evolving climate-related trade measures, support green industrialisation initiatives and provide industry with the technical foundation required to demonstrate compliance with emerging environmental requirements.

Collectively, these developments advanced the long-term outcomes of a capable national quality infrastructure, improved industrial competitiveness, strengthened regional integration, enhanced technical skills development, and increased support for innovation-led and sustainable economic growth.



2.5 SIGNIFICANT ACHIEVEMENTS IN 2025/26

Delivering measurement confidence for a South African exporter

NMISA supported a South African manufacturer of high-accuracy prover tanks destined for export to the Middle East by providing the traceable calibration services required to demonstrate the measurement performance of these specialised products. Prover tanks are used as reference standards for calibrating and verifying flow meters in the petroleum industry, where accurate volume measurement is essential for the fair and transparent trade of crude oil and related products.

Four stainless-steel prover tanks, ranging in capacity from 75 L to 285 L (20 to 75 gallons), were calibrated prior to export for use by customers in countries including Iraq and the United Arab Emirates. The calibration certificates issued by NMISA provided measurement traceability to the International System of Units (SI), giving both the manufacturer and end users confidence in the accuracy of the tanks and their suitability for use in demanding industrial environments.

Access to internationally recognised calibration services enables South African manufacturers to demonstrate compliance with customer and market requirements, supporting the acceptance of locally produced equipment in international markets. This case illustrates how NMISA's measurement services contribute directly to client success by providing the trusted measurement foundation needed for trade, export growth and participation in global value chains.

Internationally comparable measurements supporting environmental stewardship

Reliable environmental regulation depends on measurements that are accurate, traceable and internationally comparable. During the year, NMISA delivered PTS for pollutants including nitrogen oxides and methane, enabling laboratories across South Africa to verify the accuracy of measurements used for air quality monitoring and emissions reporting. This supports confidence in data submitted to the South African Air Quality Information System (SAAQIS), which informs environmental management and regulatory action. Accurate methane measurements are also increasingly important for quantifying greenhouse gas emissions and supporting South Africa's climate commitments.

NMISA further strengthened the comparability of South Africa's ozone measurements by implementing the newly adopted international ozone absorption cross-section and disseminating this updated standard through calibrations provided to ozone monitoring laboratories. The capability was independently validated through participation in BIPM.QM-K1, the foremost international key comparison for ozone measurements. The final report, published on 10 March 2026, confirmed the equivalence of NMISA's ozone measurement capability with those of leading NMIs worldwide.

This achievement has important practical implications. Ozone is a regulated pollutant associated with adverse impacts on human health, ecosystems and agricultural productivity. By ensuring that South Africa's ozone measurements remain traceable to internationally validated reference standards, NMISA contributes to confidence in the scientific data used to inform air quality assessments, public health advisories and environmental regulation.

NMISA also continued to build capability in support of South Africa's energy transition through Renewable Power-to-X training delivered in partnership with Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ). This work contributes to the measurement capabilities and quality infrastructure that will be required as emerging sectors such as the green hydrogen economy continue to develop.

Strengthening Africa's food testing capability for continental trade

The success of the AfCFTA depends not only on reducing trade barriers but also on confidence in the technical infrastructure that underpins the movement of goods across borders. For food products, reliable and comparable laboratory measurements are essential to demonstrate compliance with safety requirements and support the acceptance of test results between trading partners. Where test results are not trusted or recognised, products may face delays, additional testing requirements or exclusion from markets, with direct commercial consequences for producers and exporters.

During the year, NMISA continued to strengthen food testing capability both within South Africa and across the continent by providing PTS, Certified Reference Materials (CRMs) and technical expertise that support the accurate and reliable measurements of pesticide residues, mycotoxins and other contaminants. These services help laboratories maintain measurement competence, produce internationally comparable results and support the export readiness of food products entering regional and global markets.

NMISA's expertise also supported laboratories beyond South Africa's borders. CRMs produced by NMISA were supplied to laboratories in Namibia, Malawi and Thailand, providing a locally produced alternative to imported reference materials. Technical consultation services were further extended to the Malawi Bureau of Standards through the World Food Programme and to the Kenya Bureau of Standards through the British Standards Institution, contributing to stronger national measurement and quality assurance systems.

A significant milestone was NMISA's leadership of Phase 1 of the AFRIMETS Building Africa's Food Testing Capacity programme. Through this initiative, ten African institutions committed to pursuing ISO/IEC 17025 accreditation within the next 18 to 24 months, with a second phase of the programme planned for 2026/27. By supporting improved laboratory competence, harmonised testing practices and greater comparability of measurement results across the continent, NMISA is advancing the AfCFTA objective of reducing technical barriers to trade and moving closer to the principle that products should be tested once and accepted across multiple markets.

Shaping international good practice in reference materials

NMISA continued to make a significant contribution to international measurement science through its leadership in developing the ISO 33400 series of standards for reference materials. During the year, seven of the eight standards in the series (ISO 33401–33407) had been published, with NMISA experts playing a leading role in their development. These standards provide internationally accepted guidance on the production, characterisation and use of reference materials, which underpin the accuracy, comparability and reliability of measurements performed in testing, calibration and research laboratories worldwide.

This work highlights the important relationship between metrology and standards development. While standards bodies are responsible for developing, publishing and maintaining standards, NMISA contributes specialist measurement expertise to national and international standards committees, where accurate and traceable measurements are fundamental to the application of a standard. Through these contributions, NMISA helps ensure that standards are supported by sound measurement science, strengthening their application across industry, regulation and scientific research.

International recognition of South Africa's expertise in this field was further demonstrated when NMISA delivered United Nations Industrial Development Organization (UNIDO)-sponsored training on the ISO 33400 series in Colombia from 29 August to 2 September. The training equipped participants from across Latin America with the knowledge required to implement these standards effectively and consistently. Notably, NMISA was invited to provide training on standards it had helped to develop, reflecting international confidence in the Institute's technical expertise and practical experience.

These achievements demonstrate how South African expertise contributes to the global measurement system while delivering benefits beyond the country's borders. Through leadership in standards development and knowledge transfer, NMISA helps shape internationally accepted measurement practices, strengthens confidence in reference materials used worldwide, and reinforces South Africa's standing as a valued contributor to the advancement of measurement science.

Investing in young scientists for the quantum future

Preparing for future technologies requires investment in both people and measurement capabilities. As part of its long-term capability development agenda, NMISA continued to strengthen expertise in quantum metrology by creating opportunities for early-career scientists and engineers to engage with leading international institutions and developments in the field.

A young NMISA scientist was selected to participate in the United Nations International Year of Quantum event, "Quantum Metrology: From Foundations to the Future", hosted by the National Physical Laboratory (NPL) (United Kingdom). The event brought together senior government representatives, industry leaders and researchers to consider the role of metrology and standards in emerging quantum technologies. The scientist presented South Africa's work in quantum electrical metrology, including applications of the Josephson Effect and Quantum Hall Effect, which underpin the internationally recognised quantum standards for electrical measurements. Participation in the event provided exposure to global developments and enabled NMISA to contribute to discussions on the future measurement infrastructure required to support quantum technologies.

NMISA further invested in specialist skills development through participation in the Italian Physical Society's Metrology Summer School, themed "Future Needs for Metrology: Climate Science, Quantum Technologies and the Digital Transformation". Sponsored by METAS (the Swiss National Metrology Institute) and Bureau International des Poids et Mesures (BIPM), a young NMISA scientist attended the programme and subsequently completed a two-week technical placement at METAS under the Capacity Building and Knowledge Transfer Programme. The training provided advanced knowledge in electrical resistance metrology and exposure to emerging measurement approaches that will support future capability development within NMISA.

These initiatives contribute to developing South Africa's next generation of metrologists while strengthening NMISA's readiness to support future technologies. By investing in specialised scientific skills and maintaining engagement with international developments in quantum measurement science, NMISA is laying the foundation for the measurement capabilities that will be required as quantum technologies continue to evolve and find practical application across research, industry and advanced manufacturing.

Advancing high energy neutron metrology through international collaboration

High energy neutron metrology is an emerging area of international importance, driven by the increasing need for accurate neutron measurements to support applications in aviation, space, radiation protection and advanced electronics. Through collaboration with leading NMIs and research organisations, NMISA continues to strengthen South Africa's capability in this specialised field and contribute to the advancement of the international measurement system.

iThemba LABS is designated by NMISA as a high-energy neutron metrology institute. A number of important improvements to the high-energy neutron vault were completed by a consortium comprising iThemba LABS, the University of Cape Town, the Nuclear Safety and Radiation Protection Authority (ASNR), France, the Physikalisch-Technische Bundesanstalt (PTB), Germany, and the NPL, United Kingdom. The facility is recognised by Consultative Committee for Ionising Radiation (CCRI) Section III: Neutron Metrology, with consideration underway for a future key comparison study under the CCRI.

The improvements completed during the year have strengthened the facility's capability and international standing, providing the scientific basis for future international comparisons in this specialised field.

Keeping South Africa's NMS aligned with global scientific advances

In March 2026, NMISA installed a state-of-the-art Tabletop Quantum Hall Resistance System (TTQHRS), with support from experts at the NPL (United Kingdom). The system represents the latest generation of resistance measurement technology and enables NMISA to realise the SI unit of electrical resistance, the ohm, directly from fundamental constants of nature in accordance with the redefined International System of Units (SI). This strengthens South Africa's national measurement infrastructure, reduces reliance on overseas NMIs for high-level electrical measurements, and ensures that national standards remain aligned with international scientific developments.

The new system uses modern cryogen-free technology, eliminating the need for specialised liquid helium and helium-3 consumables traditionally associated with quantum resistance standards. As a result, it can be operated more efficiently and with greater availability, supporting improved measurement services for calibration laboratories, testing facilities and industry. In practical terms, more reliable and accurate electrical measurements contribute to confidence in products and systems that depend on electrical performance, including energy systems, telecommunications networks, manufacturing equipment and electronic devices used.

The exceptionally low measurement uncertainties achievable with the TTQHRS will further strengthen South Africa's internationally recognised CMCs, supporting confidence in measurement results both locally and internationally. The system also provides an important platform for developing local expertise in quantum electrical metrology, helping to build the specialised skills required to support future advances in measurement science and emerging technologies.

Beyond its national role, the capability strengthens NMISA's position as a regional reference laboratory, supporting greater harmonisation of measurement standards across Africa and reducing dependence on overseas facilities for high-level electrical measurements. The system is also compatible with emerging digital metrology initiatives, ensuring that South Africa's measurement infrastructure remains aligned with modern, increasingly digital approaches being adopted within quality infrastructures worldwide.

3 INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

3.1 PROGRAMME 1: ADMINISTRATION

The Administration Programme provides for the overall management, administration, and operation of the organisation. It leads strategy development and implementation, including business development; manages stakeholder relationships; guides corporate governance; and provides operational support services, including information technology, legal contracting, quality management coordination, marketing, financial management and human resource management.

Purpose

Provide strategic leadership management and support services to ensure the entity's financial, human, social, and environmental sustainability.

Sub-initiatives

- Finance and Supply Chain
- Human Resources, Facilities, and Information Technology Services
- Strategy, Business Development and Governance

Institutional outcome

The objective of this programme is to strengthen and sustain a high-performance culture by aligning people, processes, and systems to promote organisational excellence, enhance operational efficiency, and support ethical and effective service delivery across all functions.

ACHIEVEMENTS

Increased visibility through strategic events

Throughout the 2025/26 financial year, NMISA continued to strengthen its visibility and reputation through strategic events, awareness initiatives and scientific engagements that highlighted the role of metrology in supporting innovation, industrial development and regional cooperation.

A key milestone during the year was the commemoration of World Metrology Day 2025, observed under the theme "Measurements for all times, for all people". The occasion marked the 150th anniversary of the signing of the Metre Convention, a historic milestone that laid the foundation for the international measurement system and continues to underpin scientific advancement, industrial development and global trade.

NMISA celebrated the occasion through a special event that brought staff together to participate in the official Bureau International des Poids et Mesures (BIPM) proceedings. In parallel, a coordinated awareness campaign across traditional and digital media platforms generated substantial media exposure and contributed significantly to the Institute's Advertising Value Equivalent (AVE) performance for the year. The campaign secured coverage across multiple broadcast and online platforms, generating an AVE of approximately R724 000, exceeding the quarterly target and extending NMISA's reach beyond the scientific community.

In addition to World Metrology Day, NMISA participated in and hosted several events throughout the year that enhanced awareness of measurement science, showcased the Institute's technical capabilities and strengthened relationships with stakeholders across government, industry, academia and the regional metrology community.



Notable organised external events

Among the key external events and initiatives undertaken during the reporting period were:

- **Memorandum of Understanding Signing Ceremonies with China and Brazil:** NMISA hosted a senior delegation from the National Institute of Metrology (NIM), China, for the formal signing of a Memorandum of Understanding to strengthen scientific cooperation through joint research, technical exchanges and capacity-building initiatives. The Institute also concluded a Memorandum of Understanding with the Instituto Nacional de Metrologia, Qualidade e Tecnologia (INMETRO), Brazil, providing a platform for collaboration in advanced metrology, reference material development, interlaboratory comparisons and knowledge exchange, thereby strengthening South-South cooperation and supporting innovation and technology transfer.
- **Road Traffic Management Corporation (RTMC) Workshops:** In collaboration with the RTMC and the National Regulator for Compulsory Specifications (NRCS), NMISA delivered workshops and training sessions for traffic officers in Mpumalanga, Potchefstroom and Ekurhuleni. These engagements highlighted the scientific principles underpinning speed measurement and breath alcohol analysis, contributing to improved road safety and public confidence in enforcement activities.
- **NLA Test and Measurement Conference 2025:** NMISA exhibited at the conference and delivered technical presentations and poster sessions showcasing its capabilities and contributions to accurate measurement across the testing and calibration sectors.
- **Science Forum South Africa 2025 (SFSA 2025):** Through its participation in the Science Forum South Africa 2025, hosted at the CSIR International Convention Centre in Pretoria, NMISA showcased its capabilities in metrology, calibration and quality assurance. The Institute also highlighted strategic initiatives, including DCCs and the Industrial Emissions and Energy Gases Project.
- **Women in Physics High Tea:** NMISA participated in the Women in Physics High Tea hosted by North-West University to promote the participation of women in science. Networking activities and presentations by NMISA scientists promoted careers in science, technology, engineering and mathematics (STEM) and inspired learners and young researchers to pursue opportunities in these disciplines.
- **Multi-Stakeholder Quality Forum Workshop:** NMISA hosted the Multi-Stakeholder Quality Forum workshop, bringing together quality infrastructure institutions and industry stakeholders to discuss decarbonisation and renewable energy. The engagement highlighted the importance of collaboration across the national quality infrastructure in supporting the transition towards a green economy.
- **Corporate Social Investment Outreach:** As part of its ongoing commitment to education and community development, NMISA supported Philemon Montsho Primary School in Winterveldt through the donation of office furniture aimed at enhancing the learning environment. The initiative forms part of a broader, long-term programme to improve access to educational resources and inspire interest in STEM. Building on this engagement, NMISA plans to expand its support through the provision of additional resources and learner-focused outreach activities, including career awareness engagements aimed at introducing learners to opportunities in metrology and related STEM fields, fostering the next generation of scientists and innovators.

Visibility: Publications and social media

NMISA continued to enhance its visibility through strategic communication and media engagement aimed at showcasing the importance of metrology and the Institute's contribution to industrial development, trade facilitation and scientific advancement.

Media coverage during the reporting period highlighted the diversity of NMISA's work across multiple sectors. Publications and interviews covered topics ranging from international metrology cooperation and quality infrastructure development to analytical solutions for the mining sector and support for essential oil producers. These and other media engagements, some of which are highlighted below, enhanced awareness of NMISA's scientific capabilities and services among stakeholders in both the public and private sectors while reinforcing the Institute's contribution to industrial development, innovation and trade facilitation.

NMISA achieved an AVE of R2,33 million during the reporting period, substantially exceeding the annual target. The Institute maintained positive media sentiment and secured coverage across print, digital, broadcast and social media platforms, contributing to increased awareness of its scientific capabilities and services.

Following the achievement of annual media visibility targets, communication efforts increasingly focused on digital engagement and social media platforms. This strategic shift enabled NMISA to maximise reach while operating within budget constraints and provided a cost-effective platform for communicating technical achievements, stakeholder engagements and scientific developments.

Table 1: Publication highlights

QUARTER	TITLE	PUBLICATION
Quarter 1	A highly magnetized long-period radio transient exhibiting unusual emission features	Science Advances
Quarter 1	Enhancing mining operations with precise analytical techniques	Energize
Quarter 2	NMISA deepens metrology ties with Brazil and China	Engineering News
Quarter 2	Interview on international cooperation and MoUs	SAFM
Quarter 3	Empowering Essential Oil Producers: Accredited Testing Opening Global Markets	Food & Beverage Reporter
Quarter 4	Empowering Essential Oil Producers: Accredited Testing Opening Global Markets	Food & Beverage Reporter
Quarter 4	NMISA referenced in coverage on endocrine-disrupting chemicals study	eNCA
Quarter 4	NMISA food safety services highlighted in the 2026 Food and Beverage Supplier Directory	Food & Beverage Supplier Directory

Public relations and stakeholder engagement

NMISA maintained active engagement with local and international stakeholders to strengthen partnerships, expand market reach and promote the role of metrology in supporting economic growth and regulatory compliance.

International cooperation remained a key focus area. Engagements with the Zhongguancun Inspection and Certification Industry Technology Alliance (ZICITA), the Changcheng Institute of Metrology and Measurements (CIMM), the National Institute of Metrology (NIM), China, and the Instituto Nacional de Metrologia, Qualidade e Tecnologia (INMETRO), Brazil, strengthened existing partnerships and created opportunities for future scientific collaboration.

NMISA continued to strengthen regional cooperation through scientific visits and knowledge exchange initiatives. Representatives from the Malawi Bureau of Standards visited the Institute to benchmark food safety laboratory management, accreditation processes, PTS and CRM development. The Institute also hosted a delegation from the Government of Lesotho and a benchmarking visit by the Swaziland Standards Authority (SWASA), facilitated by the South African Bureau of Standards (SABS), creating further opportunities for regional collaboration and future cooperation.

NMISA joined **the dtic** in a stakeholder engagement on the proposed Fetakgomo-Tubatse Special Economic Zone (SEZ) in Limpopo, demonstrating how metrology supports industrialisation, regulatory compliance and economic development.

The Institute engaged with several government departments, regulators and research institutions, including the Department of Health, the National Nuclear Regulator, the Department of Transport, the RTMC and the Nuclear Medicine Research Infrastructure (NuMeRI), to identify opportunities for collaboration and demonstrate how metrological expertise can support service delivery and research infrastructure development.

NMISA also strengthened its contribution to emerging industries through engagements with the GIZ and the International Power-to-X Hub on certification requirements for green hydrogen and battery storage technologies.

Participation in the SABS Technical Committee on Legal Metrology and engagements with the NRCS on implementing the Electric Vehicle White Paper enabled NMISA to contribute to the development of standards and regulatory frameworks supporting new mobility technologies and consumer protection.

Engagements with quality infrastructure bodies, including the Southern African Society for Quality and Pan African Quality Infrastructure structures, further strengthened collaboration across the national and regional quality ecosystem and supported the advancement of measurement capabilities across the continent.

Performance of administration programme against targets

NMISA continued to strengthen its internal capacity through the Human Capital Development (HCD) Programme, which remains central to its long-term skills pipeline. During the reporting period, eight interns were appointed and hosted, receiving workplace-based training across scientific and administrative functions. The programme prioritises employment equity (EE) and transformation, with a focus on gender, youth, and disability inclusion. In addition, work commenced on a broader retention strategy aimed at improving professional growth opportunities and overall workplace experience. These efforts contribute to the strategic objective of building and sustaining a capable, high-performing workforce. Performance achievements related to these initiatives are reflected in Table 2.



Table 2: Outcomes, outputs, output indicators, targets and actual achievements for Programme 1 (Administration)

PROGRAMME 1: ADMINISTRATION								
OUTCOME	**OUTPUT**	**OUTPUT INDICATOR**	**AUDITED ACTUAL PERFORMANCE 2023/24**	**AUDITED ACTUAL PERFORMANCE 2024/25**	**PLANNED ANNUAL TARGET 2025/26**	**ACTUAL ACHIEVEMENT 2025/26**	**DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2025/26**	**REASONS FOR DEVIATIONS**
Improve financial stability and ensure sustainable growth	Creating awareness of NMISA's products and services in support of quality assurance in the manufacturing, mining, and related industries, to increase uptake	KPI 6: Maintain visibility of NMISA in South Africa and the region	12,5 % increase in visibility	R1 634 715	Maintain AVE ≥ R500k	AVE: R2 333 499	R1 833 499	Extensive media coverage through strategic communications initiatives, including strong publicity surrounding the World Metrology Day 2025 campaign, national broadcast coverage relating to the Institute's role in the testing of sanitary products and technical media placements highlighting NMISA's specialised services and expertise.
Develop and retain a capable workforce that is able to utilise world-class infrastructure to deliver specialised and innovative measurement solutions	Provide for the measurement needs of South Africa and the region	KPI 9: Staff turn-over rate	New Key Performance Indicator (KPI)	16 %	≤ 7 %	2 %	No deviation	No deviation, target achieved.
		KPI 10: Number of in-service trainees and interns hosted	19	5	6	8	2	Two additional interns were hosted through appointments made in collaboration with external Human Capital Development partners – one through the Human Sciences Research Council in conjunction with the Department of Science and Innovation, and the other through the Innovation Hub.
Effectively engage and collaborate with stakeholders to develop and strengthen mutually beneficial relationships in fulfilment of the NMISA's mandate	Provide for the measurement needs of South Africa and the region	KPI 12: Percentage of active service/ collaboration agreements	New KPI	80 %	70 %	79 %	9 %	The exceeded target was achieved through proactive stakeholder engagement and effective alignment of NMISA services with stakeholder requirements.

3.2 PROGRAMME 2: METROLOGY PROGRAMME (REALISATION, MAINTENANCE AND DEVELOPMENT OF THE NATIONAL MEASUREMENT STANDARDS)

NMISA delivers products and services that enable economic growth by supporting industrial competitiveness, regulatory compliance, and trade facilitation. These services are delivered through four key mechanisms: calibration; reference measurements and CRMs; advanced testing and analysis; and technical capacity building.

Calibration: NMISA provides direct traceability to the NMS by delivering calibration services at the highest accuracy (lowest measurement uncertainty) to accredited calibration and testing laboratories. Calibration services are also provided directly to the industry, mostly in cases where services are not available from commercial accredited calibration laboratories or when the desired accuracy can only be provided by NMISA or when new or niche services are required.

Reference measurement and certification of reference materials: NMISA provides reference measurements and analyses within its calibration range and services. In addition, the Institute has established the capability to assign values to chemical samples and gas mixtures for clients, including purity assignment. This capability allows NMISA to produce certified (pure) reference materials (CRMs) for use as standards or calibration solutions for quality control purposes and primary reference gas mixtures that are internationally recognised and accepted. NMISA also has the capability of producing matrix reference materials with certified values for contaminants in food, industrial and environmental matrices.

Measurements, testing and analysis: NMISA offers advanced measurement services to industry. These services include method development for clients to assist with problem-solving, analytical services for research projects, specialised testing services for industry, and development of specific measurement solutions for clients on contracts.

Training and consultancy: NMISA provides expertise in measurement science through training and consultancy, supporting the quality infrastructure both locally and on the rest of the African continent. The expertise provided contributes to the national priorities of building a capable state and enhancing economic transformation.

Performance of the metrology programme against targets

The outcomes, outputs, output indicators, targets, and actual achievements for the Metrology Programme (Programme 2) relating to the realisation, maintenance and development of NMS are presented in Table 3.



Table 3: Outcomes, outputs, output indicators, targets and actual achievements for Programme 2: Metrology Programme (Realisation, maintenance and development of the national measurement standards)

PROGRAMME 2: METROLOGY PROGRAMME (REALISATION, MAINTENANCE AND DEVELOPMENT OF THE NATIONAL MEASUREMENT STANDARDS)								
OUTCOME	**OUTPUT**	**OUTPUT INDICATOR**	**AUDITED ACTUAL PERFORMANCE 2023/24**	**AUDITED ACTUAL PERFORMANCE 2024/25**	**PLANNED ANNUAL TARGET 2025/26**	**ACTUAL ACHIEVEMENT 2025/26**	**DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2025/26**	**REASONS FOR DEVIATIONS**
Ensure regional, continental, and international comparability of the South African measurement infrastructure	Implementation of the revised SI	KPI 1: Annual realisation and maintenance of 6 SI base units	6 SI units realised	6 SI base units realised annually	Realisation of 5 SI base units and maintenance of 1 SI base unit	5 SI base units realised, 1 SI base unit maintained	No deviation	No deviation, target achieved.
	Linking the national and regional measurement systems internationally	KPI 2: Percentage of metrological services offered covered by Calibration and Measurement Capabilities	90,5 %	91 %	80 %	81 %	1 %	No deviation, target achieved with slight positive variance.
	Implementation of the revised SI	KPI 3: New and improved NMS and reference materials and reference methods	15	4	2	4	2	In addition, 1 new NMS for radio frequency and 1 new reference material for mycotoxins in wheat were developed, resulting in performance exceeding the target.
	Support the implementation of the AfCFTA agreement through active participation in the activities of regional metrology organisations	KPI 4: Participate in ILCs and PTs	22	26	10	28	18	Increased client orders for proficiency testing schemes.
Improve financial stability and ensure sustainable growth	Sustained revenue growth	KPI 5: Achieve the annual revenue target	R28 444 471	R26 984 826	R27 148 000 100 %	R28 400 101 104,6 %	R1 252 101 4,6 %	Slightly higher service uptake than forecast.

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2023/24	AUDITED ACTUAL PERFORMANCE 2024/25	PLANNED ANNUAL TARGET 2025/26	ACTUAL ACHIEVEMENT 2025/26	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2025/26	REASONS FOR DEVIATIONS
Maintain fast and efficient service delivery to clients	Cultivating a client-centric focus which prioritises the needs and satisfaction of our clients in all aspects of our interaction and service	KPI 7: Client Satisfaction Score	Revised KPI	88 % (4,4 on a 5-point scale)	≥ 70 %	82 %	No deviation	No deviation, target achieved.
		KPI 8: Customer satisfaction rate for training courses presented	New KPI	89 % (4,5 on a 5-point scale)	≥ 70 %	90 %	No deviation	No deviation, target achieved.
Develop and retain a capable workforce that is able to utilise world-class infrastructure to deliver specialised and innovative measurement solutions	Provide for the measurement needs of South Africa and the region	KPI 11: Number of new collaborative agreements led by NMISA	New KPI	1	1	1	No deviation	No deviation, target achieved.

