A YEAR OF BIG CHANGE

Annual Report and Accounts 2025–2026



Practical ACTION

Big change starts with Practical Action

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▲ *Front Cover: Bulu Rani Sarkar in Koyra, southwest Bangladesh. After Cyclone Amphan flooded her land with salt water, the NABAPALLAB project helped her return to farming. She now grows vegetables and sells them at market, rebuilding her family's income.*

◀ *Fath Al-Rahman, an agricultural engineer in Sudan, learned to make organic fertiliser through Practical Action-supported training and now teaches displaced families to grow potatoes at home. 'This let me stop using chemical fertiliser completely,' he says. 'Whenever supply runs low, I set up a new site to make more.'*

A letter from our Chair of Trustees and Chief Executive

Practical Action turned 60 in 2026. Since its foundation by economist E.F. Schumacher, the world has changed in many ways. Yet few years have brought such profound shifts for organisations like ours, and far greater challenges for the people we work alongside.

Geopolitical shifts are unsettling many of the places we work and putting hard-won progress on poverty, inequality and the environment at risk. The catastrophic effects of a warming climate are arriving faster and falling hardest on the people who did least to cause them. At the same time, governments are stepping back from international development and climate finance commitments, just as the urgency for both grows.

Disruptive heatwaves across multiple parts of the world and devastating flash floods along the Nepal–Tibet border, which occurred just a few months after the reporting period for this annual report, are clear signals of the growing impacts of a changing climate. They also highlight the urgent need to continue strengthening resilience, particularly among the most vulnerable communities.

In six decades, much has changed. At the same time, much remains true. The power of practical knowledge, passed between neighbours. The determination of people to build better lives for their families and stronger communities around them. And the difference made when individuals, civil society, governments and business work together on solutions that last and spread. These constants were true when Schumacher founded this organisation in 1966, and they still shape how Practical Action works today: local people and communities leading the change.

In the first year of our Resilient Futures strategy, and despite a challenging year, Practical Action can share many stories of hope and impact. More than half a million people made real, lasting improvements to their own lives, led by local people themselves, with our direct support. And as the policies, institutions and finance around them shifted for the better, in part through our work with partners, over four million more felt the benefit of fairer systems: better access to services, markets and the decisions that shape their lives.

Most importantly, behind these numbers are people, homes and livelihoods. When floods struck Nepal in 2025 due to torrential downpours, people received early warnings that gave them time to act, and no lives were lost to landslides in the areas covered by our projects. More than 2,000 farming families also received automatic flood insurance payouts as the rivers rose. This is proven protection, reaching farmers the moment they need it. The scheme is one of only six of its kind anywhere in the world, and the only one built specifically for low-income farmers.

In Bangladesh, sanitation workers who a decade ago had no legal standing now hold municipal contracts, have city budget lines dedicated to their work, and have a seat at the table where national policy is written.

In Sudan, we worked with farmers, herders and traditional leaders to map and mark a shared migration corridor and to set up the mechanisms they now use to resolve disputes over land and water. Even amid civil war, that corridor is easing a generations-old conflict.

Our work is also reaching well beyond the places it began. When the UK Met Office set out to make climate related early warnings reach the people it usually misses across three regions of Africa, it turned to Practical Action, on the strength of an inclusive approach we had built and proven in practice. That influence reaches the highest level, too. In December 2025, the presidents of Ecuador and Peru jointly recognised a conservation corridor spanning more than two million hectares of forest, mountain and river, the first agreement of its kind at presidential level in Latin America, built over years with our partners.

Shuar leader Nelly Lorena Tando, 22, champions women's rights in Ecuador's Amazon. Trained at Practical Action-supported Escuela Viva de la Amazonia, she now advocates for women's economic independence, political participation and territorial protection.



These are outstanding results in a year that has tested funding right across our sector. For us, contracts were cut short and opportunities we had been developing had to be set aside as aid budgets shrank or funders changed strategy. Against this challenging backdrop, we still ended the year in a good financial position. Our income was ahead of budget, and we grew our reserves, which matters a great deal in a volatile world. Our funding is well diversified, and that has helped us weather these changes, particularly as some sources, government funding among them, are shrinking dramatically, with knock-on effects across the sector.

In a period like this, unrestricted funding matters more than ever, giving us the flexibility to respond to change and keep investing in the work that matters. We continue to adapt as an organisation, knowing that our ability to do so will be fundamental to our future.

To the people we work with, our partners, our funders and our supporters: thank you. Your commitment has helped make this work possible, and we are enormously grateful for everything we have achieved together.

The world around us is changing, and Practical Action is changing with it. We are adapting how we work, what we prioritise and how we use our resources, while staying firmly focused on what matters: supporting some of the world's most vulnerable people to build better lives and changing the systems that shape their futures.

2026 also brings a change in leadership. After five years as Chief Executive, Sarah Roberts moves on to a new role, leaving Practical Action clear about its purpose, proud of its achievements, and well placed for what comes next. What held us steady in the year covered by this report was a firm sense of who we are and who we work for. Holding to that through this transition, and beyond, will continue to guide the organisation.

The year ahead will ask as much of us as this one has. We will meet it with the same clarity that carried us through, proud of what has been built in partnership, and confident about where Practical Action is heading.





Sazini Mojapelo, Chair of the Board of Trustees

Sarah Roberts, Chief Executive

RESILIENT FUTURES YEAR ONE

The need for change: Our strategy to 2030

The world we work in changed dramatically this year, and the pressures facing the people we work with grew with it. This is the backdrop against which our 2025-2030 Resilient Futures strategy must deliver. It has also improved how we work, and why.

Starting from purpose

This strategy was written to meet a moment that demanded more of us. Its cornerstone was a clear statement of our Purpose, the guiding thread for everything we do: to change the systems that keep people in poverty and vulnerable to the impacts of climate change, nature loss and pollution, and to work alongside communities to build resilient livelihoods and thriving, inclusive societies.

A more complex world

Conflict and instability spread further this year. Long-established global norms, from multilateralism to support for international institutions, are breaking down. The climate crisis keeps evolving, with the least developed countries and most vulnerable communities carrying the greatest risk. As the impacts worsen, it is becoming clearer how entrenched interests are working against change, with some governments actively reversing climate policies and rolling back support for gender equality.

Funding for the international development sector has been hit hard. The closure of USAID (United States Agency for International Development), alongside longer-term cuts by governments to overseas aid, has reshaped the humanitarian and development sector and left a very difficult funding environment. For organisations working to reduce poverty and protect nature, the ground has shifted.

A thoughtful, collaborative process

The strategy was built to meet these challenges from the strongest possible position. We developed it with staff across our offices in Africa, Asia and Latin America, weighing the needs, opportunities and specific contexts of the regions where we work. It was a thorough and collaborative process, and it produced a sharper way of working, built around two connected approaches:

- **Adapting to Change.** We partner with people to transform food, energy and waste systems, building resilience across all three. This means practical climate adaptation, making markets work for everyone, conserving the ecosystems people rely on, and strengthening livelihoods so families can keep thriving as conditions shift.
- **Preparing for Shocks.** We help people take anticipatory action to protect themselves, their assets and their livelihoods. That means having the right mechanisms in place before a shock hits, so recovery is faster, and changing the systems that leave people exposed in the first place.

This is how our work is designed. Adapting to gradual changes and preparing for sudden shocks are rarely separate problems on the ground, and we create our programmes to address both.

Built on six decades of learning

Our approach carries 60 years of learning, since E.F. Schumacher founded Practical Action on the belief that solutions should be practical, affordable and shaped by the people who use them. We have always been an organisation of problem-solvers. People who get things done. That founding belief still guides us, and it has taught us something fundamental: the people living closest to a problem are most often the ones who work out how to solve it best, and our role is to back what they build and help it travel. Now we are raising our ambitions, because the stakes are higher. We tackle complex, connected challenges with joined-up solutions built with the people who know them best, and that gives us confidence in a strategy strong enough to meet them.