Client satisfaction remains a key focus for NMISA, with the organisation setting a target of at least 70 % for both measurement services and training courses. NMISA met both targets during the reporting period, achieving satisfactory rates of 82 % for measurement services and 90 % for training courses, respectively. Measures are being implemented to improve turnaround times for measurement services in order to further enhance client satisfaction and align more closely with the higher satisfaction levels achieved for training courses.

To ensure regional, continental, and international comparability of South Africa's measurement infrastructure, NMISA realised and maintained five SI base units during the reporting period. In addition, the SI base unit for luminous intensity, the candela, was maintained through imported traceability.

3.3 LINKING PERFORMANCE WITH BUDGETS

Table 4: Linking performance with budgets

PROGRAMME	2025/26			2024/25		
	APPROVED BUDGET R'000	ACTUAL EXPENDITURE R'000	(OVER)/ UNDER EXPENDITURE R'000	APPROVED BUDGET R'000	ACTUAL EXPENDITURE R'000	(OVER)/ UNDER EXPENDITURE R'000
Administration	105 744	107 503	(1 759)	96 871	101 254	(4 383)
Metrology (Realisation, maintenance and development of the national measurement standards)	89 736	140 049	(50 313)	105 621	153 071	(47 450)
Total	**195 480**	**247 552**	**(52 072)**	**202 492**	**254 325**	**(51 833)**

3.4 STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

The only target not achieved during the reporting period related to securing funding for the development and implementation of Digital Calibration Certificates (DCCs). Progress was constrained by limited industry awareness and uptake of the concept. NMISA will continue its stakeholder engagement efforts during the coming financial year to support broader understanding and adoption of DCCs.

3.5 NMISA'S CONTRIBUTION TO the dtic OUTPUT TARGETS

NMISA continued to align its technical work with **the dtic's** key strategic priorities: digitalisation, decarbonisation, and diversification. Through targeted collaborations and high-impact initiatives, NMISA supported broader national development goals while also extending its reach across the African continent.



Report on NMISA's contribution to the dtic's strategic interventions

PERFORMANCE INDICATOR	PLANNED TARGET 2025/26	ACTUAL ACHIEVEMENT 2025/26	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2025/26	COMMENTS ON DEVIATIONS
DIRECT CONTRIBUTION TO THE DTIC STRATEGIC INTERVENTIONS				
D01: Number of SMMEs receiving technical support, training, or measurement services from NMISA annually	**20**	**57**	**37**	Higher uptake was driven by sustained demand from SMMEs providing commercial technical services in calibration, testing, instrumentation, and broader engineering and industrial support.
D02: Number of in-service interns or trainees hosted annually through NMISA's Human Capital Development (HCD) Programme *(same as NMISA KPI 10)*	**6**	**8**	**2**	Two additional interns were hosted through appointments made in collaboration with external Human Capital Development partners – one through the Human Sciences Research Council in conjunction with the Department of Science and Innovation, and the other through the Innovation Hub.
D03: Number of new/improved digital solutions implemented annually to increase operational efficiency and/or improve client experiences	**1**	**1**	**No deviation**	No deviation, target achieved,
D04: Develop and implement Digital Calibration Certificates (DCCs)	Funding secured to initiate the development of DCCs	**0**	**-1**	Lack of industry uptake and understanding of the DCC concept. Stakeholder engagements to continue within the next financial year.
SUPPORTING CONTRIBUTIONS TO THE DTIC STRATEGIC INTERVENTIONS				
D05: Number of new or improved measurement capabilities established and operationalised to support climate-related trade measures, energy efficiency standards, or green industrialisation initiatives *(included in NMISA KPI 3)*	**1**	**2**	**1**	One additional measurement capability improved to support climate-related trade measures, energy efficiency standards, and green industrialisation initiatives.
D06: Metrology support services to be integrated (as part of the larger Technical Infrastructure framework) in the Master Plans during each review	NMISA to participate in **the dtic** review of the Sugar Master Plan	NMISA participated in the review of Sugar Master Plan through **the dtic** Agro-Processing Business Unit	**No deviation**	No deviation, target achieved.
D07: Number of international delegates hosted at NMISA-organised or co-hosted events per financial year	**20**	**59**	**39**	The signing ceremony and laboratory visit by delegates from the National Institute of Metrology in China and visitors from the ZICITA International Cooperation Committee, Nanjing Boson Company, and Beijing Mentougou District Metrology contributed to the increased number of international delegates hosted. NMISA is the leading National Metrology Institute in the region with an established training centre, resulting in an increase in international delegates from other NMIs seeking metrology training services.
D08: Number of new State-Owned Enterprises (SOEs) or companies within Special Economic Zones (SEZs), Industrial Parks, or outside metropolitan areas supported annually through NMISA services	**5**	**14**	**9**	Broader uptake of NMISA services across priority industrial sectors, reflecting increased engagement with SOEs and companies in SEZs, industrial parks, and non-metropolitan areas.
D09: Number of African countries contracting NMISA's metrology services and products annually	**5**	**14**	**9**	The NMISA Training Centre is attracting an increasing number of training contracts from African National Metrology Institutes seeking to expand their metrology capabilities.
D10: Number of ILCs and PTS organised and completed within AFRIMETS	**3**	**5**	**2**	Two additional PTS completed.

3.6 MARKET SECTORS SUPPORTED BY THE PROGRAMMES

Africa Reference Institute

During the 2025/26 financial year, the Africa Reference Institute (ARI) continued to strengthen its position as a regional centre of excellence for reference measurements and metrology capacity development. Through the Reference Measurement Laboratory and Training Centre, ARI contributes to industrial competitiveness.

The Reference Measurement Laboratory delivered accredited analytical and reference measurement services to the essential oils sector, supporting product traceability, quality verification and market access. Continued demand for essential oil analyses generated revenue and reinforced the laboratory's role in supporting agricultural value chains and fair-trade practices. ARI also successfully completed method development and pre-validation studies using advanced gas chromatography-pyrolysis techniques for pharmaceutical applications.

Through the Training Centre, ARI continued to advance metrology capacity development across South Africa and the African continent. A comprehensive programme of technical training was delivered throughout the year, equipping participants from industry, laboratories, regulatory institutions, and NMIs with the knowledge and skills required to implement internationally recognised measurement practices.

As part of NMISA's regional and international relations, the organisation continued to strengthen South Africa's leadership and visibility within the African metrology community. This included preparatory activities following the offer for South Africa to host the permanent AFRIMETS Secretariat. Planning also commenced for key AFRIMETS governance engagements, including the AFRIMETS General Assembly to be hosted in Ethiopia and the AFRIMETS Board Meeting to be hosted in South Africa.

To support participation in these engagements, NMISA submitted of a funding proposal to the PTB covering registration fees, invitation letters to participants, travel and accommodation arrangements. The proposal was approved.



NMISA also continued to promote diversity and inclusion within the metrology community. Representing NMISA, Ms Manganyi participated as a panellist in a webinar hosted by the Standards and Metrology Institute for Islamic Countries (SMIIC) on "Empowering Women in Metrology". The webinar provided an opportunity to share experiences, promote gender equality and highlight opportunities for women within the metrology sector.

ACHIEVEMENTS

Reference Measurement Laboratory

- Supported product traceability, authenticity verification, quality assurance and fair trade through essential oil analysis.
- Expanded analytical service offerings into the pharmaceutical sector through method development and pre-validation activities.
- Participated in international proficiency testing programmes to maintain technical competence and measurement credibility.
- Conducted specialised analytical testing services for industry clients.
- Developed future technical capability through bursary-supported laboratory training and skills development.

Training Centre

- Delivered a comprehensive programme of metrology and laboratory quality training courses.
- Conducted training on ISO/IEC 17025, ISO/IEC 17043, ISO 17034, ISO 33405 and related international standards.
- Delivered regional capacity-building programmes on pressure, dimensional, electrical and radio frequency metrology.
- Provided training in measurement uncertainty, method validation, volume measurement, calibration interpretation and analytical measurement techniques.
- Supported food safety, manufacturing and regulatory sectors through specialised technical training.
- Delivered international training programmes in support of NMIs and regional partners.
- Supported AfCFTA objectives through the development of measurement capability and quality infrastructure across Africa.





Law Enforcement

NMISA continued to support the integrity and legal defensibility of measurement-based law enforcement through the calibration, technical evaluation, and performance verification of speed measurement devices and evidential breath analysers. These services contributed to the reliable operation of instruments used in road traffic enforcement by supporting compliance with prescribed performance specifications and maintaining traceability to national and international measurement standards. As a result, law enforcement agencies and regulators were provided with greater confidence in the accuracy and reliability of measurement results used for enforcement purposes.

A key deliverable of the initiative was the provision of independent technical support to regulatory authorities during the type approval of new law enforcement instruments. Through performance testing, conformity assessments and technical evaluations, NMISA assisted in confirming compliance with applicable metrological and regulatory requirements before instruments were approved for operational use. NMISA also marked 20 years of continuous support to the National Health Laboratory Service's forensic pathology laboratories through the supply of CRMs for forensic blood alcohol testing and PTS, which underpin measurement assurance for driving-under-the-influence enforcement activities.

NMISA further strengthened South Africa's legal metrology and regulatory infrastructure through collaboration with the RTMC, the NRCS, and participation in SABS Technical Committee TC 70. Contributions included the development and review of requirements for evidential breath analysers, speed measurement instruments, vehicle mass measurement equipment and verification body competence. NMISA also provided metrological input to emerging technology priorities, including electric vehicle charging standardisation and the implementation of **the dtic** Electric Vehicle White Paper, supporting a safe, compliant, and standards-based transition to new vehicle technologies.

ACHIEVEMENTS

- Supported the regulator during type approval processes through testing and conformity assessments.
- Provided traceability for equipment used for law enforcement.
- Enhanced confidence in the accuracy and legal validity of enforcement measurements.
- Strengthened collaboration between NMISA, the regulator, and law enforcement agencies.

This initiative played a critical role in ensuring that speed-related enforcement decisions were based on accurate, traceable, and reliable measurements.



Health and Safety

The Health and Safety sub-programme provides reliable measurement traceability for medical and ionising radiation detection devices, supporting manufacturers, regulators, end users and accreditation bodies. The programme ensures the accuracy of measurements in the health and nuclear sectors, contributing to patient safety and regulatory compliance. It addresses gaps in measurement science through stakeholder collaboration, the development of specialised metrology techniques, and the consolidation of traceability services for laboratories, hospitals, nuclear facilities, and related industries.

Through this programme, NMISA secured funding of over R6 million through an International Atomic Energy Agency (IAEA) Technical Cooperation project SAF5021 to develop alpha-spectrometry capabilities. This major achievement will support the mining sector and other industries where Naturally Occurring Radioactive Material (NORM) is a concern. Alpha-spectrometry will supplement NMISA's existing radioanalytical capabilities to offer a comprehensive radioanalytical service. The two-year project started in January 2026. NMISA plays an integral role in safeguarding public health and safety by providing accurate and precise measurements of radioactivity in food and the environment. Through strict adherence to global safety standards, the Institute effectively mitigates health risks posed by radioactive contamination, ensuring the safety and integrity of South Africa's food systems and public health and safety.

The Radioactivity Standards section successfully completed its IEC/ISO 17025 reassessment to maintain its accreditation and also increased its scope of accredited items with the addition of an item for the analysis of Tritium in water samples using liquid scintillation analysis, thereby expanding its service offering to the nuclear regulatory and the nuclear industry.

NMISA completed radioanalytical testing of various environmental samples for the nation's nuclear regulatory body as part of the environmental monitoring programme for South Africa's nuclear power station. Sixty-six (66) Certificates of Analysis were issued to the NNR for tritium liquid scintillation and gamma-ray spectrometry analysis of environmental samples.

Through an IAEA sponsorship, a NMISA intern was awarded a two-year MSc bursary at an overseas university, with the first year dedicated to coursework and the second to practical laboratory training. The studies started in January 2026. The programme is the first international academic programme with a focus on radiation metrology, with a South African being amongst the first beneficiaries.

The programme expanded its impact by providing services to various industries, including mining, nuclear energy, the health sector, and Non-Destructive Testing (NDT). These services were provided for both local and regional industries, especially in the SADC region. The extensive use of NMISA's metrology services across these vital sectors in ensuring nuclear safety highlights the Institute's crucial role in maintaining and advancing industrial safety standards throughout South Africa and the region. The achievements demonstrate NMISA's commitment to ensuring safety and precision for industries that rely on nuclear technologies.

ACHIEVEMENTS

- Achieved measurement equivalence through participation in measurement comparisons.
- Built capacity through the training of interns and skills development programmes for employees.
- Maintained the NMS and dissemination traceability through calibration and radioanalytical services.
- Partnered with international organisations, including the IAEA, to provide technical expertise and consultation in other countries.
- Supported MSMEs to strengthen regulatory compliance, improve product quality and accelerate market access.
- Conducted stakeholder engagements to inform the organisational strategic relevance.







Energy Efficiency

The Energy Efficiency sub-programme was implemented to improve energy performance, measurement accuracy and operational sustainability across multiple industries through improved calibration and metrology services. The programme focused on ensuring that critical measurement equipment operated at optimal accuracy, enabling organisations to reduce energy consumption, improve process efficiency, minimise waste, and maintain compliance with regulatory and quality requirements.

The programme comprised strategic projects covering key measurement disciplines such as: direct current low frequency (DCLF) and radio frequency (RF), photometry and radiometry, and temperature and humidity. Together, these projects supported industries such as energy, telecommunications, manufacturing, mining, healthcare, transportation, environmental monitoring, and research and development.

The DCLF and RF project improved the calibration and performance verification of electrical and RF measurement equipment used in power systems, telecommunications networks, electronic manufacturing, and industrial automation. Accurate calibration enabled organisations to optimise energy use, improve equipment reliability, reduce downtime, and ensure efficient operation of electrical infrastructure.

The photometry and radiometry project focused on calibrating instruments used to measure light and optical radiation. Through ensuring accurate measurement of lighting systems and optical devices, industries were able to improve energy-efficient lighting performance, optimise illumination levels, reduce energy consumption, and support sustainability initiatives in commercial, industrial and public-sector environments.

Accurate temperature and humidity measurements are critical for energy management in manufacturing facilities, laboratories, cold-chain logistics, data centres and building management systems. Improved measurement accuracy contributed to reduced energy waste, enhanced process efficiency, and optimised environmental control systems.

ACHIEVEMENTS

- Improved accuracy and reliability of energy-related measurements and monitoring systems.
- Enhanced operational efficiency through optimised equipment performance
- Improved asset utilisation and reduced downtime.
- Compliance with national and international standards and regulatory requirements.
- Strengthened capability to support sustainability, carbon reduction, and energy management objectives.

The programme reinforced the critical role of measurement science and calibration in achieving energy efficiency objectives. Ensuring that measurement instruments across diverse sectors operate with traceable accuracy and reliability, the sub-programme enabled organisations to make informed energy management decisions, improved resource utilisation and accelerate their transition toward more sustainable and efficient operations.





Manufacturing

During the reporting period, the Manufacturing sub-programme provided technical support to a broad range of South African industries through several strategic projects, with materials characterisation remaining the flagship activity. The project delivered critical measurement and analytical services to sectors including food safety, environmental monitoring, automotive, aviation, textiles, nanotechnology, and additive manufacturing. These interventions assisted industry in addressing challenges relating to material integrity, failure mechanisms, product safety and performance optimisation, thereby supporting competitiveness and innovation.

A notable engagement within the aviation sector involved investigating corrosion damage on aircraft panels used in helicopters deployed for wildfire response operations. The analysis identified the degradation mechanisms and informed preventative maintenance strategies, contributing to improved operational safety, reduced downtime, and extended asset lifespan. In the food and beverage industry, failure analysis was conducted for a beverage packaging manufacturer to determine the cause of leakage in energy drink cans. Scanning Electron Microscopy (SEM) and Energy Dispersive Spectroscopy (EDS) investigations indicated environmental or external corrosion as the most probable cause, providing valuable information for corrective actions and further mitigation measures. Additional industrial support was provided to a client specialising in automotive thermal management solutions, where advanced materials characterisation techniques were applied to assess potential failure mechanisms in system pins, enabling informed decision-making regarding product reliability and performance.



Strategic Research

Kibble Balance Development Initiative

The Kibble balance is a precision measurement instrument that realises the kilogram directly from the International System of Units (SI) by linking mass measurements to fundamental physical constants through electrical measurements. The technology provides an alternative to artefact-based mass standards and represents the highest level of mass metrology capability. NMISA has been collaborating with NPL (United Kingdom) for several years to build national capability in this field. As part of this collaboration, NPL is developing a benchtop Kibble Balance System for NMISA, with delivery currently anticipated in 2029. This initiative will position South Africa among a small group of countries with direct access to advanced kilogram realisation capabilities and will strengthen the long-term sustainability of the national mass measurement infrastructure.

During the financial year, NMISA participated virtually in the BIPM-organised Kibble Balance Project Meeting, attended by experts and participating institutes from around the world. The meeting programme covered both foundational and advanced aspects of Kibble balance development, including system design considerations, mass and gravity effects, magnet and coil design, mechanical alignment, optical sensing systems, and the electrical measurement techniques required for SI-traceable realisation of the kilogram. Participation provided NMISA with valuable technical insights to support future operation and utilisation of the planned system.

In preparation for the delivery of the benchtop Kibble balance, NMISA is also planning a technical visit to NPL in the United Kingdom. The visit will provide hands-on exposure to operational systems, facilitate direct engagement with international experts, and support knowledge transfer on system operation, maintenance, and measurement methodologies. These activities form part of NMISA's longer-term roadmap to establish national Kibble balance capabilities and enhance South Africa's capacity in advanced mass metrology.





Digital Economy

The Digital Economy sub-programme is intended to modernise and transform organisational processes through the adoption of digital technologies, intelligent workflows and advanced data management practices. A key focus area during the reporting period was the investigation and implementation of DCCs as a strategic enabler of digital transformation in calibration, testing and metrology environments.

The sub-programme aimed to improve operational efficiency, strengthen data integrity, and support digital integration across internal systems and external stakeholder platforms. By transitioning from manual processes to digitally enabled systems, the Institute sought to create a more agile, efficient and future-ready operating environment aligned with the requirements of the emerging digital economy.

A significant component of the initiative involved assessing the feasibility and potential value of DCCs. The investigation explored how DCCs could facilitate the secure exchange of calibration data, enable machine-readable certificates, reduce the risk of human error, and support the automation of laboratory processes. The initiative also considered alignment with international metrology and digital standardisation frameworks to ensure compatibility with global best practice.

ACHIEVEMENTS

- Improved the efficiency and consistency of organisational processes through digital automation.
- Reduced reliance on manual laboratory activities.
- Investigated DCC capabilities, implementation models and potential applications within NMISA.

The Digital Economy sub-programme positions NMISA to respond effectively to evolving industry requirements and emerging international metrology trends. By investigating DCCs and modernising operational processes, the sub-programme is laying the foundation for more connected, data-driven, and interoperable measurement services. These efforts will strengthen organisational resilience, support innovation, and enhance NMISA's ability to participate in and contribute to the broader digital economy.

Mining and Environmental Monitoring

The Environmental Monitoring and Mining sub-programme had a productive 2025/26 financial year, sustaining South Africa's national measurement infrastructure for air quality, automotive and stack emissions, and the emerging renewable energy economy.

During the reporting period, the programme completed six PTS covering nitrogen monoxide, nitrogen dioxide, propane and methane in nitrogen. These PTS enabled South African emissions laboratories to maintain ISO/IEC 17025 accreditation and ensure the credibility of data reported to the South African Air Quality Information System (SAAQIS). Beyond regulatory compliance, the methane PTS carries direct climate policy relevance, equipping laboratories to generate defensible data for national greenhouse gas inventories in support of South Africa's Nationally Determined Contribution (NDC) commitments.

NMISA also participated in international key comparisons coordinated by the Consultative Committee for Amount of Substance: Metrology in Chemistry and Biology (CCQM), advancing CMC claims for stack gases, ozone and ethanol in nitrogen. Ensuring that South Africa's measurement standards remain internationally equivalent and credible.

Building long-term capability for the green energy transition, the sub-programme invested in foundational training through a Gas Safety Knowledge and Cylinder Handling Course and Renewable Power-to-X Basic Training facilitated by the GIZ. These interventions position NMISA to credibly support measurement services currently under development for biogas, LPG, and green hydrogen applications, directly aligned with **the dtic's** decarbonisation agenda.



ACHIEVEMENTS

- Completed six PTS for the ambient air, automotive and stack emissions sectors, supporting ISO/IEC 17025-accredited South African emissions monitoring laboratories to meet testing requirements and ensure the reliability of data reported to SAAQIS.
- Improved and reported the NMS for nitrogen monoxide (NO), strengthening South Africa's primary reference gas measurement capabilities.
- Successfully submitted South Africa's measurement results to the CCQM K71.2025 international key comparison for stack gases, sustaining NMISA's internationally recognised CMCs for stack emission primary reference gas mixtures.
- Achieved final publication of the BIPM.QM-K1 ozone international comparison report, confirming the international equivalence of South Africa's ozone measurement standard and supporting traceable, credible ozone data for environmental monitoring networks, regulators, and research institutions.
- Advanced the CCQM K93.2023 Ethanol in Nitrogen key comparison to the Draft A discussion stage, supporting CMC claims that underpin accurate breath analyser calibration and effective law enforcement across South Africa.
- Built institutional capacity in gas safety and the green hydrogen value chain through completion of a Gas Safety Knowledge and Cylinder Handling Course and GIZ-facilitated Renewable Power-to-X Basic Training, positioning NMISA to support measurement services for biogas, LPG, and green hydrogen applications in alignment with national decarbonisation objectives.

Food and Agriculture

South Africa's agricultural exports reached a record R268,7 billion in 2025, underscoring the sector's significant contribution to the national economy. However, sustaining this performance critically depends on the credibility and international acceptance of food safety measurement systems. A single analytical failure could jeopardise market access, disrupt trade relationships, and negatively impact livelihoods across entire value chains.

Within this context, NMISA's Agriculture and Food sub-programme plays a pivotal role in safeguarding export competitiveness by providing the measurement infrastructure required for reliable food safety compliance. This includes supporting laboratories, regulators, and exporters with trusted, internationally recognised tools. A central component of this support is the development of CRMs tailored to local and regional commodities, ensuring accurate, traceable laboratory measurements. In addition, NMISA delivers ISO 17043-accredited PTS, enabling laboratories to validate their analytical performance and demonstrate competence to regulators and international partners. These efforts directly support the AfCFTA objective of "tested once, accepted everywhere".

The programme also contributes significantly to capacity building across Africa. During 2025/26, NMISA expanded training and technical support through collaborations with the Malawi Bureau of Standards and the Kenya Bureau of Standards. Furthermore, NMISA led Phase 1 of the AFRIMETS "Building Africa's Food Testing Capacity" initiative, securing training commitments for Phase 2 (2026/27) from ten institutions to achieve ISO/IEC 17025 accreditation within 18 to 24 months.

Operationally, NMISA delivered 12 PTS and sold 77 mycotoxin CRM units, reflecting sustained demand for these products. The Institute maintained its triple accreditation (ISO 17034, ISO 17043, and ISO 17025), reinforcing its global credibility and technical competence. Internationally, NMISA continued to strengthen its measurement capabilities through participation in key comparisons. This included the CCQM comparison for elements in pork, supporting its recognised capability to measure contaminants and nutrients in complex food matrices, critical for sectors such as meat exports. Additionally, NMISA participated in CCQM-K194 (water mass fraction measurement), underpinning CMC claims for high-purity organic compounds used in food, environmental, and pharmaceutical testing.







Overall, the Agriculture and Food sub-programme continues to deliver high-impact measurement solutions that protect market access, strengthen laboratory systems, and advance Africa's integration into global trade through trusted measurement science.

ACHIEVEMENTS

NMISA coordinated 12 food-related PTS covering the determination of the following:

- Pesticides in oranges, pears, blueberries and honey;
- Drug residues in honey;
- Mycotoxins in almonds;
- Patulin in apple juice;
- Ochratoxin and elements in coffee;
- Fatty acids, elements and protein in fish;
- Heavy metals in almonds, honey and tea;
- Contaminants in water in support of the new proposed drinking water standard, SANS 241.

In addition to the AfCFTA Food Safety capacity-building winter schools for pesticides, mycotoxins and heavy metals, the Agriculture and Food sub-programme delivered the following food and safety training to African countries:

Malawi

- IAEA Africa Regional Technical Cooperation Fellowship.
- Method validation/verification of analytical methods.
- Determination of heavy metals, mycotoxins and pesticides in food matrices.

Kenya

- Online workshop on the production of reference materials.

3.7 REALISATION, DEVELOPMENT AND DISSEMINATION OF THE NMS FOR SOUTH AFRICA

NMISA is responsible for developing, maintaining and disseminating South Africa's NMS, which form the foundation of the country's measurement system and provide traceability to the International System of Units (SI). These standards underpin accurate, reliable and internationally comparable measurements across sectors including trade, manufacturing, healthcare, environmental monitoring, scientific research and regulatory compliance.

Traceable measurements also support evidence-based decision-making, fair trade and effective regulatory oversight. By ensuring that quantities and product characteristics are measured consistently and accurately, NMISA helps protect consumers and businesses, strengthen compliance and enforcement and build confidence in public institutions and the services they provide.

During the year, NMISA successfully realised and maintained five SI base units and maintained a sixth SI base unit through imported traceability. In addition, the Institute continued to develop and enhance NMS, reference materials and reference methods in response to evolving stakeholder needs and technological advances. These activities strengthen South Africa's measurement infrastructure and support the dissemination of traceable measurement services to industry, government, research institutions and laboratories, ensuring confidence in measurements across a wide range of applications.

Kelvin

NMISA maintains the highest level of national temperature measurement capability through the realisation and maintenance of the International Temperature Scale of 1990 (ITS-90).

This capability is fundamental in ensuring national and international measurement equivalence, enabling South African industries, laboratories, regulators, and researchers to rely on measurement results that are traceable to internationally recognised standards.

Candela

NMISA is responsible for maintaining and disseminating South Africa's national standard for luminous intensity (candela), as well as NMS for radiometry and spectrophotometry. These capabilities provide traceability to the International System of Units (SI) through reference standard detectors calibrated by leading NMIs, ensuring alignment with internationally recognised optical radiation standards.

NMISA maintains capabilities for the calibration and characterisation of detectors and sources of optical radiation, as well as for the measurement of the optical properties of materials. Through these services, NMISA provides measurement traceability to industry, testing laboratories, regulatory authorities, and other stakeholders that rely on accurate and comparable optical measurements.