How our approach works

Our work does not start from projects. It starts from our Purpose, and from a clear view of the change we're aiming for. From there we work backwards. What has to shift, and in what order, for that change to hold after we have gone?

We start with the change, not the activity

Our Theory of Change starts from the change we want and works back to what must shift to make it hold. It sets out what we exist to do: change the systems that keep people in poverty and vulnerable to climate change, nature loss and pollution. Poverty runs deeper than a shortage of services or resources. It is held in place by the systems around people: the policies, markets and power dynamics that shape their lives. Every decision about where we work, and why, now runs through this understanding.

▲ *In Narayanganj, Bangladesh, community adaptation labs have opened a new space for those most impacted by risk to share their perspectives and shape public policy. Here, during a planning session for the Narayanganj People's Adaptation Plans, voices once on the margins gather around the table.*

From logic to practice

Our Impact Model turns the thinking into practice, through three connected types of work. We innovate, testing new solutions in real conditions. We demonstrate, proving what works at scale and building the evidence to convince decision-makers. And we transform, working with those who hold power over a system so that proven solutions become the way things are done, not just our project.

Four outcomes tell us whether we're getting there:

- Stronger livelihoods
- Climate resilience
- Gender equality and social inclusion
- Lasting change to the systems themselves

All our work contributes to all four outcomes. Working this way is what lets us say, with evidence, that what we do lasts. It's also how we hold ourselves to account, against a clear set of goals for 2030 and against our Purpose.

This year, that shows up most clearly in three areas: food systems, energy and climate risk. The Stories of Impact that follow trace each one, before a final case shows where it all leads, from local pilot to national policy.

CHANGE AT A GLANCE

By 2030, we aim to see 10 million people improve their livelihoods and build their resilience.

In the first year of our new strategy, from April 2025 to March 2026, we made strong progress towards that ambition. Across the regions where our projects operate, 4.7 million people gained access to stronger, fairer systems, building on our efforts, as well as those of our partners and the institutions we work with. At the same time, 960,000 gained the mix of resources that builds a resilient livelihood, and 535,000 are already living one.

Turning change into better lives



This means some are earning more from their work than they did before. Others had no income at all and now have one. Either way, meeting everyday costs is easier, less borrowing is needed and, for some, putting money aside for the future is possible for the first time.

They are earning through stronger businesses, savings groups, fairer prices for what they produce and better access to markets. Women, displaced people and workers in the informal economy make up a large share of those benefiting.

What we have done
We train people in the skills they need to run a business and help them organise so they can negotiate as a group rather than alone. We connect producers with buyers who pay better prices and with savings and credit they can actually use. We also work with companies and local authorities to change the terms of trade themselves, so these opportunities become available to more of the people who need them.

▲ *In Nepal's Rolpa District, Asmita earns an income making garlands after learning business skills through our project.*



More families are growing more food, producing a wider range of it and using methods that protect the land on which it depends. In places on the edge of famine, that food is eaten and shared. More women are leading production, and more of what is harvested is making it to the table rather than being lost along the way.

They are able to do this by accessing better seeds, farm inputs, solar irrigation, using farming practices suited to a changing climate and improved storage after harvest to avoid losses.

What we have done
We bring better seeds and solar irrigation within reach, and we teach farming methods that hold up as the climate changes. We run field schools where farmers learn from one another and pass that knowledge on. We also work with government extension services so that advice and support continue after we have left.

◀ *Pascal, 18, holds chillies grown on his farm at Mugombwa Refugee Camp in Rwanda. We helped him take up chilli farming, opening a livelihood and a path of his own.*



People have a better understanding of what is coming. They know how to protect themselves, their loved ones and their property, and how to recover more quickly after extreme events.

Warnings arrive in time and in languages families understand. Local committees act on them. People move to safety, protect what they have and are better able to withstand floods, wildfires and droughts that might previously have taken everything.

Women, Indigenous communities, people with disabilities and others too often left out are leading this work, making it stronger and extending its reach. When extreme events do occur, people are also better able to recover from the financial losses they cause.

What we have done
We build early-warning systems that reach everyone, in the right languages and through people communities trust. We help local governments plan and practise for what is coming, and we design insurance that pays out quickly when agreed thresholds are reached. We also bring community knowledge into national systems, so that what works in one valley can help protect a whole country.

◀ *Shahida uses a flood early warning app to get alerts in time to move her children to safety and protect her poultry.*



190K

people experienced an improved **quality of life**

Life is better in ways people feel every day and value the most. Homes have light and power, allowing children to study after dark, families to spend time together in the evenings and communities to socialise and build stronger bonds. Streets are safer to walk after dark. Cooking no longer fills homes with smoke, and essential services are reaching people who were previously left off the list, including people with disabilities.

For many, what has changed is also their standing, being a worker with a contract rather than someone fending for themselves from one day to the next; a customer whose needs are taken seriously; or a woman whose voice belongs in the room where decisions are made.

What we have done

We bring clean energy and safe services to places others consider too difficult or too remote. We support local businesses to diversify so they can offer the goods and services people actually need in ways they can afford them. We help workers organise and have their work formally recognised. We also push for essential services to be designed around the people usually left out, rather than adjusted for them afterwards. We count this carefully: one good thing arriving in someone's life is not necessarily the same as a better life, so we only count it where we can see the difference it has made.

▲ *In the Amazonas region of Peru, we're helping bring a sustainable, bilingual school model to remote native communities, giving children in rural areas better schooling close to home.*

These changes are the result of people gaining greater access to the systems, services and opportunities that shape their livelihoods.

Changing the systems people depend on

Systems can sound abstract. Their effects are not. They determine whether a warning arrives before the flood, whether a farmer can access advice and markets, whether essential services reach a remote community, and whose voice counts when decisions are made.

This year, 4.7 million people benefited from changes to the services, economic opportunities and decision-making processes they depend on. Practical Action contributed to these improvements alongside communities, governments, businesses and other partners.

This year, these included:

4.5M people gaining access to **essential services** that support healthy, secure livelihoods

136K people gaining access to **decent and diverse economic opportunities**

73K people taking a more active role in **decision-making**

Women, young people and marginalised groups are a significant share of those gaining voice and economic opportunity, taking part in decisions and markets that were closed to them before.

By changing the systems around people, we help create opportunities and conditions that last beyond individual projects.

Building on momentum

We have made a strong start. Our next challenge is to take proven approaches further, strengthen the systems that sustain change and ensure that better access leads to lasting improvements in people's livelihoods and resilience, particularly for those too often left behind.



▶ *In Nepal, Usha Budha turned a financial literacy class into a new opportunity for her farm and family. Through Practical Action's Samunnati project, she learnt to use digital tools to find trusted agricultural advice and began growing mushrooms commercially, while also improving her potato and garlic production. Her income has increased, and she is now saving more each month.*

BIG CHANGE ON CLIMATE RISK



Preparation met reality and held

Across three continents this year, a pattern repeated: communities that had spent years preparing for climate shocks were tested by real ones, and what they had built held. Warnings reached people before the floods did. Insurance reached farmers the moment the rivers rose. And the systems behind them moved from projects that end into policies and institutions that endure.

It held in South Asia, where our work resulted in warnings saving lives and insurance paying out the moment the rivers rose. It held in the Andes, where Indigenous communities now run early warning through their own institutions. And it began to reach further across Africa, where national weather services improved how forecasts are reaching everyone.

Asia

When the monsoon brought floods and landslides to Nepal, communities in Helambu and Panchpokhari acted on early warnings ahead of any landslide. Trained task forces mobilised, risk messages went out, and families left the slopes in time. There were zero casualties from landslides, in terrain where a single slip can bury a village. Downstream in Madhuwan, community committees read the flood warnings themselves, called out rescue teams, and helped households lift what they could to higher ground before the water came. These were the communities' own decisions, made on systems built over years, systems Practical Action had helped put in place.