NMISA's optical measurement capabilities support national priorities including energy efficiency initiatives, lighting product compliance, occupational health and safety, manufacturing quality assurance, public infrastructure projects, and selected law enforcement and forensic applications. By maintaining internationally traceable measurement capabilities, NMISA helps ensure measurement consistency, comparability, and confidence in optical measurements across sectors that depend on reliable optical measurement data.

Kilogram

Until at least 2029, the realisation of South Africa's NMS for mass will continue to rely on Prototype No. 56, the platinum-iridium national standard, which was recently calibrated at the BIPM. Dissemination and traceability will therefore remain dependent on this artefact until the Kibble balance becomes operational and adequately staffed.

These developments highlight the long-term resource planning and strategic investment required for establishing Kibble balance capability. With no dedicated metrologists currently assigned to the programme, NMISA must prioritise personnel allocation, capacity development, and a phased implementation plan to ensure national readiness for future realisation of the kilogram.

Metre

The NMS for metre and length metrology underpins a wide range of industries that depend on accurate and reliable dimensional measurements. It is fundamental to manufacturing and engineering, aerospace, automotive production, semiconductor fabrication, construction, telecommunications, healthcare, scientific research, and trade. Accurate length measurements ensure product quality, safety, regulatory compliance and fair-trade practices, particularly for goods sold by length.

To support these sectors, a robust and accurate realisation and dissemination of the SI unit of length, the metre, is essential.

At the highest level, the metre is realised through laser frequency standards that provide traceability to the International System of Units (SI). At NMISA, the realisation of the metre is achieved using the gazetted Winters Model 100 Iodine-Stabilized He–Ne Laser, which serves as the national primary standard for length.

The laser frequency standard requires a climate-controlled environment to ensure optimal frequency stability and performance. The cold finger of the internal iodine cell is typically maintained at 15 °C ± 0,05 °C through a sophisticated servo-control system. Achieving and maintaining this level of temperature stability is critical for the laser to operate within its specified performance parameters. Significant variations in ambient temperature can induce thermal expansion and mechanical stress within the laser cavity, resulting in frequency drift, mode instability, and degraded system performance. It is therefore essential that the laboratory environment be maintained at 20 °C ± 1 °C to ensure reliable and accurate operation of the laser frequency standard.

Ampere

NMISA performs annual in-house calibrations of its direct current (DC) voltage reference standards against a Programmable Josephson Voltage Standard (PJVS), while its resistance standards are calibrated at the BIPM at three-year intervals. The DC voltage reference standards were most recently calibrated in July 2025, and the resistance standards were calibrated at the BIPM in June 2025. Intermediate checks and verification activities are conducted between calibration intervals to monitor stability and maintain confidence in the measurement standards.

The ampere (A) is realised through the application of Ohm's law using traceable DC voltage and resistance standards. In this approach, the electric current is determined from the ratio of voltage (V), measured in volts, to resistance (R), measured in ohms (Ω), in accordance with the equation V = IR, where (I) represents the electric current in amperes (A). This method provides the foundation for the dissemination of traceable DC current measurements and supports calibration services across a range of current levels.

Second

NMISA continued to maintain and realise the SI unit of time, the second, through UTC(ZA), South Africa's national realisation of Coordinated Universal Time (UTC).

UTC(ZA) is generated from an ensemble of active hydrogen maser atomic clocks and forms the foundation for national time dissemination and traceability. Clock performance was monitored continuously, with measurement data submitted monthly to the BIPM to support the calculation of International Atomic Time (TAI) and UTC.

This capability is fundamental to the following:

- Telecommunications and digital networks;
- Financial transaction systems;
- Navigation and positioning systems;
- Scientific research infrastructure;
- National security applications;
- Legal metrology and law enforcement; and
- Future smart infrastructure and digital economy initiatives.

NMISA continues to fulfil its obligation of submitting monthly data to the BIPM, thereby maintaining South Africa's participation in the global timekeeping network.

Mole

NMISA utilises the SI definition of the mole but does not realise the unit internally at its highest metrological level. The practical realisation of the mole is outlined in the BIPM Mise en pratique for the definition of the mole (2025), which supplements the ninth edition of the SI Brochure and identifies recognised primary methods for establishing traceability to the SI.

Rather than using the highest-accuracy approaches based on the determination of the Avogadro constant and silicon-sphere-based realisations, NMISA supports local calibration laboratories and regional stakeholders through practical realisations and dissemination of the mole based on gravimetric preparation and characterisation of high-purity gases and organic and inorganic substances. The purity (mass fraction) of these substances is accurately determined to establish traceability.

NMISA disseminates these realisations through high-purity CRMs and primary reference gas mixtures. The associated CMCs for purity assignments are published in the BIPM Key Comparison Database (KCDB).

High-purity substances are also used as calibrators in higher-order reference measurement procedures for the accurate quantification of analytes in a variety of matrices, including food, environmental, mining and advanced-material samples. The corresponding NMISA measurement-service CMCs are also published in the KCDB.

4 REVENUE COLLECTION

Table 5: Sources of revenue and collection recognised

SOURCES OF REVENUE	2025/26			2024/25		
	ESTIMATE R'000	ACTUAL AMOUNT COLLECTED R'000	(OVER)/ UNDER COLLECTION R'000	ESTIMATE R'000	ACTUAL AMOUNT COLLECTED R'000	(OVER)/ UNDER COLLECTION R'000
Transfer revenue	175 099	175 099	-	177 312	177 312	-
Rendering of services	27 148	28 400	(1 252)	24 680	26 985	(2 305)
Interest received	8 000	7 836	164	4 000	8 307	(4 307)
Other income	-	-	-	-	918	(918)
Gain on exchange differences	-	603	(603)	-	47	(47)
Total	**210 247**	**211 938**	**(1 691)**	**205 992**	**213 569**	**(7 577)**

5 CAPITAL INVESTMENT

NMISA has no infrastructure projects.



PART C
GOVERNANCE





1 INTRODUCTION

NMISA was established in terms of the Measurement Units and Measurement Standards Act (Act No. 18 of 2006). The Institute has adopted the King V Report on Corporate Governance™ for South Africa, 2025 (King V™), as a guiding framework for good governance, together with applicable laws and regulations. NMISA's policies promote best practice, processes and systems that enable the Board to fulfil its governance responsibilities while supporting accountability.

Corporate governance is underpinned by effective leadership, oversight, and management accountability, supported by high ethical standards. This promotes sound governance outcomes, including effective controls and an ethical organisational culture.

The King V™ principles encourage reporting that focuses on the organisation's impact on the economy, the environment and society. NMISA's Annual Report includes statements on the effectiveness of internal controls, risk governance, remuneration, compliance with applicable laws and regulations, ethical conduct, and the Institute's response to social needs. These are also in line with the National Treasury Guidelines on reporting.

Parliament, the Executive Authority, and the Accounting Authority of the public entity are responsible for corporate governance.

2 PORTFOLIO COMMITTEES

The Parliamentary Portfolio Committee on Trade, Industry and Competition exercises oversight over NMISA's performance in support of economic growth. The Standing Committee on Public Accounts (SCOPA) reviews the Annual Financial Statements and the External Auditor's report issued by Nexia SAB&T.

During the period under review, NMISA, through **the dtic**, made several submissions relating to Board fees paid to Board members. The primary submission was Parliamentary Question (PQ) 7008, which was due in November 2025.

3 EXECUTIVE AUTHORITY

NMISA is a Schedule 3A public entity in terms of the PFMA. As an entity of **the dtic**, the Minister serves as the Executive Authority. The Executive Authority exercises oversight in accordance with the provisions of the PFMA.

The Board, through its chairperson, held regular briefing sessions with the minister to provide updates on governance matters, particularly those arising from the prolonged vacancy in the CEO position and the Board vacancies resulting from resignations and the passing of a Board member. These challenges affected NMISA's ability to effectively fulfil its mandate.

Engagements with the Executive Authority (Shareholder) resulted in positive developments, with the Minister appointing a **dtic** representative to the NMISA Board in October 2025 and subsequently filling the CEO position in January 2026.

Table 6: Reports submitted to the Executive Authority

REPORT	DATE
NMISA Quarter 1 Report	31 July 2025
NMISA Quarter 2 Report	31 October 2025
NMISA Quarter 3 Report	31 January 2026
NMISA Quarter 4 Report	30 April 2026
NMISA Annual Performance Plan 2025/26–2026/27	31 January 2025
NMISA Revised Annual Performance Plan 2025/26–2026/27	31 October 2025
NMISA Strategic Plan 2025/26–2028/29	31 January 2025
NMISA Revised Strategic Plan 2025/26–2028/29	31 October 2025
NMISA Shareholder Compact 2025-2026	1 October 2025

4 THE ACCOUNTING AUTHORITY/BOARD

4.1 INTRODUCTION

The NMISA Board is appointed by the Minister of Trade, Industry and Competition in terms of Section 10(1)(a)(b)(c) of the Measurement Units and Measurement Standards Act (the Act). As declared in Section 49(2)(a) of the PFMA, the Board serves as NMISA's Accounting Authority. The Board is further governed by the Board's Terms of Reference, which set out the Board's functions, powers, and responsibilities.

4.2 THE ROLE OF THE BOARD

The Board is principally responsible for providing strategic direction, oversight of the organisation and setting the tone for ethical and effective leadership. NMISA remains committed to the principles of openness, integrity and accountability. It continually reviews its processes and practices to ensure compliance with legal obligations and adherence to good corporate governance.

In addition to fulfilling, the roles and responsibilities in accordance with King V™, the Measurement Units and Measurement Standards Act, and the PFMA, the Board also:

- Approves NMISA's Strategic Plan, Annual Performance Plan (APP) and Annual Financial Statements and budgets; and monitors the implementation of approved plans.
- Ensures that NMISA fulfils its mandate under the Act by maintaining the rules and symbols measurement units in the Republic and the National Measurements Standards in terms of Section 5 of the Act.
- Ensures that NMISA has and maintains effective, efficient, and transparent systems of financial and risk management, as well as internal controls.
- Ensures that NMISA has and maintains a system of internal audit under the control and direction of the Audit and Risk Committee (ARC).
- Takes effective and appropriate steps to prevent irregular expenditure, fruitless and wasteful expenditure, losses resulting from criminal conduct, and expenditure that does not comply with NMISA's policies.
- Promotes an ethical culture through regularly reviewed policies and advocates for uncompromising integrity and a transparent environment.
- Prepares the Annual Financial Statements for each financial year in accordance with generally accepted accounting practice.
- Determines policies and processes to ensure the integrity of NMISA's risk management and internal controls.
- Provides decisive and effective leadership on key matters of strategic direction by bringing an independent, informed and effective view.

4.3 BOARD TERMS OF REFERENCE

The Board is committed to executing its duties in accordance with the principles of King V™. As such, the Board has developed Terms of Reference that define its operating parameters, ensure good corporate governance, and outline the roles and responsibilities of the Board.



4.4 BOARD PROFILES



Dr Precious Motshwene
Chairperson of the Board and Non-Executive Director

Appointed 1 October 2023

Dr Motshwene is a nationally recognised leader in science, innovation and industrial policy. He was appointed by the Minister of Trade, Industry and Competition to chair the Ministerial Task Team responsible for developing South Africa's Circular Economy Framework. He is the author of four national Master Plans developed in partnership with senior leaders from government and national technical infrastructure institutions. He also authored South Africa's Clean Trade and Investment Partnership (CTIP) Master Plan, working closely with the Director-General of **the dtic**. His contributions include technical cooperation engagements with the Government of Japan and interdepartmental initiatives advancing South Africa's End-of-Life Vehicle programme.

Dr Motshwene serves as a senior lecturer in the Division of Biochemistry at the University of Pretoria and holds a PhD in Biochemistry from the University of Cambridge, where he previously worked as a Research Associate. He also serves on the Council for Scientific and Industrial Research's (CSIR's) Research Ethics Committee, contributing to the oversight of research ethics, governance and regulatory compliance.



Prof. Andy Buffler
Non-Executive Director

Appointed 1 October 2023

Prof. Buffler is a professor in the Department of Physics at the University of Cape Town (UCT), where he serves as Director of the Metrological and Applied Sciences University Research Unit (MeASURe). He also chairs the UCT project aimed at re-establishing a proton therapy centre in South Africa.

His research interests are mainly related to the measurement of neutrons and gamma radiation fields, most often with industrial or workplace application. He is extensively involved with the development and use of the fast neutron beam facilities at both UCT and at iThemba LABS, with a focus on metrological aspects.

Prof. Buffler is also committed to teaching physics to many students and plays an active role in university administration.



Prof. Lorna Holtman
Non-Executive Director

Appointed 1 October 2023

Prof. Holtman was a distinguished academic with more than 35 years of experience in higher education. She held a PhD from Louisiana State University and qualifications from the University of South Africa (Unisa) and the University of the Western Cape (UWC). She specialised in science and mathematics education and made significant research contributions.

She served for 15 years as Director of the Division for Postgraduate Studies at the University of the Western Cape. She was a qualified science educator and a Certified Reinvention Practitioner specialising in career development. She led a non-profit organisation dedicated to youth development and entrepreneurship. In addition, she chaired the DD Institute Council in Namibia, advised internationally on data science and artificial intelligence (AI), and served as a Director of HOEDA Agritech in South Africa.

* Prof. Holtman served as a member of the Board until her passing in May 2026.



Mr Gerhard Fourie
Non-Executive Director

Appointed 1 October 2025

Mr Fourie is the Chief Director in Green Industries at **the dtic**. The Green Industries Chief Directorate's main objectives are to design/implement or align with policies, strategies and programmes to strengthen the ability of manufacturing and other sectors of the economy, to create decent jobs, promote inclusion and increase value addition and competitiveness in both domestic and export markets.

His roles and responsibilities include strategy and policy development, alignment and planning, focusing mainly on green industries. He is also responsible for the management and strategic oversight of the National Cleaner Production Centre Programme.



Ms Babalwa Songongo
Non-Executive Director

Appointed 1 October 2023

Resigned 30 October 2025

Ms Songongo is a Chartered Accountant with extensive experience in the finance field. Originally from Gqeberha in the Eastern Cape, she holds a BCom in Accounting from Nelson Mandela University and a BCom Honours from the University of KwaZulu-Natal. She completed her training articles at PricewaterhouseCoopers in Gqeberha and qualified as a CA(SA) in 2007.

She currently serves as a Finance Manager, a position she has held since January 2019. Her career includes senior roles such as Regional Finance Manager at Absa and Management Accountant at Coega Development Corporation. She has also gained valuable leadership experience by acting as CFO and engaging with key stakeholders like the National Treasury and **the dtic**.



Ms Sara Prins
Non-Executive Director

Appointed 1 October 2023

Ms Prins is the Chief Executive Officer of UIS Analytical Services, an accredited chemical testing laboratory, with extensive experience in strategic business management, financial management, quality management and accreditation.

As a certified Six Sigma Green Belt, she applies artificial intelligence (AI), business analytics and data analysis to drive business automation, improve operational efficiency and optimise production.

Her career includes significant experience in the public sector, including roles as a peer-reviewed scientific researcher at the CSIR and Research and Knowledge Manager at NMISA. She has contributed extensively to standards development projects in nanotechnologies, surface characterisation, and biofuels, and participated in the establishment of metrology-in-chemistry infrastructure and networks in Africa.



Dr Alufelwi Tshavhungwe
Non-Executive Director

Appointed 1 October 2023

Dr Tshavhungwe brings more than three decades of distinguished experience spanning academia and the public sector. His public service career is strategically focused on advancing South Africa's national system of innovation. His extensive professional background is underpinned by rigorous academic training, holding a PhD in Chemistry from the University of the Witwatersrand (Wits) and a Master of Science from Eastern Illinois University in the United States, as well as foundational degrees in physical sciences and education.

Further strengthening his strategic and corporate governance capabilities, Dr Tshavhungwe completed the Management Advancement Programme at Wits Business School and is a member of the Institute of Directors in South Africa (IoDSA).



Dr Wynand Louw
Non-Executive Director

Appointed 1 October 2023

Dr Louw is a physicist and metrology expert with extensive experience in scientific research, materials science and the development of South Africa's national measurement infrastructure. He holds both an MSc and a PhD in Solid-State Physics from the University of the Free State. He spent 20 years at the CSIR as a materials and materials characterisation researcher, focusing on hard materials development and industrial problem-solving. During this period, he collaborated with universities and research institutions in South Africa and abroad, including in France, Germany, and the United States. In 1998, he joined the CSIR's National Metrology Laboratory and later became Manager of Metrology in Chemistry and Biology. He subsequently served as General Manager of the National Metrology Laboratory and played a key role in developing South Africa's new Metrology Act. Between 2005 and 2007, he assisted the then Department of Trade and Industry in establishing NMISA.

Following NMISA's establishment in 2007, Dr Louw was appointed Acting CEO and later became Director of the Regional, International Liaison and Innovation Division, a position he held until his retirement in 2023. From 2014 to 2022, he served as the National Champion for Materials Research under the South African Research Infrastructure programme, helping to develop a national materials characterisation strategy.

Internationally, he was elected to the International Committee for Weights and Measures (CIPM) in 2013 and became President of the Consultative Committee for Ionising Radiation in 2014. In 2019, he was elected President of the CIPM, the first African to hold the position, and was re-elected in 2023 while leading strategic initiatives to expand global participation in the International Bureau of Weights and Measures (BIPM), particularly for developing African countries.



Dr James Tshilongo
Non-Executive Director

Appointed 1 October 2023

Dr Tshilongo is an accomplished leader with over 20 years of experience across metrology, minerals, environmental science, academia and air quality. He currently serves as Executive Manager: Analytical Chemistry Division at the Council for Mineral Technology (Mintek), where he leads quality-driven analytical services and contributes to scientific excellence.

He holds a PhD in Science of Measurement from the University of Science and Technology in South Korea, completed in collaboration with the Korea Research Institute of Standards and Science (KRISS). His career began at NMISA, progressing from intern to senior leadership positions, including Head: Gas Analysis Section and Programme Manager: Commercial Services.

Dr Tshilongo also contributes to academic and research development through the supervision of master's and doctoral students and has established a strong publication record in high-impact scientific journals. He holds an Honorary Researcher position in the School of Chemistry at the University of the Witwatersrand and is a Research Fellow at the University of South Africa.

He serves on the Executive Committee and Assembly of Governors of the International Continental Scientific Drilling Program (ICDP) and is an Executive Council member of the National Association for Clean Air (NACA). His work reflects a strong commitment to scientific integrity, collaboration, leadership and the advancement of quality standards across South Africa's scientific, mining and environmental sectors.



Dr Mbulelo Nokwequ
NMISA CEO (Ex-Officio Board Member)

Appointed 1 January 2026

Dr Nokwequ serves as CEO of NMISA. Dr Nokwequ holds a doctorate in chemistry and began his career in research and academia before moving into public sector leadership. As CEO, he is responsible for South Africa's primary measurement standards, directing an executive team and a workforce of approximately 130 specialised scientific and technical personnel, and representing the country's national measurement system in international metrology forums.

In his previous role as a Head of Department for Economic Development, Tourism, and Environmental Affairs in the Free State, he led the province's industrialisation, investment attraction, tourism growth, and environmental protection efforts, including initiatives geared towards the development and growth of MSMEs. His leadership is characterised by the integration of innovation, scientific rigour, institutional governance, and strategic stakeholder engagement.

4.5 COMPOSITION OF THE BOARD

NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIP	OTHER COMMITTEES/ TASK TEAMS	NO. OF MEETINGS ATTENDED
Dr Precious Motshwene	Chairperson	1 October 2023	N/A	• PhD in Biochemistry • MSc in Molecular and Cell Biology • BSc Honours Biochemistry	• Biochemistry • Molecular Biology • Innate Immunity • Research Ethics	• CSIR • University of Pretoria • Dr Gugu Consulting (Pty) Ltd • GF Brands (Pty) Ltd	• Human Resource and Remuneration Committee • Social and Ethics Committee	17
Ms Babalwa Songongo	Member	1 October 2023	30 October 2025	• CA(SA) • BCom Honours in Accounting • BCom Accounting	• Financial Management Reporting • Budget analysis	• Preferred Provider Negotiators • Zonwabise Resorts Holdings	• Audit and Risk Committee • Social and Ethics Committee	15
Mr Gerhard Fourie	Shareholder representative	1 October 2025	N/A	• Diploma in Mechanical Engineering • BCom (Economics) • Master's degree in business administration (MBA) • Advanced Certificate in Information Systems Management • Certificate in Customs Affairs • Business Sustainability Management – University of Cambridge, Institute of Sustainability Leadership • SAP R/3 Application Consultant	• Representative of the Department of Trade, Industry and Competition (**the dtic**) • Green Economy and Sustainability • Industrial Policy and Strategy • Economic Development and Industrial Transformation	• Chief Director in Green Industries in **the dtic** • Alternate member of the Sanedi Board	• Human Resource and Remuneration Committee • Audit and Risk Committee	5
Ms Sara Prins	Member	1 October 2023	N/A	• MSc in Metallurgical Engineering/Material Science • BSc Honours in Metallurgy • BSc in Chemistry and Applied Mathematics	• Strategy • Business Informatics and Analytics • Financial Management • Budgeting • Laboratory Management Accreditation	• UIS Microbiology	• Human Resource and Remuneration Committee • Technical Committee	15
Dr Alufelwi Tshavhungwe	Member	1 October 2023	N/A	• PhD in Chemistry • MSc in Chemistry • BSc Honors in Chemistry • BSc Majoring in Physics and Chemistry • University Education Diploma – Majoring in Mathematics Methodology and Physical Science Methodology	• Public Service • Academia • Chemistry • Nanomaterials/ Nanotechnology	N/A	• Audit and Risk Committee	16

NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIP	OTHER COMMITTEES/ TASK TEAMS	NO. OF MEETINGS ATTENDED
Prof. Lorna Holtman	Member	1 October 2023	N/A	• PhD in Science Education • MPhil in Science Education • Bachelor of Education (Honours) • Higher Diploma in Education • BSc Honours in Zoology • BSc in Zoology and Botany	• Research • Research Capacity Development • Curriculum Specialist in Science and Mathematics	• Hoeda Agritech (Pty) Ltd (Director), RS • YLEET NPO (CEO/ Director), RSA • Mozisha International Holdings, Delaware, USA (Board member)	• Social and Ethics Committee • Audit and Risk Committee	12
Prof. Andy Buffler	Member	1 October 2023	N/A	• PhD in Experimental Nuclear Physics • MSc in Nuclear Physics • PGCE • BSc Honours • BSc in Physics	• Radiation metrology and applications measurement uncertainty and the SI	• MeASURe	• Technical Committee • Human Resource and Remuneration Committee	12
Dr James Tshilongo	Member	1 October 2023	N/A	• PhD in Science Measurement/ Chemistry • MSc in Chemistry • BSc Honours in Chemistry • BSc • Advanced Project Management Certificate • Project Management Certificate	• Science of Measurement and Minerals	• South African Environmental Observation Network • Council member of National Association for Clean Air (NACA) • Council member for EFTEON Advisory Panel	• Audit and Risk Committee • Technical Committee	18
Dr Wynand Louw	Member	1 October 2023	N/A	• PhD in Physics • MSc in Physics • BSc Honours in Physics • BSc Physics and Chemistry	• Material Characterisation • Metre Convention affairs • Metrology in general	• CIPM President	• Technical Committee • Social and Ethics Committee	16
Dr Mbulelo Nokwequ	Ex-officio member – Executive Director	1 January 2026	N/A	• DTech in Chemistry • MSc in Chemistry • BSc in Chemistry and Mathematics	• Carbohydrate Chemistry • Medicinal Chemistry • Environmental Protection • Public Administration	-	• Audit and Risk Committee • Technical Committee • Social and Ethics Committee • Human Resources and Remuneration Committee	8

Table 7: NMISA Board Meetings

NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED	NO. OF SPECIAL MEETINGS ATTENDED	NAMES OF MEMBERS
5	4/4	1/1	Dr Precious Motshwene (Chairperson)
	4/4	1/1	Ms Sara Prins
	4/4	1/1	Dr Alufelwi Tshavhungwe
	4/4	1/1	Prof. Lorna Holtman
	4/4	1/1	Dr Wynand Louw
	4/4	0/1	Prof. Andy Buffler
	3/4	0/1	Dr James Tshilongo
	3/4	1/1	Dr Jessie Pillay (Ex-officio)*
	1	0/1	Mr Gerhard Fourie**
	1	0/1	Dr Mbulelo Nokwequ (Ex-officio)***

* Appointed as acting CEO in February 2025
** Appointed in the Board in October 2025
*** Appointed in the Board in January 2026

4.6 COMMITTEES OF THE BOARD

The Board appoints various sub-committees to assist it in discharging its duties and responsibilities.

Each sub-committees is chaired by a Non-Executive Board member and reports to the Board on discussions, conclusions and recommendations. The sub-committees are governed by approved terms of reference that articulate the delegated levels of authority and responsibility. The following sub-committees are in place:

- Audit and Risk Committee
- Social and Ethics Committee
- Human Resources and Remuneration Committee
- Technical Committee

Sub-committees

- IT Steering Committee
- Ad hoc Tender Committee
- Other ad hoc committees – recruitment of an independent external ARC Member, recruitment of an external IT Steering Committee Member and recruitment of the Chief Financial Officer (CFO).