Separately, and for the first time, insurance reached farmers with money exactly when they needed it. Our work resulted in warnings saving lives and insurance paying 2,128 smallholder farmers and 16 commercial farmers had taken up index-based flood insurance, paying their own premiums: choosing it over the government-subsidised cover they had relied on before. That choice mattered. Distrust of payouts had long been the greatest barrier to insurance in these communities, and these farmers crossed it, saying they would keep buying even without a subsidy. When the flood alerts fired, the payouts were released automatically because a river crossed a threshold, not because anyone filed a claim or waited on an adjuster. Sixty-four local cooperatives ran the enrolment. For a farmer, that timing changes everything. A flood used to begin a slow slide into debt: a lost harvest, a high-interest loan to replant, years spent climbing back. A timely payout can stop that slide before it starts.

Then the work stopped being a pilot. Nepal's Insurance Authority issued a national directive making this fast, index-triggered cover possible in law, freeing it from the heavy paperwork built for conventional agricultural insurance. Five local governments in the Lower Karnali wrote the scheme into their own budgets and began subsidising premiums for smallholders and women-headed households themselves. Internationally, the InsuResilience Solutions Fund moved the programme from product development to scaled roll-out, and global climate-finance forums now cite Nepal's model as a leading example of pro-poor climate insurance, making it a reference point for climate finance models.



Bangladesh followed the same path, from community pilot to institution. It started with the people cities usually plan around, not for. In Narayanganj, women from the most flood-exposed settlements worked through community adaptation labs to set out what protection their neighbourhoods actually needed and carried those priorities to the city's climate committee. The city corporation adopted their People's Adaptation Plan into its Master Plan, the legal document that governs how Narayanganj will be zoned and built for years to come. A plan drawn up by women in informal settlements became the plan the city is bound to follow.

Moreover, across the coastal belt, 11 local councils moved climate adaptation and disaster budgets into their own plans this year, like in Atulia, where the council raised that allocation by 32% in a single year. Community priorities became commitments the councils fund themselves, outlasting any project.

◀ *Reliable weather information and disaster risk reduction training are helping communities prepare for hazards. Here, community members put their learning into practice during a disaster preparedness drill.*

▲ *As chairperson of her Community Disaster Management Committee, Menuka has helped her community build confidence in responding to floods, storms, fires and other emergencies.*

Latin America

Practical Action has established itself as a leading organisation in disaster risk management in the region. Proof of this is that the Andean Community – comprising Colombia, Ecuador, Peru and Bolivia – has invited us, together with the United Nations Office for Disaster Risk Reduction and the Food and Agriculture Organisation of the United Nations, to support national stakeholders and share the initiatives we are developing on the ground as examples of good practice for early warning systems.

In Bolivia, an initiative called Women That Teach changed who leads when the climate turns dangerous. This project, driven by Practical Action together with the Tacana Indigenous Women's Council (CIMTA), in coordination with the Tacana People's Indigenous Council (CIPTA), strengthened the disaster risk management capacities of 615 women across 18 Tacana communities. Early warning systems often exclude women, despite their invaluable knowledge of local warning signs. This programme helped close that gap by addressing barriers such as limited access to technology and women's lack of involvement in system design. These women have now taken on formal roles in community preparedness, monitoring and response to floods and wildfires. These roles have traditionally been held by men, while women have had fewer opportunities to build the knowledge and confidence needed to be selected. The project is helping change that by strengthening women's technical capacities and supporting the exchange of intergenerational knowledge about the territory, including natural indicators that complement conventional weather and risk information.

Alongside this initiative, Practical Action's broader work with the Tacana Indigenous territory is helping strengthen the institutional foundations for community risk management. The territory's representative Indigenous organisation has established a risk-management function, and work is underway to formally incorporate dedicated risk-management roles into its organisational structure and those of its communities. Seven of the 23 communities currently have these roles in place, creating clearer pathways for trained women to take them on as the system develops.

In Peru, change reached the level of what a national institution counts as valid evidence. The low-cost, open-source stations behind this were built by Practical Action with the University of Bristol, over years of earning the agency's trust in community-gathered data. SENAMHI, the national meteorological agency, now integrates community monitoring and low-cost, open-source weather stations into ISAAC, its official data platform, having rigorously validated those non-conventional sources before adopting them. A national agency accepting data gathered by communities as fit for official use runs against how these institutions usually work. It has made forecasts more localised and more trusted. As a result, more than 400,000 people are already served by better information. That trust shows on the ground. In the Rímac basin above Lima, the community-run participatory monitoring network has used SENAMHI's forecasts to trigger its own alerts and evacuations through successive rainy seasons, protecting lives and assets. And in the Cusco highlands, the disaster-management offices of six districts around Calca joined as a single committee to run wildfire and rainfall preparedness campaigns in both Spanish and Quechua for the first time ever, so warnings reached people in the language they actually speak.

In Ecuador, we are part of the Advisory Group on Anticipatory Action of the National Secretariat for Risk Management, alongside the Food and Agriculture Organisation, the World Food Programme of the United Nations and the Red Cross, to ensure the implementation of this approach throughout the country and to support the provisions of the Organic Law on Risk Management. And in partnership with the National Institute of Meteorology and Hydrology (INAMHI), we have developed the training programme for the network of weather observers. This will enable Ecuador's National Secretariat for Risk Management to have up-to-date tools at its disposal and help ensure that communities are better prepared, organised and equipped should adverse events occur.



▶ *Delmira Mamio Serato, a facilitator with 'Women Who Teach' in the Tacana territory of the Bolivian Amazon. Tacana women are leading gatherings across their communities to prepare for floods, fires and a changing climate, passing on risk knowledge woman to woman. 'The climate is changing, and we must be ready,' she says. The process is led by the Indigenous Council of Tacana Women, with Practical Action's support.*



Africa

Across Africa, the people usually left out of the warning are helping to build it. Behind that shift is a method Practical Action developed through the Zurich Climate Resilience Alliance: Missing Voices. This method puts the people most exposed to climate shocks at the centre of the early warning systems meant to protect them, rather than at the end of the line or left behind.

Now that method is scaling. The UK Met Office, which works with national weather agencies across the world, is embedding Missing Voices into its early warning programme across Eastern, Southern and Western Africa, putting an approach built with communities on track to shape how forecasts reach millions more.

Senegal showed what it looks like when communities run the system themselves. Building directly on Missing Voices, women, widows, young people and people with disabilities took on formal roles as focal points in the early-warning system. They helped shape the national alert protocols themselves, so the warnings reflect the needs of the most exposed. Around that, communities built their own machinery.

Twelve community response teams in Thiès set up local warning systems, cleared drains and drew up evacuation plans for more than 3,500 exposed households. Neighbourhood groups created WhatsApp relays to pass alerts household to household. And community associations began reallocating their own savings, women's groups called tontines among them, to finance flood prevention before the water arrived rather than repairs after it.

Beyond Senegal, the same shift is spreading: early warning systems are being built around the people they usually miss. In Kenya, the meteorological authority issued its seasonal forecast in braille for the first time, so that blind farmers in two pilot counties could read the outlook themselves, ahead of planting, without waiting for someone to relay it. It also brought sign-language interpreters into the national climate briefing. The same change took hold beyond Kenya: forecasters in Rwanda and Malawi began reshaping their warnings around the people usually left out. Practical Action has supported this turn through regional workshops on inclusive early warning.

This year, protection became something communities could prove: when the flood came, it held. What worked for thousands is now on its way to reach many more.

▲ *In Senegal, Aliou and a Practical Action team member, demonstrate the pump, pipelines and training that can clear the same volume of water in minutes that once took hours of hand bailing.*

BIG CHANGE ON ENERGY



Clean energy that governments plan and markets carry

Energy access is often measured by the number of solar panels installed, connections made, and cookers sold. But for us, energy is not an end in itself, it is an enabler of sustainable livelihoods and resilience. What makes change hold is when the arrangements move beyond the project and into something that runs on its own. That means a county's energy planning becoming part of formal government structures, a trial becoming the way a whole district cooks, and a pilot in a few sites becoming standard across all of them. That is the shift this year's evidence shows. Work moving from supported to self-sustaining, with energy helping to underpin lasting livelihoods and resilience.