Table 8: Human Resource and Remuneration Committee

COMMITTEE CONSTITUTED	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED	NAMES OF MEMBERS	CAPACITY	START DATE	END DATE
October 2023	4	4/4	Ms Sara Prins	Chairperson	October 2023	N/A
		4/4	Prof. Andy Buffler	Member	October 2023	N/A
		4/4	Dr Precious Motshwene	Member	October 2023	N/A
		0/4	Mr Gerhard Fourie	Member	February 2026	N/A

Table 9: Technical Committee

COMMITTEE CONSTITUTED	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED	NAME OF MEMBERS	CAPACITY	START DATE	END DATE
October 2023	4	3/4	Prof. Andy Buffler	Chairperson	October 2023	N/A
		4/4	Dr James Tshilongo	Member	October 2023	N/A
		4/4	Ms Sara Prins	Member	October 2023	N/A
		4/4	Dr Wynand Louw	Member	October 2023	N/A

Table 10: Social and Ethics Committee

COMMITTEE CONSTITUTED	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED	NAME OF MEMBERS	CAPACITY	START DATE	END DATE
October 2023	4	4/4	Prof. Lorna Holtman	Chairperson	October 2023	N/A
		4/4	Dr Precious Motshwene	Member	October 2023	N/A
		3/4	Ms Babalwa Songongo	Member	October 2023	October 2025
		4/4	Dr Wynand Louw	Member	February 2024	N/A

Table 11: Audit and Risk Committee

COMMITTEE CONSTITUTED	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED	NO. OF SPECIAL MEETINGS	NAMES OF MEMBERS	CAPACITY	START DATE	END DATE
October 2023	9	4/5	4/4	Ms Babalwa Songongo	Chairperson	October 2023	Resigned October 2025
		5/5	4/4	Dr Alufelwi Tshavhungwe	Member	October 2023	N/A
		5/5	4/4	Dr James Tshilongo	Interim Chairperson from November 2025	October 2023	N/A
		1/5	0/4	Prof. Lorna Holtman	Member	February 2025	N/A
		5/5	4/4	Mr Zenzele Myeza	External ARC Member	Reappointed November 2024	N/A
		1/5	4/4	Ms Romeshni Govender	External ARC Member	Reappointed November 2024	Resigned August 2025

Table 12: IT Steering Committee

COMMITTEE CONSTITUTED	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED	NAMES OF MEMBERS	CAPACITY	START DATE	END DATE
July 2022	4	1/1	Ms Maureen Mavunda	Chairperson	July 2022	Term ended June 2025
		1/1	Dr Nomathamsanqa Batyashe	Member	July 2022	Term ended June 2025
		3/3	Mr Nkhangweni Rambau	Chairperson	October 2025	N/A
		3/3	Mr Ashley Latchu	Member	October 2025	N/A

Table 13: Other Ad Hoc Committee Activities/Board Sessions

MEETING DESCRIPTION	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED	NAMES OF MEMBERS
IT Steering Committee – Shortlisting of External Members – 10 June 2025	1	1/1	Ms Romeshni Govender Dr James Tshilongo
IT Steering Committee interviews – 20 June 2025	1	1/1	Ms Romeshni Govender Dr James Tshilongo
Technical committee strategy – 19 August 2025	1	1/1	Dr Wynand Louw Ms Sara Prins Prof. Andy Buffler
IT Steering Committee induction – 3 October 2025	1	1/1	Ms Babalwa Songongo Mr Zenzele Myeza Mr Nkhangweni Rambau Mr Ashley Latchu
External ARC interviews – 11 November 2025 and 17 November 2025	2	2/2	Mr Zenzele Myeza Dr James Tshilongo
Organisational Structure review – 18 February 2026	1	1/1	Dr Wynand Louw Ms Sara Prins Dr Mbulelo Nokwequ
CFO shortlisting – 13 March 2026	1	1/1	Mr Gerhard Fourie
CFO interviews – 13 and 14 April 2026	1	1/1	Mr Gerhard Fourie
Attendance of **the dtic** Ministerial Lekgotla – 20 and 21 February 2026	2	2/2	Dr Precious Motshwene

COMMITTEE	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED	NAMES OF MEMBERS
NMISA Strategic Session and Risk Workshop	2	2/2	Dr Precious Motshwene (Chairperson)
		2/2	Ms Sara Prins
		2/2	Dr Alufelwi Tshavhungwe
		2/2	Prof. Lorna Holtman
		2/2	Dr Wynand Louw
		2/2	Mr Gerhard Fourie
		2/2	Mr Zenzele Myeza
		2/2	Mr Nkhangweni Rambau

4.7 REMUNERATION OF BOARD MEMBERS

NMISA Board members are remunerated in accordance with National Treasury determinations.

Table 14: Remuneration of Board and independent members

NAME	REMUNERATION R	OTHER EXPENSES*** R	TOTAL R
Dr Precious Motshwene	85 042	18 637	**103 679**
Ms Babalwa Songongo	62 826	-	**62 826**
Prof. Andrew Buffler	51 961	16 190	**68 151**
Dr Alufelwi Tshavhungwe*	-	179	**179**
Ms Sara Prins	67 550	14 568	**82 118**
Prof. Lorna Holtman	53 379	14 568	**67 947**
Dr James Tshilongo*	33 066	15 267	**48 333**
Mr Gerhard Fourie*	-	-	**-**
Dr Wynand Louw	72 274	14 623	**86 897**
Dr Mbulelo Nokwequ**	-	-	**-**
Ms Romeshni Govender	49 687	-	**49 687**
Mr Zenzele Myeza	99 374	4 928	**104 302**
Dr Nomathamsanqa Batyashe	4 724	-	**4 724**
Ms Maureen Mavunda	9 448	-	**9 448**
Mr Nkhangweni Rambau	37 790	1 784	**39 574**
Mr Ashley Latchu	9 448	-	**9 448**
	636 569	**100 744**	**737 313**

* Government employee
** Board member (ex-officio)
*** Travel claims

5 RISK MANAGEMENT

5.1 RISK MANAGEMENT POLICY AND STRATEGY

NMISA has an approved Risk Management Policy and Framework. Both documents are reviewed bi-annually and tabled before the Board following the ARC's recommendation for approval.

5.2 RISK ASSESSMENTS

The Combined Assurance Committee, independently chaired by Internal Audit, monitors the implementation and effectiveness of risk mitigation strategies and submits quarterly reports to the ARC. The Committee also tracks progress on mitigation plans, particularly for risks that fall outside the acceptable risk levels. This includes the continuous identification of emerging risks, which are brought to the attention of the Executive Committee, as well as the ARC and, where necessary, the Board.

5.3 COMBINED ASSURANCE COMMITTEE

The Combined Assurance Committee fulfils the functions of a risk management committee and provides assurance on the effectiveness of the Institute's risk management function. The committee's application of the three lines of defence ensures that risks are continuously monitored across the organisation and that implemented mitigation plans address identified root causes, while strengthening the internal control environment. The strategic and operational risk registers are updated quarterly to ensure that all major risks, including emerging risks, are effectively managed.

5.4 INDEPENDENT RISK MONITORING BY THE AUDIT AND RISK COMMITTEE

The ARC provides independent assurance on the effectiveness of risk mitigation strategies, ensures that stakeholder interests are protected, and confirms that risks remain within NMISA's defined tolerance and appetite levels. The ARC monitors the Risk Management Policy, Framework, and implementation plan. It also assesses the extent to which management has established an effective risk management culture and systems within NMISA by reviewing reports on the adequacy and overall effectiveness of the risk management function, its implementation by management, internal control findings, and related recommendations and independently confirming that appropriate corrective actions have been taken.

6 INTERNAL CONTROL UNIT

The internal control role is undertaken by the Internal Audit function, with oversight maintained by the ARC. Further details are presented in section 7 that follows.

7 INTERNAL AUDIT

Internal auditing is an independent and objective assurance and consulting activity that is designed to add value and improve the operations of NMISA. The function assists NMISA to accomplish its objectives by using a systematic and disciplined approach (risk-based audit approach) to evaluate and improve the effectiveness of governance, risk management and internal control processes.

7.1 KEY ACTIVITIES AND OBJECTIVES OF THE INTERNAL AUDIT FUNCTION

Purpose and mandate

Internal Audit provides independent, objective assurance and advisory services that strengthen NMISA's ability to create, protect and sustain value. Through risk-based assurance, advice, insight and foresight, the function supports the Board and management in achieving the organisation's strategic objectives while enhancing governance, risk management and internal controls.

Strategy of internal audit function

The Internal Audit Strategy is aligned with NMISA's strategic objectives and focuses on providing independent assurance over key strategic, operational, financial and compliance risks. In accordance with the Global Internal Audit Standards, the function applies a dynamic, risk-based approach to support continuous improvement, strengthen governance and contribute to the achievement of organisational objectives.

Charter, methodology and internal audit plans

Internal Audit operates in accordance with an approved Internal Audit Charter and fulfils its mandate as required by relevant legislation. The function applies a risk-based methodology to evaluate the adequacy and effectiveness of governance, risk management, and internal control processes. Annual and rolling audit plans are strategically designed to focus on key risk areas, ensuring objective oversight and continuous value creation for all stakeholders.

Independence and objectivity

The Internal Audit function is an in-house function and operates independently of Management. It is free from interference in determining audit selection, scope, procedures, frequency, timing, or report content to permit the maintenance of a necessary independent and objective mental attitude necessary in rendering objective opinions and feedback. The function does not have any direct operational responsibility or authority over any activities it audits. The Executive Committee and management have no influence on the opinions of the function.

The Head of Internal Audit reports administratively to the CEO and functionally to the ARC of the Board. The function has unlimited access to all officers of the organisation, including the chairpersons of the Board and ARC, and the CEO.

The Head of Internal Audit confirms to the Board, at least annually, the organisational independence of the Internal Audit function.

Internal audit methodology

The Internal Audit function applies a risk-based methodology that aligns assurance activities with NMISA's strategic objectives and principal risks. This systematic approach enables the function to evaluate the effectiveness of governance, risk management and internal control processes across the organisation.

Staffing

During the reporting period, the Internal Audit team comprised three full-time professionals, leveraging 3 773 hours of fieldwork to evaluate the organisation's internal control environment. Adhering strictly to the Institute of Internal Auditors (IIA) Standards, the team deployed specialised testing procedures and data analytics to provide objective, evidence-based assurance across all departments.

Quality assurance and improvement programme

The Internal Audit function maintains a comprehensive Quality Assurance and Improvement Programme (QAIP) designed to assess and continuously improve the quality and effectiveness of its activities. The programme includes ongoing internal monitoring, periodic self-assessments and independent external quality assessments conducted in accordance with the Global Internal Audit Standards.

Stakeholder relationships

Internal Audit maintains strong, collaborative relationships with key stakeholders – including the ARC, Executive Management, and operational teams. Ongoing engagement enables the function to understand strategic priorities, align assurance activities with key organisational risks and provide value-adding advisory services while maintaining its independence.

Combined assurance

The Board, through the ARC oversees the entity's combined assurance model. This model integrates and coordinates assurance activities across three lines of defence – including management oversight, the Internal Audit function, and external assurance providers. The objective is to optimise assurance coverage over significant risks, ensure an effective internal control environment, and uphold the integrity of both internal decision-making and external reporting. Based on the assurance reports provided throughout the year, the Board is satisfied that the Institute's material risks are adequately addressed and appropriate mitigating controls are operating effectively.

Value-add of internal auditing

During the 2025/26 financial year, the Internal Audit function added strategic value by providing independent assurance and practical recommendations that strengthened governance, enhanced internal controls and supported effective risk management. Through a risk-based and advisory approach, the function assisted management in improving operational efficiency, safeguarding organisational assets and strengthening governance across the organisation.

Limitations to the activities and objectives of the Internal Audit function

Any attempted scope limitation by any individual must be reported, in writing, to the CEO and to the ARC. Scope limitations are assurance engagement conditions, such as resource constraints or restrictions on access to personnel, facilities, data, and information, which prevent internal auditors from performing the work as expected in the audit work programme. The question of whether an action constitutes a scope limitation is at the judgement of the Interim Senior Manager: Internal Audit.

Except in cases of suspected fraud, the CEO and the ARC may decide to accept a limitation of scope. In such instances, the Interim Senior Manager: Internal Audit should evaluate from time to time whether the circumstances surrounding the scope limitation are still valid and whether the scope limitation needs to be reported again to the CEO and the ARC for their renewed consideration.

There were no instances of limitation of scope during the 2025/26 financial year.

7.2 SUMMARY OF AUDIT WORK

Planned and completed audits

During the financial year, the Internal Audit function executed its risk-based annual plan as approved by the ARC. Our work provided assurance coverage across core operational and financial areas, including Marketing, Communications and Stakeholder Management; review of Draft Annual Financial Statements; audit of Performance Information (Q1, Q2, Q3, and Q4); follow-up audits (Q1, Q2, Q3, and Q4); Supply Chain Management; Performance Management System; Functionality of Governance Structures and Implementation of Board Resolutions; Talent Management: Recruitment, Retention, and Succession; Employee Verification; and Assets Verification Audit.

While internal controls were generally found to be operating as intended in key operational domains, recommendations were issued to address specific deficiencies in procurement, performance management, and functionality of governance. Overall, management has been responsive, and action plans have been agreed upon to strengthen risk management and operational efficiency across the group.

Audits rolled over

In alignment with the three-year rolling strategic plan, the Revenue Enhancement and Management, and Travel and Subsistence audit engagements originally scheduled for the 2025/26 financial year were rolled over into the 2026/27 financial year. Management and the ARC approved this rollover to optimise resource allocation and ensure that internal audit activities remained aligned with the organisation's evolving risk profile.

Ad hoc projects

In addition to the approved audit plan, the Internal Audit function completed three strategic ad hoc assignments during the reporting period. These engagements responded to emerging organisational needs and provided timely assurance and recommendations to support informed decision-making by management and the Board.

Table 15: Status of audit findings addressed

	NUMBER OF FINDINGS	TOTAL ADDRESSED	NOT YET DUE	TOTAL NOT ADDRESSED	NO. OF RECURRING FINDINGS – LAST 3 FINANCIAL YEARS
IAF Findings	59	51	0	8	2
External Audit Findings	19	16	0	3	0



8 AUDIT AND RISK COMMITTEE

The Audit and Risk Committee (ARC) is an independent statutory committee appointed by the Board, which delegates duties and responsibilities to it in accordance with Sections 76(4)(d) and 77 of the PFMA. In terms of Section 51(1)(a)(ii) of the PFMA, the Board, as the Accounting Authority, must ensure that NMISA has, and maintains, a system of internal audit under the control and direction of the ARC.

The committee comprised five members, namely three Non-Executive Board members and two external independent members appointed to ensure independence in line with good governance principles and to mitigate the risk of self-review. During the reporting period, the Committee experienced a reduction in membership following the resignation of one member and the expiry of another member's term of office.

8.1 KEY ACTIVITIES AND OBJECTIVES OF THE AUDIT AND RISK COMMITTEE

- Provided independent oversight over the Internal Audit function, External Audit, financial reporting, governance, internal control and risk management functions. The committee acts as a forum for discussing control issues, enterprise-wide risks, reporting and taking decisions under its mandate and makes recommendations to the Board on matters requiring approval or attention of the Board.
- Approved the Audit and Risk Committees' Annual Work Plan.
- Recommended for approval the Audited Annual Financial Statements to Nexia SAB&T (1st draft).
- Recommended the Annual Budget and Annual Report for 2025/26 for approval.
- Approved the annual confirmation of Internal Audit independence.
- Approved the External Auditor's engagement letter, audit strategy and audit plan.
- Reviewed and approved the Combined Assurance reports and its Terms of Reference.
- Oversaw the recruitment and appointment of the Senior Manager Internal Auditor, External Auditors, IT Steering Committee members and the recruitment of the external independent ARC member.
- Reviewed and approved IT Steering Committee reports.
- Monitored the implementation of ARC recommendations.



Table 16: Audit and Risk Committee members and meeting attendance

NAME	QUALIFICATIONS	PROFESSIONAL AFFILIATION	APPOINTMENT: TERM OF OFFICE		NO. OF MEETINGS ATTENDED 2025/26		HAS THE ARC MEMBER DECLARED PRIVATE AND BUSINESS INTERESTS IN EVERY MEETING?	IS THE ARC MEMBER AN EMPLOYEE OF AN ORGAN OF STATE?	NO. OF OTHER ARCS THAT THE MEMBER SERVED ON DURING THE REPORTING PERIOD	NO. OF OTHER GOVERNANCE STRUCTURES THE MEMBER SERVED ON DURING THE REPORTING PERIOD
			START DATE	END DATE	ORDINARY MEETINGS	SPECIAL MEETINGS				
Ms Babalwa Songongo	• CA(SA) • BCom Honours in Accounting • BCom Accounting	• SAICA • IoDSA	1 October 2023	30 October 2025	4	4	Yes	No	N/A	2
Dr James Tshilongo	• PhD in Science of Measurement/Chemistry • MSc in Chemistry • BSc Honours in Chemistry • BSc • Advanced Project Management Certificate • Project Management Certificate	• IoDSA • South African Council for Natural Scientific Professions (SACNASP)	1 October 2023	N/A	5	4	Yes	Yes	N/A	2
Dr Alufelwi Tshavhungwe	• PhD in Chemistry • MSc in Chemistry • BSc Honours in Chemistry • BSc Majoring in Physics and Chemistry • University Education Diploma Majoring in Mathematics Methodology and Physical Science Methodology	• IoDSA • South African Chemical Institute (SACI) • Committee member of the SACI Green Chemistry Division	1 October 2023	N/A	4	5	Yes	Yes	N/A	1
Ms Romeshni Govender	• CRMA • CCSA • CIA • CA(SA) • Postgraduate Diploma in Accounting • Bachelor of Accounting	• SAICA • IoDSA • Institute of Internal Auditors (IIA)	Re-appointed: November 2024	31 August 2025	1	4	Yes	No	International Trade Commission of SA	N/A

NAME	QUALIFICATIONS	PROFESSIONAL AFFILIATION	APPOINTMENT: TERM OF OFFICE		NO. OF MEETINGS ATTENDED 2025/26		HAS THE ARC MEMBER DECLARED PRIVATE AND BUSINESS INTERESTS IN EVERY MEETING?	IS THE ARC MEMBER AN EMPLOYEE OF AN ORGAN OF STATE?	NO. OF OTHER ARCS THAT THE MEMBER SERVED ON DURING THE REPORTING PERIOD	NO. OF OTHER GOVERNANCE STRUCTURES THE MEMBER SERVED ON DURING THE REPORTING PERIOD
			START DATE	END DATE	ORDINARY MEETINGS	SPECIAL MEETINGS				
Mr Zenzele Myeza	• Chartered Director (SA) • BCom Accounting and Auditing • MBA • Certificate in Corporate Governance Certificate • Certificate in Aviation Management • Master Practitioner in Real Estate	• IoDSA • Member of the CFO forum	Re-appointed: November 2024	N/A	4	5	Yes	No	National Gambling Board Air Traffic Navigation Services Public Service Sector (PSETA) Gauteng Department of Education	N/A
Prof. Lorna Holtman	• PhD in Science Education • MPhil in Science Education • Bachelor of Education (Honours) • Higher Diploma in Education • BSc Honours in Zoology • BSc in Zoology and Botany	• IoDSA	30 October 2025	N/A	1	0	Yes	No	N/A	2

Table 17: Remuneration of Audit and Risk Committee members

NAME	RATE PER MEETING R	TOTAL REMUNERATION R	OTHER EXPENSES R	TOTAL R	ORGAN OF STATE YES/NO
Dr Alufelwi Tshavhungwe	-	-	179	179	Yes
Ms Babalwa Songongo	4 724	62 826	-	62 826	No
Dr James Tshilongo*	4 724	33 066	15 267	48 333	Yes
Prof. Lorna Holtman	4 724	53 379	14 568	67 947	No
Ms Romeshni Govender	8 281	49 687	-	49 687	No
Mr Zenzele Myeza	8 281	99 374	4 928	104 302	No
Total Audit and Risk Committee Expenditure		**298 332**	**34 942**	**333 274**	

* Member remunerated from April until June 2025.

9 COMPLIANCE WITH LAWS AND REGULATIONS

NMISA is committed to conducting its operations in full compliance with all applicable laws, regulations, and standards. The organisation upholds the highest standards of ethical conduct and regulatory adherence as an integral part of its governance and operations.

In line with the provisions of the PFMA, the Board has overall responsibility for ensuring organisational compliance. This includes monitoring the effectiveness of compliance measures and promoting a culture of accountability and integrity throughout NMISA.

10 FRAUD AND CORRUPTION

NMISA does not currently have an approved Fraud Prevention Plan in place. However, the organisation has an approved Fraud Prevention and Whistleblowing Policy, as well as an Ethics and Code of Conduct Policy. The Fraud Prevention Plan is currently in the draft stage and will be presented to the relevant structures for approval before the end of the third quarter of the 2026/27 financial year.

NMISA commemorated International Fraud Awareness Week from 16 to 22 November 2025, raising awareness on fraudulent activities and encouraging employees to report any suspicious activities to the dedicated Fraud Hotline platform. The NMISA Fraud Hotline is managed externally by an independent service provider to ensure the confidentiality of reports received and to protect the identity of whistleblowers.

11 MINIMISING CONFLICT OF INTEREST

NMISA is committed to doing business ethically. Employees are expected to perform their duties honestly, fairly and in the best interests of the organisation. The first quarter of the financial year is regarded as declaration of interest season; all employees and members of the NMISA governance structures shall declare their significant personal, business and financial interests. Committee members involved in tender bidding processes declare their interests prior to each meeting, i.e. Bid Specification, Evaluation and Adjudication Committees.

12 CODE OF CONDUCT

NMISA is committed to upholding the highest standards of fairness, transparency, honesty, integrity, and accountability in all its internal and external dealings. This commitment is founded on a culture of ethical, fair, and lawful conduct across the organisation.

To support this commitment, the Board has adopted a formal Code of Conduct that sets out the ethical standards and expectations for Board members and committee members. The code promotes ethical leadership, responsible decision-making, and conduct that is aligned with NMISA's values and governance principles.

Compliance with the code is actively promoted and monitored to ensure consistent adherence to these standards throughout the organisation.

NMISA maintains a register of interests for Board members and management, which is reviewed and updated annually. In addition, declarations of interest are sought at Board, sub-committee, and Executive Committee meetings to identify and manage any actual, potential, or perceived conflicts of interest. Directors are prohibited, in their personal capacity, from contracting with NMISA by virtue of their office. However, organisations they represent are not similarly disqualified and may engage with NMISA, subject to applicable governance requirements and conflict-of-interest management processes.

All employees are expected to uphold the same high ethical, moral, and legal standards, reinforcing NMISA's commitment to integrity and good governance.

13 HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

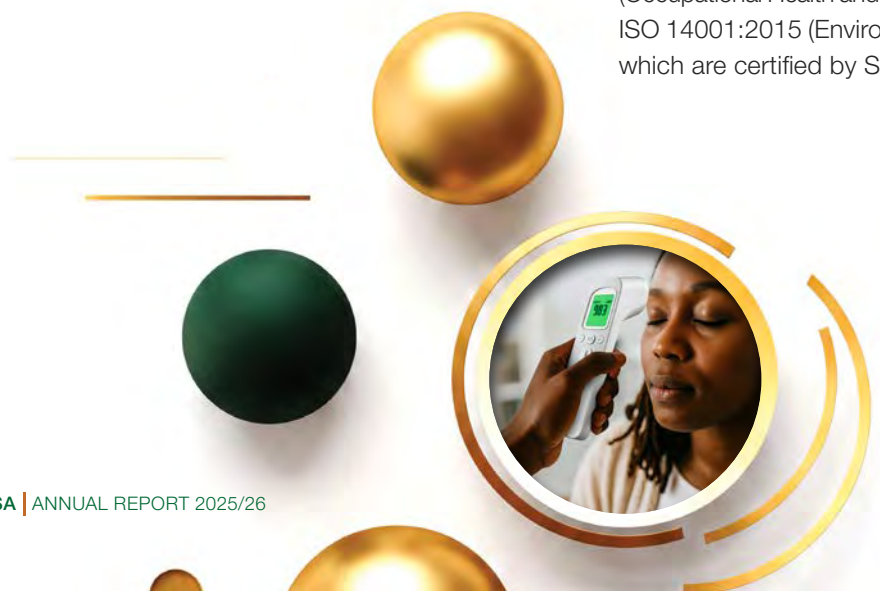
Through its leadership commitment, policies, and procedures, NMISA has established a strong foundation for its Safety, Health, Environment, and Quality (SHEQ) management systems, creating and maintaining a safe and healthy working environment for all employees.

NMISA complies with all applicable legislative requirements, including the Occupational Health and Safety Act (Act No. 85 of 1993) and its regulations, as well as the National Environmental Management Act (Act No. 107 of 1998), which provides the legislative framework for environmental management in South Africa.

The SHEQ function provides guidance and oversight on matters relating to employee health and safety, environmental management, and statutory compliance. Risk assessments are conducted regularly, and appropriate mitigation measures are implemented and monitored to support continuous improvement across NMISA's operations and processes.

No serious injuries or fatalities were recorded during the 2025/26 financial year.

NMISA maintains certification to ISO 45001:2018 (Occupational Health and Safety Management Systems) and ISO 14001:2015 (Environmental Management Systems), which are certified by SABS.



14 COMPANY SECRETARY

The Company Secretary oversees corporate governance and assists the Board in ensuring compliance with the principles of sound corporate governance.

The Company Secretary provides support to the Board and its sub-committees to ensure that they discharge their duties in line with applicable laws, regulations, codes and best practices.

The Board is responsible for appointing the Company Secretary and ensuring that the individual has the requisite level of knowledge and experience to discharge their duties. The Company Secretary also serves as a direct channel of communication between the Board, its chairperson, shareholder, management, and other stakeholders.

During the period under review, Busisiwe Mkhize fulfilled the role of Company Secretary.

15 SOCIAL RESPONSIBILITY

As part of its ongoing Corporate Social Investment (CSI) programme, NMISA conducted an outreach initiative on 31 March 2026 at Philemon Montsho Primary School to support the learning environment and promote interest in science-related careers. During the visit, NMISA donated computers and office furniture to enhance the school's learning resources and improve access to technology for learners.

In addition to the donation, NMISA committed to return to the school in July 2026 for Mandela Day to engage directly with learners and raise awareness of measurement science and related career opportunities. This initiative forms part of NMISA's broader commitment to supporting education, advancing science and technology awareness, and encouraging participation in STEM fields, while also contributing to its Broad-Based Black Economic Empowerment (B-BBEE) objectives in support of historically disadvantaged communities.



16 AUDIT AND RISK COMMITTEE REPORT

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

16.1 PART 1: AUDIT AND RISK COMMITTEE REFLECTIONS

- The ARC reports that it operated within its approved Terms of Reference and complied with all applicable legislation and its responsibilities arising from Section 38(1)(a)(ii) of the PFMA and Treasury Regulation 3.1.13. The ARC also reports that it regulated its affairs in compliance with its charter, and discharged all its responsibilities as set out therein.
- The ARC consistently provided reports and briefed the Accounting Authority on its meetings, including the main issues deliberated on, challenges identified and proposed solutions.
- In line with the governance framework, the performance and effectiveness of the ARC are assessed periodically. The assessment for the financial year ended 31 March 2026 remained incomplete at the date of this report due to changes in the committee's composition arising from multiple vacancies during the year under review.

16.2 PART 2: AUDIT AND RISK COMMITTEE COMPOSITION AND MEETING ATTENDANCE

The ARC consists of five members, comprising three independent external members and two Non-Executive Board members. The committee is properly constituted, with a balanced representation of independent members and a diverse and appropriate mix of qualifications, expertise, and experience. According to its Terms of Reference, the committee shall consist of five members, comprising three Non-Executive members and two independent external members. In addition, the CEO, CFO, Internal Auditor, External Auditor and other management personnel are permanent invitees to committee meetings.

- The committee's quarterly meetings align with key reporting and regulatory timelines. During the period under review, the committee held five meetings in accordance with its work plan and four additional special meetings.
- During the year under review, there were four changes to the membership of the committee.
- The term of one external independent member ended on 31 August 2025; one Non-Executive member resigned on 31 October 2025; one member was appointed to the committee to fill a vacancy; and one existing member was appointed interim Chairperson.

16.3 PART 3: AUDIT AND RISK COMMITTEE FOCUS AREAS

Key activities and outcomes of the ARC during the period under review included:

- The appointment of new External Auditors.
- The approval of the engagement letter and audit planning memorandum for the External Auditors for the financial year ended 31 March 2026.
- Review of the Annual Financial Statements.
- Consultation with Executive Management on the engagement letter, terms, audit plan, scope of work and audit fees for the financial year ended 31 March 2026.
- Monitoring the effectiveness of internal controls and compliance with the Risk Management Framework to ensure the reliability of financial records used in preparing the Annual Financial Statements.
- Reviewing internal audit progress reports against the approved plan and assessing the effectiveness of the Internal Audit function.
- Monitoring the adequacy and reliability of management information and the efficiency of management information systems.
- Reviewing fraud and legal matters that may have a significant impact on the Financial Statements.
- Assessing combined assurance from the External Auditors, Internal Audit function and the Combined Assurance Committee to ensure that the combined assurance was adequate to address all material risks.
- Appointment of Senior Manager: Internal Audit.
- Overseeing the Internal Audit function during the implementation of the risk-based audit plan to evaluate the effectiveness of risk management.
- Considering strategic risks and their impact on the achievement of the entity's strategic goals, including assessing the adequacy of the formulated strategies and action plans.
- Appointment of IT Steering Committee members.
- Overseeing reports from the IT Steering Committee on the implementation of NMISA's ICT projects, namely digital transformation, governance, enterprise architecture, cybersecurity, Enterprise Resource Planning (ERP) systems, modernisation of measurement infrastructure, as well as People and Culture.

16.4 PART 4: OBSERVATIONS AND CORPORATE GOVERNANCE MATTERS

- The committee noted several governance and leadership challenges during the year under review. These included vacancies on the committee resulting from the departure of members with critical Chartered Accountant (SA) expertise, as well as the prolonged absence of a permanent CEO since August 2023. The committee expressed concern about the potential impact of these vacancies on the effectiveness of governance, oversight, and decision-making.
- To address the identified skills gap, the committee facilitated the recruitment of a suitably qualified female CA(SA) candidate, with the appointment process underway as at 31 March 2026.
- The committee also monitored an increase in labour-related matters and provided recommendations to strengthen their management and resolution.
- In addition, the committee considered the implications of the Chief Financial Officer's resignation in November 2025 and the associated risks to financial oversight, internal controls and reporting integrity. To ensure continuity of the finance function, an interim CFO was appointed while the recruitment process for a permanent appointment was finalised. The committee continued to oversee these matters to ensure that governance, compliance, and operational stability were maintained.

16.5 PART 5: AUDIT AND RISK COMMITTEE ON AUDITORS' REPORT

- The committee met with the independent External Auditors on a quarterly basis to ensure that there were no unresolved issues arising from the audit.
- The committee has reviewed the Annual Financial Statements and is of the view that the audited Financial Statements should be accepted and read in conjunction with the report of the External Auditors. The committee further confirms that it was actively involved in the audit process.
- The External Audit function is carried out by Nexia SAB&T, which is independent of NMISA. The ARC acknowledges the diligence and cooperation of the External Audit team.

16.6 APPRECIATION

We would like to express our appreciation to the Board for their leadership and support, and to the acting CEO, the newly appointed CEO, the acting CFO, Internal Audit and management for their commitment and for achieving an unqualified audit opinion.



Dr James Tshilongo
Interim Chairperson of the Audit and Risk Committee

31 August 2026



17 B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the B-BBEE requirements of the B-BBEE Act of 2013 and as determined by **the dtic**.

Table 18: B-BBEE compliance performance

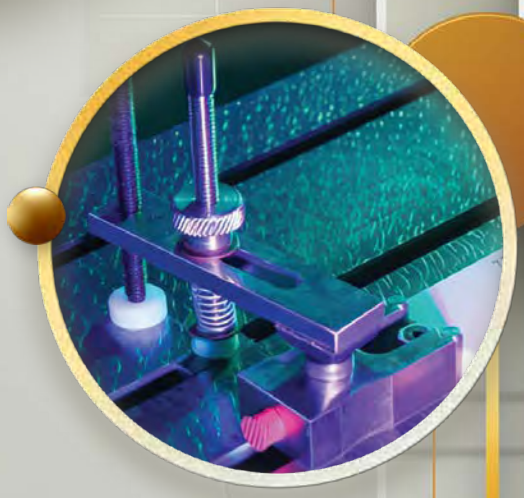
CRITERIA	RESPONSE YES/NO	DISCUSSION
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	N/A	Not within the NMISA mandate
Developing and implementing a preferential procurement policy?	Yes	NMISA utilises the Preferential Procurement Policy framework in determining winning bidders for goods and services above R30 000
Determining qualification criteria for the sale of state-owned enterprises?	N/A	Not within the NMISA mandate
Developing criteria for entering into partnerships with the private sector?	N/A	Not within the NMISA mandate
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	N/A	Not within the NMISA mandate



PART D

HUMAN RESOURCE MANAGEMENT





1 INTRODUCTION

1.1 OVERVIEW OF HR MATTERS AT THE PUBLIC ENTITY

During the period under review, the Human Resources (HR) department continued its strategic human capital management initiatives in support of organisational stability, transformation, and operational effectiveness. Significant progress was made across a range of priority areas, including organisational design, policy development, recruitment and selection, human capital development, employment equity (EE), and employee wellness.

The year commenced with a vacancy rate of 18 %, which proved not only a strategic imperative but also a necessary organisational response to external oversight and internal operational strain. By year end, a total of twenty-six (26) positions had been filled, reducing the vacancy rate to 9 %. Of these appointments, four were filled internally, resulting in the promotion of four employees to higher positions. Three positions were filled through the Human Capital Development (HCD) Programme, with one bursar appointed to a permanent position upon completion of work-back obligations and two interns absorbed into permanent roles following the successful completion of their training.

Although the staff vacancy rate decreased significantly from 16 % to 9 %, staff retention remained a challenge, contributing to capacity constraints, particularly in support functions and affecting the delivery of key projects. Key positions remained vacant at year end, including the CFO, four scientist and engineer posts, and seven positions across support functions including Human Resources, Supply Chain Management, and Internal Audit. The majority of these vacancies were at advanced stages of the recruitment and selection process at year end, with a number of selected candidates confirmed to assume duty at the commencement of the ensuing financial year.

The organisational challenges encountered during the year, included staff turnover, employee relations matters, and protracted wage negotiations, necessitating a deeper and more structured response. An Organisational Development (OD) project was accordingly approved and initiated during the fourth quarter. An OD specialist was appointed to conduct a comprehensive organisational diagnosis, with a mandate encompassing a review of structural alignment with NMISA's strategic objectives and legislative mandate and a redesign of the organisational structure in line with the revised strategic plan. Stakeholder consultations were initiated and guided by a change management roadmap. The OD project is expected to be completed during the 2026/27 financial year.

Labour relations presented a significant area of management focus throughout the year. Salary and cost-of-living adjustment (COLA) negotiations for 2025/26 commenced in July 2025 and remained unresolved as at 31 March 2026. Engagements through the Commission for Conciliation, Mediation and Arbitration (CCMA) were ongoing. In addition, several employee relations matters referred to the CCMA and Labour Court required sustained management attention and legal resource allocation. These matters are addressed further under the Challenges section of this report.

NMISA maintained its commitment to staff development through the continued implementation of the HCD Programme. Employees participated in training aligned with approved Personal Development Plans (PDPs), encompassing academic advancement, skills-based courses, on-the-job learning, and industry conferences. Upskilling and multiskilling efforts were prioritised to support operational continuity across technical and enabling functions.

EE remained a central reporting and compliance priority, with both **the dtic** and Parliamentary Portfolio Committee identifying transformation as a key area of focus. The Employment Equity Plan (2024–2029) was updated during the year, and an Employment Equity Committee was established to provide the requisite consultative structure in terms of the Employment Equity Act. By year end, females comprised 55 % of the permanent workforce, and 100 % of appointments made during the year were drawn from designated groups.

2 SET HR PRIORITIES FOR THE YEAR UNDER REVIEW AND THEIR IMPACT

The HR priorities for the 2025/26 financial year were informed by the Institute's APP, the findings of the employee engagement and retention survey conducted at the commencement of the year, an analysis of exit interview data, and the areas of concern raised by external oversight bodies. The following strategic priorities guided the work of the HR function during the period under review.

2.1 REDUCTION OF THE VACANCY RATE AND ACCELERATED RECRUITMENT

Reducing the organisational vacancy rate was the priority for the HR unit at the start of the financial year. The vacancy rate of 18 % at the beginning of the year represented both an operational risk and a compliance concern. Through a sustained and targeted recruitment drive, twenty-six (26) positions were filled during the year, bringing the vacancy rate down to 9 %. This outcome directly addressed workload pressures identified through the employee engagement survey and improved the organisation's capacity to deliver on its mandate.

2.2 ORGANISATIONAL STABILITY AND STRUCTURAL ALIGNMENT

Recognising that the existing organisational structure was not fully aligned with NMISA's revised Strategic Plan and operational realities, the initiation of a formal OD process was prioritised. Initiated during the fourth quarter, the project is intended to deliver a fit-for-purpose organisational structure aligned with NMISA's strategic objectives and evolving operational needs.

2.3 HUMAN CAPITAL DEVELOPMENT AND SKILLS PIPELINE

The continued development of a pipeline of skilled scientists, engineers, technologists, and support professionals remained a strategic priority. The HCD programme was implemented in full, with ten interns and in-service trainees trained during the year. Three HCD beneficiaries were successfully absorbed into permanent positions. Collaboration with merSETA was initiated to access fully funded learnerships, internships, bursaries, and candidacy programmes, with this process continuing into the next financial year.

2.4 TRANSFORMATION AND EMPLOYMENT EQUITY

Advancing transformation in line with the Employment Equity Act and the directives of oversight bodies remained a non-negotiable priority. The Employment Equity Plan (2024–2029) was updated and tabled for approval, while an Employment Equity Committee was established with appropriate representation across occupational levels. EE principles were integrated into all key HR processes, and 100 % of appointments made during the year were from designated groups, with 80 % African and 20 % Coloured representation among new appointees.

2.5 POLICY REVIEW AND GOVERNANCE

A comprehensive review of the HR policy framework was prioritised to ensure that policies remained current, fit-for-purpose, and aligned with legislative requirements. Multiple policies were subjected to consultation and review processes during the year, with three policies tabled for Board approval. The policy review programme will continue into the next financial year.

2.6 LABOUR RELATIONS STABILITY

Stabilising the labour relations environment was a priority that required sustained management attention throughout the year. Engagements through the Management-Shop Steward Committee were prioritised. Collective Bargaining to agree on cost-of-living adjustments for 2025/26 commenced in July 2025, although these remained unresolved at year end due to the complexity of the matters in dispute and the involvement of the CCMA. Active management of grievance and disciplinary matters continued throughout the year.

3 WORKFORCE PLANNING FRAMEWORK AND KEY STRATEGIES TO ATTRACT AND RECRUIT A SKILLED AND CAPABLE WORKFORCE

Workforce planning entails assessing current and future human resource needs, implementing strategies to address these requirements, and evaluating their effectiveness over time. During the reporting period, NMISA continued its focus on reviewing its organisational structure to ensure alignment with strategic objectives and operational demands. An OD project was accordingly approved and initiated during the fourth quarter. An OD specialist was appointed to conduct a comprehensive organisational diagnosis, with a mandate encompassing a review of structural alignment with NMISA's strategic objectives and legislative mandate and a redesign of the organisational structure in line with the revised Strategic Plan.

In addition to the Strategic Plan, workforce planning activities are being aligned with the APP, the Medium-Term Expenditure Framework (MTEF), the HCD Strategy and the Succession and Continuity Strategy. Consideration is also given to legislative frameworks such as the Public Service Regulations, the Employment Equity Act and the Skills Development Act, ensuring compliance while enhancing the organisation's ability to attract, retain, and develop talent. These planning instruments work together to ensure that workforce decisions are financially sustainable, strategically coherent, and responsive to national development priorities. This strategic alignment also extends to the management of employee performance, which plays a critical role in ensuring that workforce capacity directly supports organisational delivery goals.

3.1 RECRUITMENT AND SELECTION

Recruitment remained the most operationally intensive HR activity during the year under review. The organisation adopted a multi-track approach to fill vacancies, utilising permanent appointments, acting arrangements, fixed-term contracts, and the absorption of HCD beneficiaries in order to address the range and urgency of vacancies across the organisation.

Key positions filled during the year included the CEO, Senior Manager: Internal Audit, three middle management roles, seven scientist and engineer posts, and a range of support function positions. Internal career development was supported through the implementation of acting appointments in critical roles, including Director: Chemical, Materials and Medical Metrology, IT Manager and Facilities Manager, based on operational needs and the demonstrated capability of the candidates.

The recruitment drive was conducted in a context of significant administrative burden, as the e-Recruitment module of the ERP system was under review. All recruitment processes were consequently managed manually throughout the year. To address this, a procurement process was initiated to source a dedicated AI-powered digital recruitment platform. The system underwent internal development and testing during the year, with a full rollout anticipated in the year ahead. This initiative is expected to significantly improve the efficiency and turnaround time of future recruitment cycles.

The organisation also initiated a collaboration with the merSETA, with a view to accessing fully funded internships, learnerships, candidacies, and workplace integration programmes. This initiative commenced during the current reporting period and will be concluded in the next financial year.

3.2 HUMAN CAPITAL DEVELOPMENT PROGRAMME

NMISA's HCD programme is a central component of the workforce planning strategy. The programme is designed to develop a pipeline of qualified scientists, engineers, technologists, and essential support professionals, addressing both current and future skills needs while simultaneously advancing the organisation's EE objectives. All participants in the programme are drawn from previously disadvantaged groups in line with transformation targets.

During the year under review, the HCD programme encompassed internships, in-service training, undergraduate and postgraduate bursary support, and further academic advancement for existing employees. A total of ten interns and in-service trainees were trained during the year. Two interns elected to terminate their contracts before completion of the training term, resulting in eight participants active at year end against an annual target of six, representing an achievement rate of 133 % against the KPI.

Three positions were filled through the HCD pipeline during the year, through the absorption of previously trained interns and bursars into permanent roles. In each case, the appointment was based on direct alignment between the candidate's training and the requirements of the vacant post, in line with the Succession and Continuity Strategy (2025–2027).

At the undergraduate level, two bursars who completed their studies during the year were appointed for their work-back obligations. Four bursars remained on active work-back at year end. The postgraduate bursary programme supported one doctoral candidate during the year, with a further candidate awaiting finalisation of results at year end. Two postgraduate bursars were on work-back at year end.

Staff training and development were implemented in accordance with the approved training plan and budget. Individual PDPs were reviewed and used to inform the training needs analysis and development plan for the year. Training activities included academic advancement, skills-based courses, on-the-job learning, and attendance at industry conferences. Upskilling and multiskilling were specifically prioritised to support operational continuity in areas affected by vacancies and turnover.

3.3 SUCCESSION AND CONTINUITY PLANNING

The Succession and Continuity Strategy (2025–2027) continued to guide internal development and placement decisions during the year. Acting appointments in critical roles and the deliberate absorption of HCD beneficiaries into operational vacancies reflect the practical implementation of this strategy. The OD process currently underway will inform a review of succession planning mechanisms in line with the revised organisational structure.

3.4 EMPLOYMENT EQUITY

EE targets are integrated into workforce planning at every level. The HCD Programme is specifically designed to develop candidates from under-represented groups, and recruitment processes are structured to prioritise transformation objectives. As of 31 March 2026, females represented 55 % of the permanent workforce against a minimum target of 50 %, and 100 % of appointments during the year were from designated groups. The representation of persons with disabilities remains below the 2 % target, currently standing at 1 %, and specific interventions to address this gap are included in the Employment Equity Plan (2024–2029).

4 EMPLOYEE PERFORMANCE MANAGEMENT FRAMEWORK

NMISA's employee performance management framework is designed to align individual performance with the organisation's strategic objectives, ensuring that every employee contributes meaningfully to the delivery of NMISA's mandate. The framework provides a structured approach to setting performance expectations, monitoring progress, conducting formal appraisals and identifying development needs.

During the year under review, performance appraisals were conducted in line with the approved framework, with the outcomes of prior year appraisals informing the development of individual PDPs. These PDPs in turn informed the annual training needs analysis and the draft Training and Development Plan compiled at the beginning of the financial year.

Performance management also informed consequence management processes during the year, including disciplinary matters where performance-related concerns were identified. The link between performance management and employee relations underscored the importance of consistently applying the framework across all occupational levels.

The manual administration of the performance management process remained a challenge during the year. This has been identified as an area requiring remediation as part of the broader system review planned for the 2026/27 financial year.

5 EMPLOYEE WELLNESS PROGRAMMES

NMISA recognises that employee wellbeing is fundamental to organisational performance, staff retention and the sustainability of its human capital. The organisation is committed to fostering a work environment that supports the physical, mental, and social wellbeing of all employees. A new Employee Wellness Programme (EWP) service provider, the Centre for Occupational and Wellness Services, was appointed during the fourth quarter. The programme offers professional counselling services to assist employees in addressing a wide range of personal and work-related challenges, including stress, financial and legal concerns, relationship issues, family matters, and health-related difficulties.

During the year under review, NMISA hosted an Employee Wellness Day in January 2026, giving staff access to health screenings and wellness-related resources. Forty-four percent (44 %) of employees took part in the health screenings, which promoted proactive health monitoring and awareness. The insights gained will inform the EWP Operational Plan, guiding targeted wellness interventions and initiatives for the upcoming year.

The Employee Wellness Policy was identified as one of the priority policies for review during the year and was included in the consultation process with staff. The reviewed policy will provide a more structured and consistent framework for the delivery of wellness interventions across the organisation.

Exit interview data and the employee engagement survey conducted at the beginning of the year both highlighted concerns regarding work-life balance, workload pressures, and the psychological work environment. These findings reinforced the importance of structured and sustained wellness interventions to complement the broader retention and organisational development strategy. The absence of comprehensive wellness initiatives was identified as a key risk area, and addressing this gap will be a priority in the ensuing financial year.

6 POLICY DEVELOPMENT

The review and development of HR policies remained a sustained focus area during the 2025/26 financial year. NMISA's policy review programme is designed to ensure that all HR policies remain current, aligned with applicable legislation and fit for the organisation's operational requirements. Policies are subject to stakeholder consultation, including engagement with employee representatives, before being tabled for Board consideration and approval. Three policies, namely the Leave Policy, Recruitment Policy and Probation Policy, were reviewed and presented for consideration. The policy review drive remains ongoing, with the remaining policies under review expected be finalised and submitted for approval during the 2026/27 financial year.

7 HIGHLIGHT ACHIEVEMENTS

Notwithstanding the challenges encountered during the year, the HR function recorded a number of significant achievements that contributed to organisational stability, transformation and the advancement of NMISA's strategic objectives.

- The vacancy rate was reduced from 18 % to 9 % through the filling of 26 positions during the year, directly addressing concerns raised by the Parliamentary Portfolio Committee and alleviating workload pressures on existing staff.
- The CEO position was successfully filled, providing critical leadership stability to the organisation after an extended period of acting arrangements.
- Four employees were promoted to higher-level positions through internal appointments, demonstrating NMISA's commitment to career development and the recognition of internal talent.
- Three HCD beneficiaries were absorbed into permanent positions, reflecting the tangible outcomes of NMISA's investment in its HCD pipeline and Succession and Continuity Strategy.
- Eight interns and in-service trainees received training through the HCD Programme during the year.
- The Employment Equity Plan (2024–2029) was updated, and an Employment Equity Committee was constituted, providing the formal governance structure required for EE compliance and transformation reporting.
- Female representation in the permanent workforce was maintained at 55 %, exceeding the minimum target of 50 %.
- All appointments made during the year were from designated groups, with 80 % African and 20 % Coloured representation among new appointees, reflecting deliberate and consistent application of EE principles in recruitment.
- The staff turnover rate decreased from 16 % to 2 %. The annual KPI target of not more than 7 % turnover was achieved, with the year-end rate recorded at 2 % for the fourth quarter.
- The Organisational Development process was formally initiated, with a service provider appointed and a Diagnostic and Evaluation Report, including a top-level organisational structure, issued during the fourth quarter.
- A comprehensive HR policy review programme was advanced, with policies circulated for staff consultation and three policies tabled for Board approval by year end.
- Collaboration with merSETA was initiated to access fully funded skills development programmes, broadening NMISA's HCD pipeline beyond its own budgetary resources.
- An Employee Wellness Day was successfully held during the last quarter with 44 % of employees participating in health screenings.
- The internal AI-powered e-Recruitment system was designed and progressed to testing phase, with a full rollout planned for the next financial year.

8 CHALLENGES

STAFF RETENTION AND TURNOVER

Staff retention remained the most persistent and operationally significant challenge during the year. While the overall turnover rate decreased from 16 % to 2 %, ten resignations were recorded, concentrated in metrology functions and support services.

Exit interview data consistently identified uncompetitive salary packages not aligned to market benchmarks, limited career development opportunities, increased workload due to understaffing, non-implementation of the career ladder and pay progression provisions of the Remuneration Policy, and deterioration of the physical and psychological work environment as the primary reasons for departure. These findings were consistent with the employee engagement survey conducted at the beginning of the year, underscoring the structural nature of the retention challenge. The OD process underway is intended to address these systemic issues.

VACANCIES IN CRITICAL POSITIONS

Notwithstanding the significant recruitment activity during the year, 15 positions remained vacant at year-end. These included the CFO, several scientist and engineer posts, and key support roles in Finance, HR, SCM and Internal Audit. These vacancies created operational strain, increased

workload on existing staff, and negatively impacted the delivery of key projects. The majority of these positions were at advanced stages of the recruitment process at year-end.

ERP AND PAYROLL SYSTEM INSTABILITY

Systemic challenges with the ERP and payroll system adversely affecting payroll processing, leave management, statutory reporting and employee self-service functionality. The e-Recruitment module on ERP was assessed as unfit for purpose, requiring the manual administration of all recruitment processes. Integration failures between the payroll system and the ERP resulted in challenges with tax reconciliations, Employment Equity submissions, and Return of Earnings declarations. A new payroll system was approved for procurement during the year, however, the procurement process was still underway at year-end. The continued reliance on manual administration processes placed an additional burden on the HR team and constrained its capacity to focus on strategic priorities.

LABOUR RELATIONS AND WAGE NEGOTIATIONS

Salary and cost-of-living adjustment negotiations for 2025/26 commenced in July 2025 and remained unresolved as at 31 March 2026. Several employee relations matters, including grievances and disputes referred to the CCMA and the Labour Court, required sustained legal and management resources throughout the year. The associated legal costs placed additional and unplanned financial burden on the organisation, while these matters also had an impact on employee morale and the overall organisational climate.

ORGANISATIONAL STRUCTURE AND REMUNERATION PHILOSOPHY

The existing organisational structure, which was developed based on previous funding assumptions, was no longer fully aligned with the organisation's funded positions, strategic objectives, or operational realities. The absence of a clearly defined and market-aligned remuneration philosophy also contributed to recruitment and retention challenges, particularly in the highly competitive scientific and technical labour market in which NMISA operates. The OD process initiated during the fourth quarter is specifically designed to address these structural and remuneration-related gaps.

The representation of persons with disabilities remained below the 2 % Employment Equity target, standing at 1 % at year end. Achieving this target requires targeted and deliberate interventions that extend beyond the recruitment process, including reasonable accommodation frameworks and disability inclusion initiatives. This remains an area of focus in the Employment Equity Plan (2024–2029).

9 FUTURE HR PLANS

The HR priorities for the 2026/27 financial year are informed by the outcomes and lessons of the year under review, directives from oversight bodies, findings from the ongoing OD diagnostic process and the continued implementation of the Employment Equity Plan (2024–2029). The following goals and plans will guide the work of the Human Resources function during the year.

CONCLUSION OF THE ORGANISATIONAL DEVELOPMENT PROCESS

The OD process initiated in the fourth quarter of 2025/26 will be concluded during the first half of the 2026/27 financial year. This will include finalising the revised organisational structure, reviewing and updating of job profiles and job grading, benchmarking against comparable public entities and the scientific sector, and the development and adoption of a fit-for-purpose remuneration and benefits philosophy. The outcomes of this process are expected to provide the foundation for a more effective retention strategy and strengthen NMISA's employee value proposition.

REDUCTION OF VACANCIES AND CONTINUATION OF RECRUITMENT

Recruitment for the15 positions vacant at year end will be prioritised and concluded during the new financial year. The CFO role, scientist and engineer positions, as well as key support function vacancies, will receive focused attention. Once operational, the digital recruitment platform is expected to improve recruitment efficiency and reduce the administrative burden on the HR function.

IMPLEMENTATION OF THE NEW PAYROLL AND HR INFORMATION SYSTEM

The procurement and implementation of a new payroll system, approved during the year under review, will be a key operational priority. The system is expected to address the integration challenges affecting statutory reporting, leave management and employee self-service, while providing a platform for automated performance management and recruitment tracking. Full implementation is targeted for the 2026/27 financial year.

RESOLUTION OF WAGE NEGOTIATIONS AND LABOUR RELATIONS STABILISATION

The conclusion of the 2025/26 COLA negotiations will be an immediate priority at the start of the new financial year. Beyond resolving the current dispute, NMISA will pursue the formalisation of the Collective Bargaining Forum and establish structured and regular engagement mechanisms to promote a more stable and predictable labour relations environment. A revised remuneration philosophy arising from the OD process will be central to addressing the underlying factors contributing to labour relations instability.

COMPREHENSIVE WELLNESS PROGRAMME

The EWP will be structured and formalised in the new financial year, moving beyond a single annual wellness day towards a sustained calendar of interventions. Priority areas will include mental health and psychosocial support, physical wellness initiatives, and work-life balance mechanisms. The reviewed Employee Wellness Policy will provide the governance framework for these interventions.

EMPLOYMENT EQUITY AND TRANSFORMATION

Transformation targets, particularly disability inclusion and the representation of African and Coloured employees at senior and professionally qualified occupational levels, will continue to be pursued. Employment Equity Committee capacity building will be completed, and the Employment Equity Plan (2024–2029) will be formally adopted following the establishment of the new Employment Equity Committee. EE compliance reporting will also be strengthened through the implementation of the new HR information system.

COMPLETION OF THE POLICY REVIEW PROGRAMME

The policy review programme will continue in the new financial year, with the remaining HR policies under review to be finalised, subjected to staff consultation and tabled for Board approval. The target is to have all priority HR policies reviewed, updated and formally adopted by the end of the 2026/27 financial year.

PROGRAMME AND MERSETA COLLABORATION

The HCD Programme will continue to serve as a strategic talent pipeline. The collaboration with merSETA, initiated during the year under review, will be concluded, unlocking access to fully funded internships, learnerships, bursaries, and candidacy programmes that supplement NMISA's own HCD budget. The programme will continue to target candidates from previously disadvantaged groups in support of the organisation's transformation objectives.



10 HUMAN RESOURCE OVERSIGHT STATISTICS

PERSONNEL RELATED EXPENDITURE

Personnel cost by programme

PROGRAMME	TOTAL EXPENDITURE FOR THE ENTITY (R'000)	PERSONNEL EXPENDITURE (R'000)	PERSONNEL EXP. AS A % OF TOTAL EXP. (R'000)	NO. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Administration	109 446	31 314	29 %	50	626
Metrology (Realisation, maintenance and development of the national measurement standards)	138 106	71 571	52 %	74	967
Total	**247 552**	**102 885**	**42 %**	**124**	**830**

Personnel cost by salary band

SALARY BAND	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	9 863	10 %	4	2 466
Senior management	14 887	14 %	9	1 654
Professional qualified	64 105	62 %	80	801
Skilled	12 809	12 %	26	493
Semi-skilled	1 222	1 %	5	244
Unskilled	0	0 %	0	0
Total	**102 885**	**100 %**	**124**	**830**

Performance rewards

SALARY BAND	PERFORMANCE REWARDS	PERSONNEL EXPENDITURE (R'000)	% OF PERFORMANCE REWARDS TO TOTAL PERSONNEL COST (R'000)
Top management	0	0	0 %
Senior management	0	0	0 %
Professional qualified	0	0	0 %
Skilled	0	0	0 %
Semi-skilled	0	0	0 %
Unskilled	0	0	0 %
Total	**0**	**0**	**0 %**

No performance rewards were offered to employees due to budget constraints.

Training costs

PROGRAMME	PERSONNEL EXPENDITURE (R'000)	TRAINING EXPENDITURE (R'000)	TRAINING EXPENDITURE AS A % OF PERSONNEL COST	NO. OF EMPLOYEES TRAINED	AVG TRAINING COST PER EMPLOYEE
Administration	31 314	248	0,8 %	8	31
Metrology (Realisation, maintenance and development of the national measurement standards)	71 571	321	0,4 %	25	13
Total	**102 885**	**569**	0,6 %	**33**	**17**

Employment and vacancies

PROGRAMME	2024/25 NO. OF EMPLOYEES	2025/26 APPROVED POSTS	2025/26 NO. OF EMPLOYEES	2025/26 FUNDED VACANCIES	% OF FUNDED VACANCIES
Administration	34	67	50	8	12 %
Metrology (Realisation, maintenance and development of the national measurement standards)	84	162	74	8	5 %
Total	**118**	**229**	**124**	**16**	**7 %**

SALARY BAND	2024/25 NO. OF EMPLOYEES	2025/26 APPROVED POSTS	2025/26 NO. OF EMPLOYEES	2025/26 FUNDED VACANCIES	% OF FUNDED VACANCIES
Top management	4	9	4	1	11 %
Senior management	8	16	9	0	0 %
Professional qualified	76	120	80	9	8 %
Skilled	26	79	26	6	8 %
Semi-skilled	4	5	5	0	0 %
Unskilled	0	0	0	0	0 %
Total	**118**	**229**	**124**	**16**	**7 %**

* The organisational structure is currently under review by the NMISA Board

Exit interview findings highlighted concerns regarding uncompetitive remuneration, limited career progression, high workloads due to vacancies, and gaps in communication and management practices. These challenges are being addressed through the ongoing organisational development process, which includes a review of remuneration and organisational structure. In support of career development and internal talent retention, four employees were promoted to higher-level positions through internal appointments, demonstrating commitment to career development and the recognition of internal talent.

Employment changes

SALARY BAND	EMPLOYMENT AT BEGINNING OF PERIOD	APPOINTMENTS	TERMINATIONS	EMPLOYMENT AT END OF THE PERIOD
Top management	4	1	1	4
Senior management	8	2	1	9
Professional qualified	75	16	11	80
Skilled	24	8	6	26
Semi-skilled	4	1	0	5
Unskilled	0	0	0	0
Total	**115**	**28**	**19**	**124**

Reasons for staff leaving

REASON	NUMBER	% OF TOTAL NO. OF STAFF LEAVING
Death	0	0 %
Resignation	10	53 %
Dismissal	0	0 %
Retirement	7	37 %
Ill health	0	0 %
Expiry of contract	2	11 %
Other	0	0 %
Total	**19**	**100 %**

The survey results and exit interview results revealed key challenges, including insufficient rewards and recognition, limited career progression opportunities, poor internal communication, ineffective leadership, and high workloads leading to burnout. In response, an OD project was approved and initiated during the fourth quarter, with an OD specialist appointed to conduct a comprehensive organisational diagnosis. The retention strategy will be reviewed and updated in line with the OD outcomes.

Labour relations: Misconduct and disciplinary action

NATURE OF DISCIPLINARY ACTION	NUMBER
Verbal warning	0
Written warning	2
Final written warning	0
Dismissal	0

Equity Target and Employment Equity Status

The Employment Equity targets were established in accordance with the Employment Equity Plan (2024–2029), specifically for the second year of implementation. The target for African representation was set at 70 % and achieved. The target for female representation was set at 50 % and was exceeded by 7 %. Priority was given to underrepresented groups, specifically African and Coloured individuals, during recruitment and selection drives.

	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
SALARY BAND	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	1	2	0	0	1	1	0	0
Senior Management	2	3	0	0	0	0	1	1
Professional qualified	27	34	2	4	2	2	5	5
Skilled	6	8	2	3	0	1	0	0
Semi-skilled	2	2	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
Total	**38**	**49**	**4**	**7**	**3**	**4**	**6**	**6**

	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
SALARY BAND	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	0	2	0	0	0	0	2	2
Senior Management	5	4	0	0	0	0	1	1
Professional qualified	27	24	2	2	0	0	9	11
Skilled	14	14	4	2	1	1	1	2
Semi-skilled	3	2	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
Total	**49**	**46**	**6**	**4**	**1**	**1**	**13**	**16**

	DISABLED STAFF			
	MALE		FEMALE	
SALARY BAND	CURRENT	TARGET	CURRENT	TARGET
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	1	0	0	0
Skilled	0	2	1	1
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
Total	**1**	**2**	**1**	**1**

PART E

PFMA COMPLIANCE REPORT





1 IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

1.1 IRREGULAR EXPENDITURE

Reconciliation of irregular expenditure

DESCRIPTION	2025/26 R'000	2024/25 R'000
Opening balance	7	20
Adjustment to opening balance	-	-
Opening balance as restated	7	20
Add: Irregular expenditure confirmed	194	-
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	(7)	-
Less: Irregular expenditure recoverable	-	(13)
Less: Irregular expenditure not recoverable and written off	-	-
Closing balance	**194**	**7**

Reconciling notes

DESCRIPTION	2025/26 R'000	2024/25 R'000
Irregular expenditure that was under assessment	-	-
Irregular expenditure that relates to the prior year and identified in the current year	161	-
Irregular expenditure for the current year	33	-
Total	**194**	**-**

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

DESCRIPTION	2025/26 R'000	2024/25 R'000
Irregular expenditure under assessment	652	427
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
Total	**652**	**427**

Details of irregular expenditure condoned

DESCRIPTION	2025/26 R'000	2024/25 R'000
Irregular expenditure condoned	-	-
Total	**-**	**-**

Details of irregular expenditure removed – (not condoned)

DESCRIPTION	2025/26 R'000	2024/25 R'000
Irregular expenditure NOT condoned and removed	-	-
Total	**-**	**-**

Details of irregular expenditure recoverable

DESCRIPTION	2025/26 R'000	2024/25 R'000
Irregular expenditure recoverable	-	13
Total	**-**	**13**

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

DESCRIPTION	2025/26 R'000	2024/25 R'000
Irregular expenditure written off	-	-
Total	**-**	**-**

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

DISCIPLINARY STEPS TAKEN
There were no disciplinary steps taken

1.2 FRUITLESS AND WASTEFUL EXPENDITURE

Reconciliation of fruitless and wasteful expenditure

DESCRIPTION	2025/26 R'000	2024/25 R'000
Opening balance	-	-
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: Fruitless and wasteful expenditure confirmed	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Less: Fruitless and wasteful expenditure not recoverable and written off	-	-
Closing balance	-	-
Total	**-**	**-**

Reconciling notes

DESCRIPTION	2025/26 R'000	2024/25 R'000
Fruitless and wasteful expenditure that was under assessment	-	-
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	-	-
Fruitless and wasteful expenditure for the current year	-	-
Total	**-**	**-**

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

DESCRIPTION	2025/26 R'000	2024/25 R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
Total	**-**	**-**

Details of fruitless and wasteful expenditure recoverable

DESCRIPTION	2025/26 R'000	2024/25 R'000
Fruitless and wasteful expenditure recoverable	-	-
Total	**-**	**-**

Details of fruitless and wasteful expenditure not recoverable and written off

DESCRIPTION	2025/26 R'000	2024/25 R'000
Fruitless and wasteful expenditure written off	-	-
Total	**-**	**-**

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

DISCIPLINARY STEPS TAKEN
Determination has not been made to date

1.3 ADDITIONAL DISCLOSURE RELATING TO MATERIAL LOSSES IN TERMS OF PFMA SECTION 55(2)(B)(I) &(III))

Details of material losses through criminal conduct

MATERIAL LOSSES THROUGH CRIMINAL CONDUCT	2025/26 R'000	2024/25 R'000
Theft	-	-
Other material losses	-	-
Less: Recoverable	-	-
Less: Not recoverable and written off	-	-
Total	**-**	**-**

Details of other material losses

NATURE OF OTHER MATERIAL LOSSES	2025/26 R'000	2024/25 R'000
Other material losses	-	-
Total	**-**	**-**

Other material losses recoverable

NATURE OF LOSSES	2025/26 R'000	2024/25 R'000
Other material losses recoverable	-	-
Total	**-**	**-**

Other material losses not recoverable and written off

NATURE OF LOSSES	2025/26 R'000	2024/25 R'000
Other material losses written off	-	-
Total	**-**	**-**

2 LATE AND/OR NON-PAYMENT OF SUPPLIERS

DESCRIPTION	NUMBER OF INVOICES	CONSOLIDATED VALUE R'000
Valid invoices received	825	75 478
Invoices paid within 30 days or agreed period	665	56 566
Invoices paid after 30 days or agreed period	160	18 910
Invoices older than 30 days or agreed period (unpaid and without dispute)	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	-	-

3 SUPPLY CHAIN MANAGEMENT

PROCUREMENT BY OTHER MEANS

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT R
Deviation report with the list of suppliers will be made available (the list has more than 50 suppliers)				R21 643
Total				**R21 643**

CONTRACT VARIATIONS AND EXPANSIONS

PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFICATION TYPE	CONTRACT NUMBER	ORIGINAL CONTRACT VALUE R	VALUE OF PREVIOUS CONTRACT EXPANSION/S OR VARIATION/S R	VALUE OF CURRENT CONTRACT EXPANSION OR VARIATION R
Calibration of BN100A Bridge calibration unit at HBK	TANDM Technologies (Pty) Ltd who is the local agent of HBK in South Africa	-	PO00004079	30	-	18
The servicing of the Microhardness tester instrument	AGM Dynamic (Pty) Ltd t/a MAG Dynamic	-	PO00004230	6	-	1
Photo multiplier tubes R331-05 including sockets	AXIM	-	PO00003906	282	-	13
Insurance	Maksure Financial Holdings	-	PO00004037	658	-	224
Supply for gases	Air Products South Africa (Pty) Limited and NMISA	-	PO00019516	9 121	-	913
Total				**10 097**	-	**1 169**

PART F

FINANCIAL INFORMATION





REPORT OF THE CHIEF FINANCIAL OFFICER

FINANCIAL STEWARDSHIP IN A CONSTRAINED FISCAL ENVIRONMENT

The 2025/26 financial year was characterised by continued fiscal pressure, rising operational costs and increasing demands on the resources available to the National Metrology Institute of South Africa (NMISA). Against this backdrop, the organisation remained focused on maintaining financial sustainability, safeguarding its assets, improving operational efficiency and directing available resources towards the achievement of its statutory and strategic mandate.

Financial management during the year was guided by prudent expenditure management, disciplined cash-flow management, prioritisation of critical operational requirements and efforts to strengthen alternative revenue streams.

NMISA remains predominantly funded through the transfer allocation received from the Department of Trade, Industry and Competition (**the dtic**). During the 2025/26 financial year, NMISA received a transfer allocation of R175,1 million, compared with R177,3 million in the previous financial year, representing a decrease of approximately 1 %.

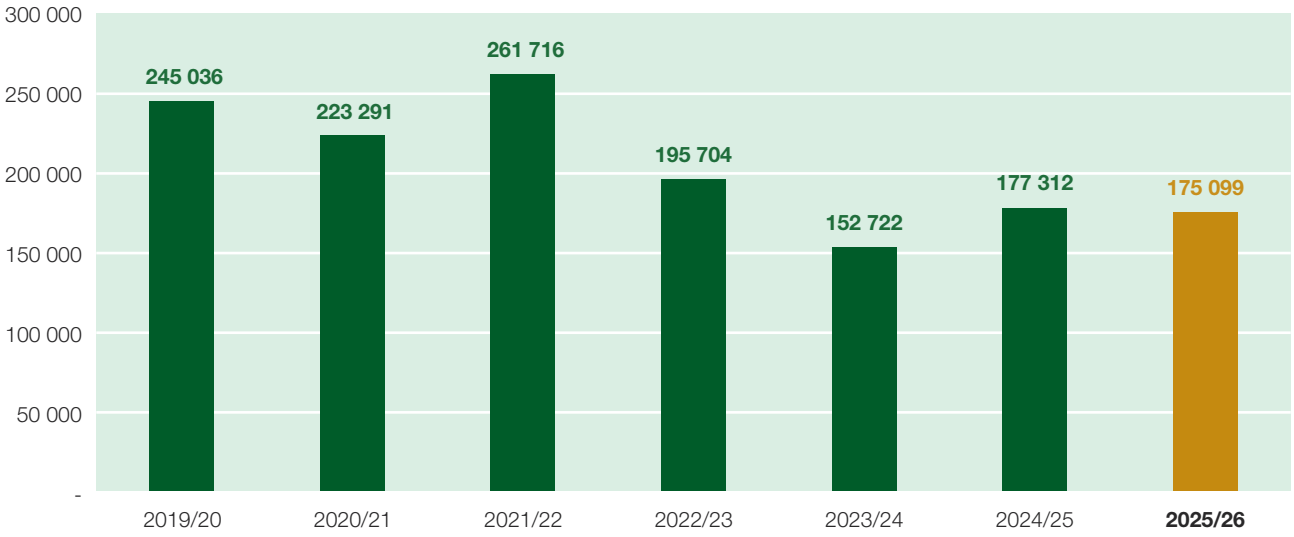


Figure 2: Transfers from the dtic

Although the nominal reduction is relatively modest, it must be considered against sustained inflationary pressures, increasing operating costs and the highly specialised and capital-intensive nature of NMISA's mandate. The continued reduction in the real purchasing power of the allocation presents a significant medium- to long-term sustainability challenge.

Over the past decade, NMISA has expanded both its strategic footprint and the range of services it provides in support of industrial development, trade competitiveness and regulatory compliance. This expansion has enhanced the organisation's relevance and contribution to the South African economy, but has simultaneously introduced structural cost pressures. In particular, NMISA's highly specialised scientific and technical skills base and the cost of maintaining internationally recognised metrology infrastructure remain significant cost drivers.

Accordingly, the sustainability of the current funding model remains an important strategic consideration. Further reductions in baseline funding, without corresponding growth in alternative revenue sources or structural funding interventions, could constrain the organisation's ability to maintain the national measurement infrastructure required to fulfil its mandate.

FINANCIAL PERFORMANCE

NMISA recorded total revenue of R211,9 million for the 2025/26 financial year, compared with R213,5 million in 2024/25.

Transfer funding from **the dtic** remained the organisation's principal source of income and represented approximately 83 % of total revenue, while revenue from exchange transactions and other income constituted approximately 17 %.

Revenue generated from the rendering of services increased by approximately 5 %, from R27,0 million to R28,4 million. This improvement is encouraging and demonstrates the potential to progressively strengthen NMISA internally generated revenue.

Interest income declined by approximately 6 %, largely due to lower interest rates and reduced investment periods.

Given continued fiscus pressures and constraints on government transfers, diversifying the organisation's revenue base remains strategically important. NMISA will continue developing opportunities associated with its specialised capabilities, including licensing, digital services and regional calibration partnerships. These initiatives are intended to generate additional revenue while increasing the utilisation of NMISA's scientific capabilities and strengthening its relevance to industry and the broader regional measurement system.

EXPENDITURE MANAGEMENT

Total expenditure for the year amounted to R247,5 million, compared with R254,3 million in the previous financial year.

Employee-related costs remained one of the largest expenditure components, amounting to R102,8 million compared with R105,6 million in 2024/25. The reduction was primarily attributable to vacancies that remained unfilled during portions of the financial year.

Depreciation and amortisation amounted to R54,5 million and represents a significant non-cash component of expenditure. The level of depreciation is reflective of NMISA's substantial investment in highly specialised scientific infrastructure and equipment.

General expenditure amounted to R58,8 million. In response to the constrained funding environment, management continued implementing cost-containment measures and prioritised expenditure directly linked to the delivery of the organisation's mandate.

Impairment and credit losses remained comparatively low. Asset impairments and disposals during the year were predominantly associated with ageing infrastructure and the ongoing rationalisation of the organisation's asset base.

Maintaining appropriate expenditure discipline remains essential. However, cost-containment must be balanced against the requirement to adequately maintain scientific infrastructure, retain scarce technical skills and invest in the capabilities required to ensure NMISA remains internationally recognised and technically relevant.

FINANCIAL POSITION AND WORKING CAPITAL

NMISA maintained a sound liquidity position during the year. Cash and cash equivalents increased to R96,0 million, compared with R87,5 million in 2024/25. A substantial portion of the year-end cash balance relates to committed expenditure, particularly capital equipment that had been ordered but remained undelivered at year-end. The level of cash held at year-end should therefore not be interpreted as unrestricted surplus resources available for general expenditure.

Receivables remained relatively stable at approximately R5,2 million. A significant portion of outstanding balances relates to public-sector clients, where settlement can take longer because of the administrative and procedural requirements applicable within those institutions.

Trade payables decreased from R12,4 million to R5,9 million at year-end, reflecting the timing of procurement activity and deliveries processed towards the end of the financial year.

Management continues to closely monitor working capital, debtor collections, supplier payments and cash flow requirements to ensure that the organisation maintains sufficient liquidity to meet its obligations as they fall due.

CAPITAL INVESTMENT, ASSETS AND COMMITMENTS

NMISA operates in an environment that requires substantial investment in highly specialised scientific equipment and infrastructure. Effective management of the organisation's capital asset base is therefore critical to both service delivery and long-term institutional sustainability.

The net book value of NMISA's fixed assets decreased from R458,3 million in 2024/25 to R421,3 million in 2025/26, largely as a consequence of depreciation and asset disposals.

Capital additions increased significantly during the year to R18,4 million, compared with R5,5 million in the previous financial year. Capital expenditure was deliberately prioritised towards essential upgrades, replacement requirements and the maintenance of existing infrastructure rather than large-scale expansion. This approach reflects the need to preserve NMISA's existing infrastructure while operating within the current funding constraints.

Outstanding commitments amounted to R73,4 million at year-end, compared with R43,6 million in the previous financial year. Approximately 58 % of these commitments relate to capital expenditure, principally specialised scientific equipment.

The procurement of customised metrology equipment presents unique challenges. Much of the equipment is sourced internationally, manufactured to highly specialised specifications and subject to extended manufacturing, shipping, installation and commissioning lead times. Consequently, procurement initiated within one financial year may only result in delivery and commissioning in a subsequent reporting period.

NMISA therefore continues to plan major procurement requirements well in advance and to monitor commitments closely to ensure that procurement activities remain aligned with available funding, operational priorities and the organisation's long-term infrastructure requirements.

SUPPLY CHAIN MANAGEMENT

Supply Chain Management (SCM) remained an important area of focus during the year, with emphasis placed on maintaining compliance with applicable SCM prescripts while ensuring continuity of operations.

The implementation and continued utilisation of the ERP system has contributed towards improving procurement and financial processing cycles and strengthening the integration of SCM and financial information.

Notwithstanding these improvements, challenges remain in consistently achieving the required performance relating to the payment of suppliers within 30 days. Management continues to monitor this area closely and to address process inefficiencies that may contribute to delays.

NMISA's B-BBEE status remained non-compliant during the reporting period. The organisation's ability to improve certain elements of its B-BBEE performance, particularly those requiring direct socio-economic development expenditure, continues to be affected by funding constraints.

Nevertheless, the organisation remains committed to promoting transformation and inclusive procurement within the parameters of the applicable regulatory framework and available financial resources.

FINANCIAL SUSTAINABILITY AND GOING CONCERN

NMISA continues to operate as a going concern and is supported by the medium-term budget allocations from **the dtic.** However, management identified the sustainability of the current funding model as a significant strategic consideration.

Government allocations remain under pressure as part of broader fiscal consolidation measures. The Medium-Term Expenditure Framework outlook indicates that allocations are likely to remain relatively flat in nominal terms. In an inflationary operating environment, this translates into a continued decline in real purchasing power.

For a highly specialised and capital-intensive institution such as NMISA, this creates a heightened risk of undercapitalisation, deferred infrastructure replacement and constraints on the organisation's ability to attract and retain specialised scientific and engineering expertise.

The risk is particularly significant because the maintenance of South Africa's national measurement infrastructure cannot be assessed solely on the basis of short-term financial returns. The infrastructure provides an enabling platform for industrial competitiveness, scientific development, regulatory compliance, quality assurance and international trade.

Revenue-generating initiatives therefore form an increasingly important component of NMISA's sustainability strategy. While progress is being made in developing additional revenue streams, externally generated income is not yet sufficient to replace or materially offset the organisation's reliance on government funding.

NMISA will continue pursuing a balanced sustainability model that combines appropriate public funding with increased commercial and partnership revenue, improved operational efficiencies and strategic prioritisation of its resources.

HUMAN CAPITAL AND INSTITUTIONAL SUSTAINABILITY

Financial sustainability cannot be considered independently of the organisation's human capital requirements. NMISA operates within a highly specialised scientific and engineering disciplines in which the availability of appropriately qualified

professionals is limited. Competition for these skills exists both domestically and internationally.

Turnover in critical scientific and engineering positions therefore presents both an operational and financial risks. The loss of highly specialised institutional knowledge can affect service delivery, succession planning and the organisation's ability to maintain internationally recognised technical capabilities.

Retention, succession planning and the development of scarce technical skills will consequently remain important priorities as NMISA considers its medium- and long-term sustainability.

STRATEGIC OUTLOOK

Despite the challenging fiscal environment, NMISA has continued to demonstrate resilience through effective cost management, sound financial governance and the continued pursuit of initiatives intended to strengthen its long-term sustainability. This is reflected in the organisation's consistent clean audit outcomes.

Looking ahead, the organisation's financial strategy will focus on balancing four critical priorities: protecting the core government-funded mandate; growing sustainable external revenue; maintaining and modernising critical scientific infrastructure; and strengthening operational efficiencies through digital transformation.

The proposed reforms associated with the revised Measurement Units and Measurement Standards legislative framework, together with revenue diversification and digital transformation initiatives, provide an important opportunity to reposition NMISA for the future.

Management will continue to evaluate the organisation's operating model and resource allocation to ensure that available funding is directed towards activities that provide the greatest strategic and public value.

CONCLUSION

The 2025/26 financial year demonstrated the importance of disciplined financial stewardship in an increasingly constrained public-sector environment.

Despite funding pressures, NMISA sustained delivery of its core mandate, maintained a sound liquidity position and continued investing in the scientific infrastructure necessary to support South Africa's measurement system.

The continued support of **the dtic** remains fundamental to the organisation's ability to fulfil its statutory responsibilities. At the same time, NMISA recognises the importance of strengthening its own revenue-generating capacity and improving the long-term resilience of its operating model.

As we look ahead, our focus will remain on ensuring that every resource entrusted to NMISA is managed responsibly and directed towards sustainable institutional value.

Our financial management strategy will therefore continue to balance fiscal discipline with strategic investment, financial sustainability with service delivery, and responsible stewardship with the need to preserve South Africa's national measurement capability.

Through this approach, NMISA will continue working to ensure that South Africa's metrology infrastructure remains internationally aligned, nationally relevant and capable of supporting economic development, industrial competitiveness and regional impact.



Ms Lebogang Dire
Chief Financial Officer

31 August 2026

Nexia SAB&T

119 Witch-Hazel Avenue
Highveld Technopark
Centurion
0157
T: +27 (0) 12 682 8800
info@nexia-sabt.co.za
www.nexia-sabt.co.za

Independent auditor's report to Parliament on the National Metrology Institute of South Africa

Report on the audit of the financial statements

Opinion

1. We have audited the financial statements of the National Metrology Institute of South Africa set out on pages 111 to 145, which comprise the statement of financial position as at 31 March 2026, statement of financial performance, statement of changes in net assets, cash flow statement and the 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 our opinion, the financial statements present fairly, in all material respects, the financial position of the National Metrology Institute of South Africa as at 31 March 2026 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

4. We are independent of the entity in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors of the (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Accounting Authority for the financial statements

5. The Accounting Authority, is responsible for the preparation and fair presentation of the financial statements in accordance with 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Audit. Tax. Advisory.

Chairperson: Ms A Zange
Chief Executive Officer: Mr MF Sulaman
SAB&T Chartered Accountants Incorporated t/a Nexia SAB&T
Company Registration Number: 1997/018869/21 | IRBA Registration Number: 921297
Offices in: Bloemfontein, Cape Town, Centurion, Durban, Johannesburg, Kimberley, Nelspruit, Polokwane, Port Elizabeth, Rustenburg
B-BBEE rating: Level 1 Contributor in terms of Generic Scorecard - B-BBEE Codes of Good Practice
SAB&T Chartered Accountants Incorporated is a member of Nexia, a leading, global network of independent accounting and consulting firms.
Please see the "Member firm disclaimer, https://nexia.com/member-firm-disclaimer/" for further details.
SAB&T Chartered Accountants Incorporated is an authorised financial services provider.
* A full list of directors is available for inspection at the company's registered office or on request.

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

Auditor's responsibilities for the audit of the financial statements

7. Our 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 our 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.

8. A further description of our responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at pages 107 to 109, forms part of our auditor's report.

Report on the audit of performance information

9. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, we must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected outcomes presented in the annual performance report. The Accounting Authority is responsible for the preparation of the annual performance report.

10. We selected the following outcomes presented in the annual performance report for the year ended 31 March 2026. We selected outcomes that measures the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page Number	Output
Programme 2: Metrology Programme (realisation, maintenance and development of the National Measurement Standards)	33	Ensure regional, continental, and international comparability of the South African measurement infrastructure
Programme 2: Metrology Programme (realisation, maintenance and development of the National Measurement Standards)	34	Maintain fast and efficient service delivery to clients
Programme 2: Metrology Programme (realisation, maintenance and development of the National Measurement Standards)	34	Develop and retain a capable workforce that is able to utilise world-class infrastructure to deliver specialised and innovative measurement solutions

11. We evaluated the reported performance information for the selected outcomes 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.

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

13. We performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

14. We did not identify any material findings on the reported performance information.

Other matters

15. We draw attention to the matters below.

Achievement of planned targets

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

Report on compliance with legislation

17. In accordance with the PAA and the general notice issued in terms thereof, we must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The Accounting Authority is responsible for the public entity's compliance with legislation.

18. We performed procedures to test compliance with selected requirements in key legislation in accordance with the AGSA findings engagement methodology. This engagement is not an assurance engagement. Accordingly, we do not express an assurance opinion or conclusion.

19. Through an established AGSA process, we 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.

20. We did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

21. The Accounting Authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected outcomes presented in the annual performance report that have been specifically reported on in this auditor's report.

22. Our opinion on the financial statements and our reports on the audit of the annual performance report and compliance with legislation do not cover the other information and we do not express an audit opinion or any form of assurance conclusion on it.

23. In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected outcomes presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

24. If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact.

25. We have nothing to report in this regard.

Nexia SAB&T

Internal control deficiencies

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

27. We did not identify any significant deficiencies in internal control.

Nexia SAB&T
Per: Talha Mayet
Director
Registered Auditor

31 July 2026

Annexure to the auditor's report

The annexure includes the following:

- the auditor’s responsibility for the audit
- the selected legislative requirements for compliance testing.

Auditor’s responsibilities for the audit

Professional judgement and professional scepticism

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

Financial statements

In addition to our responsibility for the audit of the financial statements as described in this auditor’s report, we 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 our 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. We 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify our opinion on the financial statements. Our conclusions are based on the information available to us 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.

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Communication with those charged with governance

We 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 we identify during our audit.

We also provide the Accounting Authority with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to have a bearing on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(f); 38(1)(h)(iii); 40(1)(a); 40(1)(b); 40(1)(c)(i); 44; 45(b);
Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56; 57(b); 66(4)
Treasury Regulations, 2005	Regulation 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a) 16A6.2(b); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A7.1; 16A7.3; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; 31.1.2(c); 31.2.1; 31.2.5; 31.2.7(a); 31.3.3; 33.1.1; 33.1.3
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A); 25(9)(a); 25(10)
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. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
National Treasury Practice Note 7 of 2009/10	Paragraph 4.1.2

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Legislation	Sections or regulations
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2(1)(a); 2(1)(b); 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)
Measurement Units and Measurements Standards Act, No 18 of 2006	
Legal Metrology Act, (Act No. 9 of 2014)	
The Civil Aviation Act, (Act No. 13 of 2009)	

ANNUAL FINANCIAL STATEMENTS

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Legal form of entity	Schedule 3A Public Entity
Nature of business and principal activities	To develop, keep, maintain and disseminate the National Measurements Standards (NMS), reference measurements, reference standards, and reference materials.
Members	Dr Precious Gugulethu Motshwene – Chairperson Dr James Tshilongo Ms Sara Natalia Prins Ms Babalwa Songongo – resigned October 2025 Prof. Andrew Buffler Prof. Lorna Benita Holtman Dr Charl Wynand Louw Mr Gerhard Fourie – **the dtic** representative Dr Mbulelo Nokwequ – appointed 1 January 2026
Business address	Building 5, CSIR Pretoria Campus Meiring Naude Road Brummeria Pretoria 0001
Postal address	Private Bag X34 Lynnwood Ridge 0040
Controlling entity	Department of Trade, Industry and Competition (**the dtic**)
Bankers	Standard Bank South African Reserve Bank
Auditors	Nexia SAB&T Chartered Accountants (S.A.) Registered Auditors
Secretary	Busisiwe Mkhize

INDEX

The reports and statements set out below comprise the Annual Financial Statements presented to **the dtic**:

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STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026

FIGURES IN RAND	NOTE(S)	2026	2025
Assets			
Current assets			
Inventories	7	10 982 553	10 674 950
Receivables from exchange transactions	8	10 719 324	19 653 628
Cash and cash equivalents	9	96 016 346	87 568 052
		117 718 223	**117 896 630**
Non-current assets			
Property, plant and equipment	4	421 379 681	458 380 729
Intangible assets	5	345 639	486 149
Receivables from exchange transactions	8	9 952 861	9 154 802
		431 678 181	**468 021 680**
Total assets		**549 396 404**	**585 918 310**
Liabilities			
Current liabilities			
Payables from exchange transactions	6	22 250 916	23 158 559
Total liabilities		**22 250 916**	**23 158 559**
Net assets			
Accumulated surplus		527 145 488	562 759 751
Total net assets		**527 145 488**	**562 759 751**

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2026

FIGURES IN RAND	NOTE(S)	2026	2025
Revenue			
Revenue from exchange transactions			
Rendering of services		28 400 101	26 984 826
Other income		-	918 417
Interest received		7 835 960	8 306 623
Gain on exchange differences		602 544	47 453
Total revenue from exchange transactions		**36 838 605**	**36 257 319**
Revenue from non-exchange transactions			
Transfer from controlling entity		175 099 000	177 312 000
Total revenue	11	**211 937 605**	**213 569 319**
Expenditure			
Employee related costs	12	(102 885 129)	(105 555 252)
Depreciation and amortisation	4&5	(54 475 312)	(64 246 749)
Impairment loss	4	(422 489)	(422 560)
Lease rentals on operating lease	16	(29 286 732)	(27 012 619)
Debt impairment – financial instruments	13	(912 258)	(101 736)
Loss on disposal of assets	4	(722 791)	(2 635 561)
General expenses	14	(58 847 159)	(54 350 596)
Total expenditure		**(247 551 870)**	**(254 325 073)**
Deficit for the year		**(35 614 265)**	**(40 755 754)**

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 MARCH 2026

FIGURES IN RAND	ACCUMULATED SURPLUS/ (DEFICIT)
Balance at 1 April 2024	**603 515 505**
Changes in net assets	
Deficit for the year	(40 755 754)
Total changes	(40 755 754)
Balance at 1 April 2025	**562 759 753**
Changes in net assets	
Deficit for the year	(35 614 265)
Total changes	(35 614 265)
Balance at 31 March 2026	**527 145 488**

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2026

FIGURES IN RAND	NOTE(S)	2026	2025
Cash flows from operating activities			
Receipts			
Rendering of services		30 443 922	27 298 854
Transfer from controlling entity		175 099 000	177 312 000
Interest received		7 835 960	8 306 623
Other income		-	918 417
		213 378 882	213 835 894
Payments			
Employee related costs		(103 400 452)	(105 565 261)
Suppliers for goods and services		(87 846 041)	(68 565 600)
		(191 246 493)	(174 130 861)
Net cash flows from operating activities	15	**22 132 389**	**39 705 033**
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(13 684 095)	(5 539 477)
Proceeds from sale of property, plant and equipment	4	-	24 136
Transfers to property, plant and equipment		-	79 189
Net cash flows from investing activities		**(13 684 095)**	**(5 436 152)**
Net increase/(decrease) in cash and cash equivalents		**8 448 294**	**34 268 881**
Cash and cash equivalents at the beginning of the year		87 568 052	53 299 171
Cash and cash equivalents at the end of the year	9	**96 016 346**	**87 568 052**

The accounting policies on pages 117 to 127 and the notes on pages 128 to 145 form an integral part of the Annual Financial Statements.

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 31 MARCH 2026

BUDGET ON MODIFIED CASH BASIS						
FIGURES IN RAND	APPROVED BUDGET	ADJUSTMENTS	FINAL BUDGET	ACTUAL AMOUNTS ON COMPARABLE BASIS	PERCENTAGE DIFFERENCE BETWEEN FINAL BUDGET AND ACTUAL	REFERENCE
Revenue						
Revenue from exchange transactions						
Rendering of services	23 288 843	3 859 157	27 148 000	28 400 101	-5 %	
Interest received	6 000 000	2 000 000	8 000 000	7 835 960	2 %	
Gain on exchange differences	-	-	-	602 544		24.2
Total revenue from exchange transactions	**29 288 843**	**5 859 157**	**35 148 000**	**36 838 605**	**-5 %**	
Revenue from non-exchange transactions						
Transfer from controlling entity	165 099 000	10 000 000	175 099 000	175 099 000	0 %	
Surplus approved for retention	-	28 605 219	28 605 219	-	100 %	24.1
Total revenue from non-exchange transactions	165 099 000	38 605 219	203 704 219	175 099 000	14 %	
Total revenue	**194 387 843**	**44 464 376**	**238 852 219**	**211 937 605**	**11 %**	
Expenditure						
Employee related costs	(116 528 516)	15 535 235	(100 993 281)	(102 885 129)	-2 %	
Depreciation and amortisation	-	-	-	(54 475 312)		24.3
Impairment loss	-	-	-	(422 489)		24.3
Lease rentals on operating lease	(28 336 912)	(830 287)	(29 167 199)	(29 286 732)	0 %	
Debt impairment – Financial instruments	-	-	-	(912 258)		24.3
Loss on exchange differences	(150 000)	(150 000)	(300 000)	-	100 %	24.3
Loss on disposal of assets	-	-	-	(722 791)		24.3
General expenses	(49 372 415)	(15 647 500)	(65 019 915)	(58 847 159)	9 %	
Total expenditure	**(194 387 843)**	**(1 092 552)**	**(195 480 395)**	**(247 551 870)**	**-27 %**	
Capital expenditure	-	(43 371 824)	(43 371 824)	(18 479 033)	57 %	24.4
Deficit	**-**	**-**	**-**	**(54 093 298)**		
Reconciliation						
Format and classification differences						
Property, plant and equipment				18 479 033		
Actual Amount in the Statement of Financial Performance				**(35 614 265)**		

SIGNIFICANT ACCOUNTING POLICIES

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these Annual Financial Statements are set out below.

1.1 Basis of preparation

The Annual Financial Statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives, issued by the Accounting Standards Board in accordance with Section 91(1) 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. The Financial Statements comply with Standards of GRAP.

These accounting policies are consistent with the previous period, except for the changes set out in note 2 Changes in accounting policy.

1.2 Presentation currency

These Annual Financial Statements are presented in South African Rand, which is the functional currency of the entity. Amounts in the Annual Financial Statements are rounded to the nearest Rand.

1.3 Going concern assumption

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

1.4 Materiality

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

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

The entity does not retrospectively adjust the accounting of past items (or group of items) that were previously assessed as immaterial, unless an error occurred.

1.5 Significant sources of estimation uncertainty

In preparing the Annual Financial Statements, management is required to make estimates and assumptions that affect the amounts represented in the Annual Financial Statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the Annual Financial Statements. Significant judgements include: allowance/provision for doubtful debts, useful life of assets and impairment of assets.

1.5 Significant sources of estimation uncertainty (continued)

Impairment testing

The recoverable amounts of individual assets have been determined based on the higher of value-in-use calculations. These calculations require the use of estimates and assumptions. It is reasonably possible that the value-in-use assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible and intangible assets.

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. If there are indications that impairment may have occurred, estimates are prepared of expected value-in-use for each group of assets. The entity assesses its financial assets carried at amortised cost for impairment at each reporting date. In determining whether an impairment loss should be recorded in surplus or deficit, the entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flow from a financial asset.

Useful lives and residual values of property, plant and equipment and intangible assets

The entity's management made certain estimates regarding the determination of estimated useful lives and residual values of items of property, plant and equipment. An annual assessment and review of estimated useful lives and residual values is performed, and any significant change is accounted for as a change in accounting estimate in accordance with GRAP 3.

Estimates involve judgement based on recently available, reliable information and therefore an estimate may change as new information becomes known, circumstances change or more experience is obtained. The entity recognises the effect of changes in accounting estimates prospectively, by including the effects in surplus or deficit in the period of the change if the change affects that period only or in the period of the change and future periods, if the change affects both.

Impairment – expected credit losses (ECL)

The entity measures expected credit losses (ECL) on financial assets measured at amortised cost using the provision matrix methodology. ECL measurement involves significant judgement, including in:

- defining "default" and segmenting exposures into appropriate groups;
- estimating probabilities of default, loss given default and exposures at default;
- incorporating forward-looking information and any post-model adjustments where model outputs do not fully capture emerging risks.

Key judgements and estimations in the ECL model include:

- Ageing Buckets and Impairment Probabilities: Historical payment patterns are analysed across ageing buckets. Expected credit losses are based on observed historical default rates and adjusted for modest forward-looking economic factors, reflecting the low-risk, short-term nature of receivables.
- Forward-Looking Adjustments: Management considers macroeconomic factors relevant to South Africa, including inflation, electricity costs, fuel price volatility, interest rates, GDP growth, exchange rate fluctuations, and public sector fiscal constraints.

Write-offs and subsequent recoveries

Financial assets (or parts thereof) are written off when the entity has no reasonable expectation of recovering all or part of the contractual cash flows, after considering historical experience and specific factors relating to the debtor. Any subsequent cash recoveries of amounts previously written off are recognised in surplus or deficit when received.

1.6 Property, plant and equipment

Property, plant and equipment are tangible non-current 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.

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.

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

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. The useful lives of items of property, plant and equipment have been assessed as follows:

ITEM	DEPRECIATION METHOD	AVERAGE USEFUL LIFE
Plant and machinery	Straight-line	7 to 20
Furniture and fixtures	Straight-line	7
Motor vehicles	Straight-line	7 to 10
Office equipment	Straight-line	5
Leasehold improvements	Straight-line	<Lease period/Useful life

The cost of leasehold improvement is depreciated over the shorter of lease period or the useful life. The depreciable amount of an asset is allocated on a systematic basis over its useful life.

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.

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 4).

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 from other rights and obligations.

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.

Intangible assets are initially recognised at cost. The cost of intangible assets 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.

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

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

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date. Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

ITEM	DEPRECIATION METHOD	AVERAGE USEFUL LIFE
Computer software	Straight-line	2

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

1.8 Financial instruments – GRAP 104 (revised 2019) – current policy

Applied from the effective date prescribed for the entity by regulation of the Minister of Finance and the applicable Directive (see note "Changes in accounting policy"). Any reference to paragraph numbers in this accounting policy relates to paragraphs in GRAP 104 (revised 2019), related Appendices or related Basis for Conclusions.

Definitions

Financial assets include:

- cash;
- residual interests of another entity; or
- contractual rights to receive or exchange cash or another financial asset.

1.8 Financial instruments – GRAP 104 (revised 2019) – current policy (continued)

Financial liabilities are contractual obligations to deliver cash or another financial asset, or to exchange financial assets or liabilities under conditions that are potentially unfavourable to the entity.

The **amortised cost** of a financial asset or liability is the amount at which it is measured initially, minus principal repayments, plus or minus cumulative amortisation using the effective-interest rate method, and less any loss allowance.

Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

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

(a) deliver cash or another financial asset to another entity; or
(b) exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Initial Recognition

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

Classification

Classification of financial assets

The entity classifies financial assets as subsequently measured at amortised cost through surplus or deficit A financial asset is measured at amortised cost if both of the following conditions are met:

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

Classification of financial liabilities

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

Measurement

Initial measurement

Except for, where at initial recognition, the entity measures receivables and payables at their transaction price if they do not contain a material financing transaction, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or a financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets

After initial recognition, the entity measures a financial asset at amortised cost.

Subsequent measurement of financial liabilities

After initial recognition, the entity measures a financial liability at amortised cost.

1.8 Financial instruments – GRAP 104 (revised 2019) – current policy (continued)

Impairment

Recognition of expected credit losses

Simplified approach for receivables

The entity measures the loss allowance at an amount equal to lifetime expected credit losses for receivables.

Measurement of expected credit losses

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

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

In estimating impairment, management uses a provision matrix methodology, which groups receivables with similar credit risk characteristics, analyses historical payment patterns across ageing buckets, current and forecasted macroeconomic indicators, and applies impairment probabilities to determine expected losses.

Derecognition

Derecognition of financial assets

The entity derecognises a financial asset only when:

(a) the contractual rights to the cash flows from the financial asset expire, are settled or waived;
(b) the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
(c) the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
    (i) derecognises the asset; and
    (ii) recognises separately any rights and obligations created or retained in the transfer.

Derecognition of financial liabilities

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

1.9 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.

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.

1.10 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.

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

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

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost 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, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.11 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

At each reporting date, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately as an expense.

Where an impairment loss subsequently reverses, the carrying amount of an asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit.

1.12 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets. When the carrying amount of a non-cash generating asset exceeds its recoverable service amount, it is impaired. At each reporting date, the entity assesses whether there is any indication that a non-cash-generating asset may be impaired.

If any such indication exists, an entity estimates the recoverable service amount of the asset.

The present value of the remaining service potential of a non-cash-generating asset is determined, using one of the following approaches:

- depreciated replacement cost approach;
- restoration cost approach; or
- service units approach.

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit.

At each reporting date, the entity assesses whether there is any indication that an impairment loss, recognised in prior periods for a non-cash-generating asset, may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable service amount.

1.13 Employee benefits

Short-term employee benefits

Recognition and measurement

All short-term employee benefits

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:

(a) 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.
(b) As an expense, unless another Standard of GRAP requires or permits the inclusion of the benefits in the cost of an asset.

Short-term paid absences

The entity recognises the expected cost of short-term employee benefits in the form of paid absences as follows:

(a) in the case of accumulating paid absences, when the employees render service that increases their entitlement to future paid absences; and
(b) in the case of non-accumulating paid absences, when the absences occur.

The entity measures the expected cost of accumulating paid absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period.

Bonus, incentive and performance related payments

The entity recognises the expected cost of bonus, incentive and performance related payments when, and only when:

(a) the entity has a present legal or constructive obligation to make such payments as a result of past events; and
(b) a reliable estimate of the obligation can be made. A present obligation exists when, and only when, the entity has no realistic alternative but to make the payments.

1.13 Employee benefits (continued)

Post-employment benefits: Defined contribution plans

Recognition and measurement

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:

(a) as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, 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
(b) as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Other long-term employee benefits

Recognition and measurement

The entity provides long-service awards to qualifying employees on completion of milestone years of service. The expected cost is recognised on the date the qualifying service is rendered, using the projected unit credit method or an approximation where the benefits are not material

1.14 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.

Commitments are recorded at cost in the notes to the Financial Statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that NMISA will discharge its responsibility thereby incurring future expenditure that will result in the outflow of cash.

1.15 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

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

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

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.

Revenue is measured at the fair value of the consideration received or receivable.

1.15 Revenue from exchange transactions (continued)

Interest

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

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

Interest is recognised using the effective interest rate method for financial instruments.

1.16 Revenue from non-exchange transactions

Revenue from non-exchange transactions is measured at the amount of the increase in net assets recognised by the entity. NMISA receives an unconditional grant via **the dtic**.

1.17 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.

1.18 Comparative figures

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

1.19 Irregular expenditure

Irregular expenditure means expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation. Irregular expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

Irregular expenditure is recorded in the notes to the Financial Statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefore are provided in the notes.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable. Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

1.20 Budget information

The 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.

The approved budget is prepared on a modified cash basis and presented by economic classification linked to performance outcome objectives. The approved budget covers the fiscal period from 2025/04/01 to 2026/03/31. A comparison with the budgeted amounts for the reporting period has been included in the Statement of comparison of budget and actual amounts.

Comparative information is not required.

1.21 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.

The dtic was identified as being able to exercise significant influence over NMISA. As a result, all other entities under the same influence are regarded as related parties.

1.22 Events after reporting date

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

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

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

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

2. CHANGES IN ACCOUNTING POLICY

The Annual Financial Statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice on a basis consistent with the prior year except for the adoption of the following revised standard.

Financial Instruments (GRAP 104, revised 2019)

Nature of change

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

The revised Standard introduces, inter alia:

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

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

Impairment – Expected credit losses (ECL)

The entity applied the impairment requirements in paragraphs 5.17 to 5.36 of GRAP 104 (2019) retrospectively in accordance with GRAP 3.

As entities are not required to restate comparative information, applying the impairment requirements retrospectively means that the entity measured impairment losses using expected credit losses on the date of adoption. The simplified approach for trade receivables was used and the difference in the provision when using the new provision matrix method is R103 788 which is immaterial.

On transition, the entity sought to approximate the credit risk on initial recognition by considering all reasonable and supportable information that was available without undue cost and effort. The entity is not required to undertake an exhaustive search for information when determining, at the date of transition, whether there have been significant increases in credit risk since initial recognition.

Impact of the revised Standard

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

CLASS OF INSTRUMENT	NOTES	CARRYING AMOUNT (OLD)	NON-FI PORTION (EXCLUDED)	CARRYING AMOUNT (OLD) – FI	CARRYING AMOUNT (NEW) – FI	CHANGE IN CARRYING AMOUNT (NEW–OLD) – FI	OF WHICH: CHANGE ARISING FROM CHANGE IN MEASUREMENT ATTRIBUTE
Receivables from exchange transactions	8	28 808 430	(17 576 029)	11 232 401	11 128 613	(103 788)	(103 788)

2. CHANGES IN ACCOUNTING POLICY (continued)

Entities are not required to restate comparative information, applying the impairment requirements retrospectively means that the entity measured impairment losses using expected credit losses on the date of adoption. Therefore the carrying amount as at 1 April 2026 was has not been adjusted.

CLASS OF INSTRUMENT	NOTES	CARRYING AMOUNT (OLD)	NON-FI PORTION (EXCLUDED)	CARRYING AMOUNT (OLD) – FI	CARRYING AMOUNT (NEW) – FI
Payables from exchange transactions	6	23 158 559	(9 426 268)	13 732 291	13 732 291

3. NEW STANDARDS AND INTERPRETATIONS

3.1 Standards and interpretations effective and adopted in the current year

In the current year, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

STANDARD/INTERPRETATION	EFFECTIVE DATE: YEARS BEGINNING ON OR AFTER	EXPECTED IMPACT
iGRAP 22 Foreign Currency Transactions and Advance Consideration	1 April 2025	No material impact, the entity's existing accounting policy for translating foreign currency transactions already aligns with the interpretation
GRAP 104 (as revised): Financial Instruments	1 April 2025	The revised Standard introduces a transition from a reactive "incurred loss" model to a proactive, forward-looking Expected Credit Loss (ECL) impairment model. This shift changes how NMISA calculates and reports allowances for trade and other receivables.

3.2 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 1 April 2026 or later periods:

STANDARD/INTERPRETATION	EFFECTIVE DATE: YEARS BEGINNING ON OR AFTER	EXPECTED IMPACT
GRAP 107 (as revised) Mergers	Not set by the Minister of Finance	Unlikely there will be a material impact
GRAP 106 (as revised) Transfer of Functions Between Entities Not Under Common Control	Not set by the Minister of Finance	Unlikely there will be a material impact
GRAP 105 Transfer of Functions Between Entities Under Common Control	Not set by the Minister of Finance	Unlikely there will be a material impact
GRAP 2023 Improvements to the Standards of GRAP 2023	Not set by the Minister of Finance	Not expected to impact results but may result in additional disclosure
GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	Not set by the Minister of Finance	Not expected to impact results but may result in additional disclosure
GRAP 103 (amended): Heritage Assets	Not set by the Minister of Finance	Unlikely there will be a material impact

4. PROPERTY, PLANT AND EQUIPMENT

FIGURES IN RAND	2026			2025		
	COST/ VALUATION	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE	COST/ VALUATION	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE
Plant and machinery	787 566 870	(393 643 973)	393 922 897	773 825 345	(350 188 177)	423 637 168
Furniture and fixtures	4 253 164	(2 356 916)	1 896 248	4 151 178	(1 842 503)	2 308 675
Motor vehicles	1 524 105	(959 194)	564 911	1 524 105	(807 295)	716 810
Office equipment	16 370 728	(13 767 767)	2 602 961	16 593 616	(13 243 348)	3 350 268
Leasehold improvements	53 795 887	(31 403 223)	22 392 664	53 795 887	(25 428 079)	28 367 808
Total	**863 510 754**	**(442 131 073)**	**421 379 681**	**849 890 131**	**(391 509 402)**	**458 380 729**

Reconciliation of property, plant and equipment – 2026

FIGURES IN RAND	OPENING BALANCE	ADDITIONS	DISPOSALS	DEPRECIATION	IMPAIRMENT LOSS	TOTAL
Plant and machinery	423 637 168	18 377 047	(697 532)	(46 971 793)	(421 993)	393 922 897
Furniture and fixtures	2 308 675	101 986	-	(514 413)	-	1 896 248
Motor vehicles	716 810	-	-	(151 899)	-	564 911
Office equipment	3 350 268	-	(25 259)	(722 048)	-	2 602 961
Leasehold improvements	28 367 808	-	-	(5 974 649)	(495)	22 392 664
	458 380 729	**18 479 033**	**(722 791)**	**(54 334 802)**	**(422 488)**	**421 379 681**

Reconciliation of property, plant and equipment – 2025

FIGURES IN RAND	OPENING BALANCE	ADDITIONS	DISPOSALS	OTHER MOVEMENTS	DEPRECIATION	IMPAIRMENT LOSS	TOTAL
Plant and machinery	472 713 877	5 293 728	(2 543 700)	-	(51 404 177)	(422 560)	423 637 168
Furniture and fixtures	3 514 605	245 749	-	-	(1 451 679)	-	2 308 675
Motor vehicles	922 543	-	-	-	(205 733)	-	716 810
Office equipment	6 932 858	-	(92 689)	(79 189)	(3 410 712)	-	3 350 268
Leasehold improvements	34 736 231	-	(23 308)	-	(6 345 115)	-	28 367 808
	518 820 114	**5 539 477**	**(2 659 697)**	**(79 189)**	**(62 817 416)**	**(422 560)**	**458 380 729**

Included in the carrying value of property, plant and equipment is assets delivered but not yet installed and commissioned to the value of R12 512 131 (2025: R15 185 688). The carrying value of property, plant and equipment has not been pledged as security.

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

FIGURES IN RAND	2026	2025
General expenses	9 983 827	8 962 601

5. INTANGIBLE ASSETS

FIGURES IN RAND	2026			2025		
	COST/ VALUATION	ACCUMULATED AMORTISATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE	COST/ VALUATION	ACCUMULATED AMORTISATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE
Computer software	13 012 807	(12 667 168)	345 639	14 328 609	(13 842 460)	486 149

Reconciliation of intangible assets – 2026

FIGURES IN RAND	OPENING BALANCE	AMORTISATION	TOTAL
Computer software	486 149	(140 510)	345 639

Reconciliation of intangible assets – 2025

FIGURES IN RAND	OPENING BALANCE	AMORTISATION	TOTAL
Computer software	1 915 482	(1 429 333)	486 149

6. PAYABLES FROM EXCHANGE TRANSACTIONS

FIGURES IN RAND	2026	2025
Trade payables	5 914 316	12 361 056
Payments received in advance	4 504 371	4 123 265
Accrued leave pay	3 986 619	4 501 942
Accrued bonus	505 314	741 119
Accrued expenses	5 000 004	1 371 235
Accrued expense relating to employee costs*	2 340 292	59 942
	22 250 916	**23 158 559**

* Back pay in respect of cost of living adjustment implemented in May 2026, for the period October 2025 to March 2026.

FIGURES IN RAND	2026	2025
Split between financial instruments and non-financial instruments		
Other non-financial instruments related	11 336 596	9 426 268
Carrying amount of non-financial instruments	11 336 596	9 426 268
Carrying amount of financial instruments	10 914 320	13 732 291
Total split between financial instruments and non-financial instruments	**22 250 916**	**23 158 559**
Split of carrying amount of financial instruments into categories		
Financial liabilities measured at amortised cost	10 914 320	13 732 291

7. INVENTORIES

FIGURES IN RAND	2026	2025
Raw materials	8 135 399	8 151 089
Finished goods	2 847 154	2 523 861
	10 982 553	**10 674 950**
Inventories recognised as an expense during the year	381 333	718 192

Inventory is carried at lower of cost or net realisable value. Inventory was not pledged as security for liabilities.

8. RECEIVABLES FROM EXCHANGE TRANSACTIONS

FIGURES IN RAND	2026	2025
Receivables from exchange transactions		
Trade debtors	6 715 195	8 626 718
Other receivables*	98 419	3 077 022
Prepayments**	5 327 850	11 886 804
Deposits***	3 718 570	3 409 119
Provision for impairment of trade and other receivables	(1 565 305)	(3 880 458)
Prepaid expenses****	6 377 456	5 689 225
Total receivables from exchange transactions	**20 672 185**	**28 808 430**
Split between non-current and current portions		
Non-current assets	9 952 861	9 154 802
Current assets	10 719 324	19 653 628
	20 672 185	**28 808 430**

* An amount of R2 885 549 in respect of bursary recovery debt was written off.

** The prepayment of R5 million was paid to National Physical Laboratory, a British metrology institute, for the development of the Kibble balance and related instruments for effective functioning of the entire system.

*** Includes rental deposit of R3 586 070, it is refundable to the entity at the end of the lease term. The deposit is invested by the Lessor in an interest bearing account with a financial institution and is capitalised at a rate of 100 basis points lower than the actual interest rate earned on the interest-bearing account to make provision for administration costs.

**** Prepaid expenses in respect of software licenses and insurance.

NMISA does not hold any collateral as security. The impairment of trade and other receivables was determined with reference to probability of collection of the amounts.

FIGURES IN RAND	2026	2025
Split between financial instruments and non-financial instruments		
Other non-financial instruments related	11 705 306	17 576 029
Carrying amount of non-financial instruments	11 705 306	17 576 029
Carrying amount of financial instruments	8 966 879	11 232 401
Total split between financial instruments and non-financial instruments	**20 672 185**	**28 808 430**
Split of carrying amount of financial instruments into categories		
Financial assets measured at amortised cost	8 966 879	11 232 401

8. RECEIVABLES FROM EXCHANGE TRANSACTIONS (continued)

FIGURES IN RAND	2026	2025
Reconciliation of provision for impairment of trade and other receivables		
Opening balance	3 880 458	4 642 208
Provision for impairment	1 565 305	3 880 458
Amounts written off as uncollectible	(3 227 411)	(863 486)
Unused amounts reversed	(653 047)	(3 778 722)
	1 565 305	**3 880 458**
Ageing of trade and other receivables (net of provision for impairment)		
Current (0–30 days)	4 559 512	5 819 683
31–60 days	427 265	613 364
61–90 days	-	98 734
91–120 days	110 789	166 572
121+ days	150 743	1 124 929
	5 248 309	**7 823 282**

9. CASH AND CASH EQUIVALENTS

FIGURES IN RAND	2026	2025
Cash and cash equivalents consist of:		
Cash on hand	13 678	11 596
Bank balances	7 882 680	1 195 477
Short-term deposits*	88 119 988	86 360 979
	96 016 346	**87 568 052**

* Short-term deposits consist of Money Market account held with Standard Bank and the Call account held with the South African Reserve Bank.

There are no restrictions on cash held with banks. Cash and cash equivalents (excluding cash on hand) are held with Standard Bank, which is rated BB- based on rating agency Fitch Ratings. The Call account is held with the South African Reserve Bank, which is the central bank for South Africa and is considered to carry low credit risk.

FIGURES IN RAND	2026	2025
Split between financial instruments and non-financial instruments		
Carrying amount of financial instruments	96 016 346	87 568 052
Split of carrying amount of financial instruments into categories		
Financial assets measured at amortised cost	96 016 346	87 568 052

10. SURRENDER OF SURPLUSES

In terms of Section 53(3) of the PFMA, the entity is required to surrender all surpluses realised in a particular financial year to the relevant Revenue Fund, unless approval is granted for their retention.

In terms of Treasury Instruction No. 3 of 2025/26, the surplus for the financial year ended 31 March 2026 is R5 610 823. The entity will submit a formal request to Treasury to retain these funds. The retained surplus is intended to fund critical IT infrastructure requirements that are currently underfunded. If National Treasury rejects the application, the funds will be surrendered in accordance with the legislative framework.

The entity received approval to retain its cash surplus for the 2024/25 financial year. These funds have been fully utilised during the current reporting period.

11. REVENUE

FIGURES IN RAND	2026	2025
Rendering of services	28 400 101	26 984 826
Other income	-	918 417
Gain on exchange differences	602 544	47 453
Interest received	7 835 960	8 306 623
Transfer from controlling entity	175 099 000	177 312 000
	211 937 605	**213 569 319**
The amount included in revenue arising from exchanges of goods or services are as follows:		
Rendering of services	28 400 101	26 984 826
Other income	-	918 417
Gain on exchange differences	602 544	47 453
Interest received	7 835 960	8 306 623
	36 838 605	**36 257 319**
The amount included in revenue arising from non-exchange transactions is as follows:		
Transfer from controlling entity	175 099 000	177 312 000

12. EMPLOYEE RELATED COSTS

FIGURES IN RAND	2026	2025
Basic	102 724 033	103 954 441
Gratuity/Bonus	-	1 000 000
UIF	507 861	533 597
Leave pay provision charge	(515 323)	(10 010)
Long-service awards	168 558	77 224
	102 885 129	**105 555 252**

13. DEBT IMPAIRMENT – FINANCIAL INSTRUMENTS

FIGURES IN RAND	2026	2025
(Decrease)/Increase in loss allowance	(2 315 153)	101 736
Amounts written off*	3 227 411	-
	912 258	**101 736**

* The primary reason for the write-off is the prescription of the outstanding debt.

14. GENERAL EXPENSES

FIGURES IN RAND	2026	2025
Auditors remuneration	1 092 500	754 812
Bursaries	21 815	43 218
Catering, events and meetings	261 099	286 609
Chemicals and laboratory consumables	4 572 030	4 292 115
Consulting and professional fees	540 105	516 823
Electricity	6 371 611	7 209 999
External calibration costs	1 636 278	1 428 312
Health and safety services	434 048	809 340
Insurance	947 671	1 964 243
IT expenses	17 144 034	15 391 722
Legal fees	4 226 071	2 748 743
Marketing	688 299	373 199
Other expenses	1 158 417	941 659
Postage and courier	800 690	1 170 072
Printing and stationery	582 996	817 614
Recruitment costs	523 753	433 407
Repairs and maintenance	9 983 827	8 962 601
SANAS assessments/quality expenses	1 014 579	1 057 885
Staff welfare	370 074	318 267
Subscriptions and membership fees	454 342	765 255
Technical components	1 910 476	1 101 322
Telephone and fax	548 312	359 426
Training	480 030	745 038
Travel – local	445 813	241 514
Travel – overseas	2 484 937	1 403 790
VAT on imported services	153 352	213 611
	58 847 159	**54 350 596**

15. CASH GENERATED FROM OPERATIONS

FIGURES IN RAND	2026	2025
Deficit	(35 614 265)	(40 755 754)
Adjustments for:		
Depreciation and amortisation	54 475 312	64 246 749
Loss on disposal of assets	722 791	2 635 561
Impairment loss	422 489	422 560
Debt impairment – Financial instruments	912 258	101 736
Gain on foreign exchange	(602 544)	(47 453)
Changes in working capital:		
Inventories	(307 603)	(361 254)
Receivables from exchange transactions	7 223 987	3 266 961
Payables from exchange transactions	(5 100 036)	10 195 927
	22 132 389	**39 705 033**

16. COMMITMENTS

FIGURES IN RAND	2026	2025
Authorised capital expenditure		
Already contracted for but not provided for		
- Property, plant and equipment	42 378 729	28 155 101
Authorised operational expenditure		
Already contracted for but not provided for		
- General/operating expenses	31 024 187	15 472 455
Total commitments		
Authorised capital expenditure	42 378 729	28 155 101
Authorised operational expenditure	31 024 187	15 472 455
	73 402 916	**43 627 556**

The delivery lead times for equipment procured by NMISA can be anything up to a year and in some cases beyond a year. At times, funds are often rolled over annually in the form of commitments, for those awards made for which equipment has not yet been delivered.

NMISA procures specialised equipment (custom made on order or assembled to order according to specification by international manufacturers). Some of the equipment is only used by National Metrology Institutes (NMIs) and the components need to be characterised and tested on assembly. This equipment must be thoroughly tested, verified and calibrated to ensure traceability to International Standards before delivery, since the results generated are used as input into uncertainty of measurement calculations.

16. COMMITMENTS (continued)

Operating leases – as lessee – premises

FIGURES IN RAND	2026	2025
Future minimum lease payments due		
- within one year	31 208 903	28 926 147
- in second to fifth year inclusive	102 414 463	130 463 064
	133 623 366	**159 389 211**

Operating lease payments represent rentals payable by the entity for office properties. The lease for properties was negotiated for a term of nine years and eight months, commencing on 1 April 2020. The rental increases on 1 April of each consecutive year, the increase will be based on CPI plus 3%. The rental is payable monthly in advance. No contingent rent is payable.

FIGURES IN RAND	2026	2025
Rental expenses relating to operating leases		
Rental expenses	29 167 199	26 783 470

Operating leases – as lessee – multifunctional printers

FIGURES IN RAND	2026	2025
Future minimum lease payments due		
- within one year	-	109 800

During the 2025/26 financial year, National Treasury granted NMISA approval to participate in Transversal Contract RT3-2022. This contract governs the supply, delivery, installation, commissioning, and maintenance of office automation solutions for the state. While the initial 36-month term was scheduled to expire on 31 March 2026, National Treasury has extended the contract by 12 months. Consequently, the revised agreement covers the period from 1 April 2026 to 31 March 2027.

The lease period was extended in accordance with Clause 4 of the Master Transversal Agreement at a zero-rated (R0) monthly rental, with only cost-per-copy charges remaining payable. Consequently, in line with the approved extension conditions, no rental fees will be incurred for the subsequent 12-month period.

FIGURES IN RAND	2026	2025
Rental expenses relating to operating leases		
Rental expenses	119 533	229 149

17. RELATED PARTIES

The dtic is the controlling entity and all the entities reporting to **the dtic** are under common control. The Minister of **the dtic** is the executive authority of NMISA. Broadly, all entities and any controlled or jointly controlled entities for which the Minister of **the dtic** is the executive authority are considered related parties. NMISA received a transfer payment of R175 099 000, from the National Revenue Fund through **the dtic**. There were no amounts owing to or by NMISA to **the dtic**.

NMISA provides calibration and measurement services, reference materials and training and consulting to entities under common control. The services are provided under normal customer/supplier relationships at arm's length in the ordinary course of business. The revenue from these transactions is included in the statement of financial performance. At 31 March 2026, the following amounts were owing to/by NMISA to other entities under common control (amounts owed included in receivables/payables from exchange transactions):

Related party balances

FIGURES IN RAND	2026	2025
Amounts included in Trade receivable regarding related parties		
South African National Accreditation System (SANAS)	267 911	123 036
South African Bureau of Standards (SABS)	6 980	15 670
Amounts included in Trade Payable regarding related parties		
South African National Accreditation System (SANAS)	79 127	51 846
South African Bureau of Standards (SABS)	29 255	53 008
Commitments with related parties		
South African National Accreditation System (SANAS)	199 996	165 126
South African Bureau of Standards (SABS)	94 982	222 663

Key management information

CLASS	DESCRIPTION	NUMBER
Non-executive Board Members	Accounting Authority	6
Executive Board Members	Chief Executive Officer	1
Executive Management	EXCO	5

17. RELATED PARTIES (continued)

Management class: Board members

2026

FIGURES IN RAND	FEES FOR SERVICES AS A MEMBER OF THE BOARD	SUBSISTENCE ALLOWANCE – INTERNATIONAL TRAVEL	OTHER EXPENSES*	TOTAL
Dr Precious Gugulethu Motshwene	85 042	14 568	4 069	103 679
Dr Alufelwi Maxwell Tshavhungwe	-	-	179	179
Dr James Tshilongo	33 066	14 568	699	48 333
Ms Sara Natalia Prins	67 550	14 568	-	82 118
Ms Babalwa Songongo	62 826	-	-	62 826
Prof. Lorna Benita Holtman	53 379	14 568	-	67 947
Prof. Andrew Buffler	51 961	16 190	-	68 151
Dr Charl Wynand Louw	72 274	14 568	55	86 897
	426 098	**89 030**	**5 002**	**520 130**

2025

FIGURES IN RAND	FEES FOR SERVICES AS A MEMBER OF THE BOARD	OTHER EXPENSES*	TOTAL
Dr Precious Gugulethu Motshwene	97 603	440	98 043
Dr Alufelwi Maxwell Tshavhungwe	-	796	796
Dr James Tshilongo	113 370	1 484	114 854
Ms Senamile Masango	42 514	-	42 514
Ms Sara Natalia Prins	75 580	138	75 718
Ms Babalwa Songongo	113 370	-	113 370
Prof. Lorna Benita Holtman	66 133	-	66 133
Prof. Andrew Buffler	61 409	-	61 409
Dr Charl Wynand Louw	80 304	234	80 538
	650 283	**3 092**	**653 375**

* Other expenses relate to reimbursements for kilometres travelled.

17. RELATED PARTIES (continued)

Independent committee members of the Board

2026

FIGURES IN RAND	FEES FOR SERVICES AS A MEMBER OF THE BOARD	OTHER EXPENSES*	TOTAL
Mr Zenzele Myeza	99 374	4 928	104 302
Ms Romeshni Govender	49 687	-	49 687
Dr Nomathamsanqa Rachel Batyashe	4 724	-	4 724
Ms Monageng Maureen Mavunda	9 448	-	9 448
Mr Nkhangweleni Lawrence Rambau	36 577	1 784	38 361
Mr Ashley Latchu	8 235	-	8 235
	208 045	**6 712**	**214 757**

2025

FIGURES IN RAND	FEES FOR SERVICES AS A MEMBER OF THE BOARD	OTHER EXPENSES*	TOTAL
Mr Zenzele Myeza	124 218	1 504	125 722
Ms Romeshni Govender	115 937	580	116 517
Dr Nomathamsanqa Rachel Batyashe	27 398	-	27 398
Ms Monageng Maureen Mavunda	36 845	-	36 845
	304 398	**2 084**	**306 482**

* Other expenses relate to reimbursements for kilometres travelled.

Management class: Executive Management

2026

FIGURES IN RAND	BASIC SALARY	LEAVE PAYOUT	PENSION FUND CONTRIBUTIONS	ALLOWANCES	TOTAL
Dr Mbulelo Nokwequ – appointed 1 January 2026	706 763	-	71 362	6 000	784 125
Dr Jeseelan Pillay – acting period as CEO ended on 31 December 2025	2 046 683	-	121 032	591 376	2 759 091
Mr Mogau Sehlapelo – resigned 30 November 2025	1 610 495	82 502	128 518	12 000	1 833 515
Mrs Natasha van der walt	1 923 495	-	249 393	18 000	2 190 888
Dr Jayne de Vos	1 990 560	-	287 099	18 000	2 295 659
	8 277 996	**82 502**	**857 404**	**645 376**	**9 863 278**

2025

FIGURES IN RAND	BASIC SALARY	LEAVE PAYOUT	PENSION FUND CONTRIBUTIONS	ALLOWANCES	TOTAL
Dr Jeseelan Pillay	1 939 984	-	114 722	146 409	2 201 115
Mr Mogau Sehlapelo	2 320 158	-	185 150	19 030	2 524 338
Mrs Natasha van der Walt	1 823 219	-	236 391	18 000	2 077 610
Dr Jayne de Vos	1 886 787	-	272 131	584 861	2 743 779
Mr Teboho Mthombeni	1 167 454	76 058	285 202	85 500	1 614 214
	9 137 602	**76 058**	**1 093 596**	**853 800**	**11 161 056**

18. CHANGE IN ESTIMATE

Property, plant and equipment and intangible assets

Following a periodic management review of fixed assets, the estimated useful lives of select furniture and fixtures, office equipment, machinery and computer software were prospectively extended by one to three years. The effect of this revision has decreased the depreciation charges for the current and future period by R1 310 104.

19. COMPARATIVE FIGURES

Certain comparative figures have been reclassified.

Lease rentals on operating lease have been disclosed directly on the face of the Statement of Financial Performance for the current financial year. This presentation change is driven by the material significance of the entity's lease commitments and aims to enhance the relevance of operational cost reporting. Management utilises this separate disclosure to illustrate the entity's heightened financial pressures and support the case for an increased baseline allocation. The disclosure explicitly reveals that operating leases and employee costs collectively absorb 75 % of the transfer payment from **the dtic**. Prior-year comparative figures have been reclassified accordingly to ensure structural alignment and comparability. The effects of the reclassification are as follows:

Statement of financial performance

FIGURES IN RAND	COMPARATIVE FIGURES PREVIOUSLY REPORTED	RECLASSIFICATION	AFTER RECLASSIFICATION
General expenses	81 363 215	(27 012 619)	54 350 596
Lease rentals on operating lease	-	27 012 619	27 012 619
Total	**81 363 215**	**-**	**81 363 215**

During the current financial year, Prepayments were reclassified to Receivables from exchange transactions as the standalone balance is no longer considered material for separate presentation on the face of the Statement of Financial Position. Management believes this aggregation improves the readability of the Financial Statements. To ensure comparability, the prior period comparative figures have been reclassified to align with the current year's presentation layout. The effects of the reclassification are as follows:

Statement of financial position

FIGURES IN RAND	COMPARATIVE FIGURES PREVIOUSLY REPORTED	RECLASSIFICATION	AFTER RECLASSIFICATION
Receivables from exchange transactions	11 232 401	17 576 029	28 808 430
Prepayments	17 576 029	(17 576 029)	-
Total	**28 808 430**	**-**	**28 808 430**

20. 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 has and will continue to prioritise immediate financial and operational measures such as protecting liquidity and cash flows. The entity's overall risk management program seeks to minimise potential adverse effects on the entity's financial performance.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash. NMISA's primary source of funding is the grant received from **the dtic**. NMISA maintains liquidity by limiting capital and operational expenditure within the pre-approved budget. 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.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through managing expenditure within the approved budget and ongoing review of future commitments.

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.

FIGURES IN RAND	LESS THAN 1 YEAR	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 5 YEARS	OVER 5 YEARS
At 31 March 2026				
Trade and other payables	10 914 320	-	-	-

FIGURES IN RAND	LESS THAN 1 YEAR	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 5 YEARS	OVER 5 YEARS
At 31 March 2025				
Trade and other payables	13 732 291	-	-	-

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, and trade and other debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base, including public sector institutions, state-owned entities, private sector companies and other organisations requiring calibration, testing, training and related technical services. Management evaluates credit risk relating to customers on an ongoing basis. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

NMISA applies the simplified approach permitted by GRAP 104 for trade and other receivables. Under this approach, lifetime expected credit losses are recognised from initial recognition of the receivable until derecognition. In estimating impairment, management uses a provision matrix methodology, which groups receivables with similar credit risk characteristics and applies expected loss rates based on historical payment behaviour, adjusted where appropriate for forward-looking information. The provision matrix reflects the probability of default across different ageing categories of receivables.

Receivables are grouped based on shared credit risk characteristics to ensure a consistent assessment of credit risk within each category. Grouping is primarily based on the ageing profile of receivables and the nature of the customer base.

20. RISK MANAGEMENT FINANCIAL RISK MANAGEMENT (continued)

Historical payment behaviour is analysed across ageing categories to assess the likelihood of non-payment over time. Older balances are generally associated with increased credit risk. Receivables outstanding for extended periods are considered to present higher credit risk and are fully impaired where recovery is considered unlikely.

Expected credit loss rates are determined using historical loss experience, which reflects observed default patterns over time. The probability of default increases as balances move into older ageing categories. Management applies judgement in determining appropriate loss rates based on historical trends and collection experience. Management also considered factors that could influence the ability of customers to settle outstanding balances, including: macroeconomic conditions, financial sustainability of customers and industry conditions affecting customers requiring NMISA goods and services.

Trade receivables are generally short-term in nature. Management assessed the impact of discounting expected credit losses to present value and concluded that the impact is not material. Accordingly, expected credit losses are not discounted.

Receivables are considered credit-impaired when there is objective evidence that NMISA will not be able to collect all amounts due according to the original terms of the receivable.

Indicators of impairment may include: significant financial difficulty of the debtor, breach of contract, such as default or delinquency in payments, historical evidence of non-payment, probability of insolvency or financial restructuring, and unsuccessful collection efforts.

The entity establishes an impairment that represents its estimate of potential losses in respect of trade and other receivables, all receivables between 31 and 120 days and individually based on payment history, are considered for impairment. The provision for impairment is 33 % (2025: 21 %) of the total receivables book.

NMISA writes off receivables when there is no reasonable expectation of recovery after all reasonable collection processes have been followed.

Financial assets exposed to credit risk at year end were as follows:

FIGURES IN RAND	2026	2025
Financial instrument		
Trade and other receivables	6 813 614	11 703 740
Provision for impairment of trade and other receivables	(1 565 305)	(3 880 458)
Deposits	3 718 570	3 409 119
Cash and cash equivalents	96 016 346	87 568 052

Market risk

Interest rate risk

As the entity has no significant interest-bearing assets, the entity's interest rate risk arises from markets and economic factors, payables, cash and cash equivalents. The entity's exposure to interest rate risk is minimal due to the following factors:

- interest is not paid on trade payables as it is the policy of the entity to settle within 30 days of receipt of a valid invoice; and
- the PFMA does not allow for the entity to utilise bank overdraft facilities.

Based on the activities of NMISA, the area affected most by interest rate risk is investment income, earned on call deposits. These call deposits are held short-term, and the interest rate is linked to the prime rate. The exposure to the changes in interest rate for a short-term deposit is not material.

The entity's exposure to risk of changes in market interest rates relates primarily to cash in notice deposits held with banks.

20. RISK MANAGEMENT FINANCIAL RISK MANAGEMENT (continued)

Cash flow interest rate risk

FIGURES IN RAND	2026	2025
Cash and cash equivalents		
Short-term deposits	88 119 988	86 360 979

Foreign exchange risk

The entity does not hedge foreign exchange fluctuations.

The entity's exposure to this risk is due to the purchase of specialised equipment from foreign suppliers. To the extent that the transactions are considered to be material, where possible suppliers are required to provide firm prices to minimise the risk. The entity reviews its foreign currency exposure, including commitments on an ongoing basis. The entity has transacted in the following currencies USD, EUR, GBP, JPY and CHF, the impact of currency fluctuations has been immaterial.

Foreign currency exposure at statement of financial position date

FIGURES IN RAND	2026	2025
Liabilities		
Trade Payables, GBP	4 794 937	43 161
Trade payables, USD	-	7 165 080

21. GOING CONCERN

We draw attention to the fact that at 31 March 2026, the entity had an accumulated surplus of R527 145 488 and that the entity's total assets exceed its liabilities by R527 145 488. NMISA is a Schedule 3A public entity established by an Act of Parliament, ensuring its continuous funding for as long as this legislation remains in force. The entity holds sufficient liquid assets to settle its short-term liabilities.

The Annual Financial Statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

22. EVENTS AFTER THE REPORTING DATE

No events after the reporting date were identified by management that would affect the operations of NMISA or the results of those operations significantly. The entity notes with sadness the passing of Board member, Professor Lorna Benita Holtman, on 8 May 2026. Subsequent to the reporting date, two independent committee members resigned from the Audit and Risk Committee and the Information Technology Committee (ITC). These events occurred after the reporting period and are considered non-adjusting events. There is no impact on the financial position or performance of the entity as presented in these Financial Statements.

23. IRREGULAR EXPENDITURE

FIGURES IN RAND	2026	2025
Irregular expenditure – current	193 674	-

Irregular expenditure is presented inclusive of VAT.

Incidents/cases identified/reported in the current year include those listed below:

FIGURES IN RAND	DISCIPLINARY STEPS TAKEN/ CRIMINAL PROCEEDINGS	2026	2025
Board fees paid to an office bearer who is an employee of an organ of state	No administrative action has been taken	193 674	-

24. BUDGET DIFFERENCES

Material differences between budget and actual amounts

24.1 The surplus approved for retention was included in the revised budget in line with National Treasury Instruction No. 3 of 2025/26 Retention of Surpluses, the instruction note does not align with the accrual basis of accounting, as the cash in question is not revenue, it is a roll-over of existing bank balances. Retained funds are a funding source for future expenditures, not a revenue-generating event.

24.2 Variance is due to favourable exchange rates, this was primarily driven by an NPL invoice transaction, where a prepayment made on June 30, 2021, was ultimately delivered and settled between February and March 2026.

24.3 The approved and revised budgets exclude non-cash accounting entries, such as depreciation, amortisation, impairment losses, and asset disposal gains or losses.

24.4 The procurement plan was finalised in March 2026, although purchase orders had been issued, delivery had not taken place by 31 March 2026.

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nmisa
National Metrology Institute of South Africa

CSIR Campus, Building 5, Meiring Naudé Road, Brummeria, Pretoria, 0182, South Africa
Private Bag X34, Lynnwood Ridge, Pretoria, 0040, South Africa
Reception: +27 12 947 2800 | Calibration Office: +27 12 947 2850 | info@nmisa.org | www.nmisa.org