In East Africa, county energy planning moved from tailored, project-backed measures into formal government structures. In South Asia, clean cooking crossed from trial to daily habit at the scale of districts and stayed there. And people long left at the edge of the grid—refugees, rural women, entrepreneurs paying cash upfront—moved closer to the centre of the energy market, taking on leadership or business-owner roles.



Africa

In Kenya, clean energy is being run by counties themselves. Four county governments — Tharaka Nithi, Murang'a, Siaya and Homa Bay — issued formal notices establishing the committees that write their energy plans, shifting planning from a project activity to county business.

Homa Bay allocated KSh 2 million to its 2026 development plan for clean cooking, specifically aimed at women with disabilities. Beyond these four counties, Embu's trade department provided clean energy entrepreneurs with market space in the town centre to showcase and sell their technology. Through the Partnership for Advanced County Energy Planning in Kenya (PACE), Practical Action helped these counties set up the committees and build the plans they now run themselves. This is public money and public decisions, made and owned by the institutions themselves, which gives the change a better chance to last.

The market changed how it does business, too. The Women in Energy Enterprises in Kenya (WEEK) project brought the energy companies and young entrepreneurs together. Renewable energy companies replaced upfront cash with 30-day credit for young entrepreneurs, moving supplier relationships from cash-only to trust-based, so someone can start selling without capital they don't have. Established firms took on 30 young entrepreneurs, half of them women, and linked them to real trade. And for the first time, one company moved women into senior management after gender training, starting a shift in who holds decision-making power inside the business. These are commercial actors changing their own practices, which require no project to keep going.

This holds true even at the smallest scale, where most replicable ideas start. In a remote off-grid community in Zimbabwe, a solar pump installed to irrigate crops became something the community runs on its own terms: they drew its spare power to charge phones and lamps and, for the first time, to run ICT lessons at the local school. Energy put in for one purpose, taken up by the people it reached and turned to their own.

The clearest test of an energy system is whether it reaches the people usually left out of it. In Rwanda, solar streetlighting crossed from a pilot in selected sites to full coverage across all five of the country's refugee camps. In total, 253 streetlights turned public lighting from our projects into a standing service , delivered through the Renewable Energy for Refugees (RE4R) project in partnership with UNHCR. The effect is life-changing: refugees and their neighbours move around at night with less fear, students can continue their homework after dusk, and evening trade runs later into the night. Refugee entrepreneurs, long treated as recipients of aid rather than participants in the market, now run businesses on that power. This shift toward inclusion is beginning to show elsewhere in the country, as private energy suppliers commit to reaching customers the market has always skipped.

▲ *Nadine runs her cafe in Rwanda six days a week, opening at 6 am and closing at 9 pm, to build a better future for her three sons. After building her business from almost nothing, a solar-powered fridge through Practical Action's H-PURE programme has helped double her milk sales and increase her turnover. Now, Nadine is growing her business so her sons can have more choices in life.*

◀ *Improved cookstoves are helping Nepalese families to move away from smoky, inefficient cooking and towards a cleaner, safer alternative for both them and the planet. Pictured: Goma Pandey using her new, improved cookstove. "Earlier, cooking with the traditional cookstove took two hours," she shares. "Now rice, lentil and vegetables are ready within 30 minutes. With the time saved, we have grown vegetables. But most importantly, we are free from smoke."*

Asia

In Bangladesh, clean cooking moved from trial to daily habit across districts. More than 55,000 households switched to electric cooking, leaving behind the smoke and cost of traditional fuels. And they kept at it: in one follow-up, around 96% were still cooking electrically months later. For the women who do most of the cooking, the switch means cleaner air and time once lost to fuel, which some turn into income of their own. In Faridpur and Jhenaidah, monthly electric rice-cooker sales climbed from 74 to 231 and from 10 to 99 over the year. Demand is rising fast enough to pull a supply chain up behind it, sustaining 475 jobs across the clean cooking sector.

What makes this more than a spike is that it is moving from project-supported training into local market action that runs on its own. Practical Action's Sustainable Energy for Everyone (SEE) Clean Cooking project drove this through an Innovation Grant Fund, backing manufacturers, entrepreneurs and shops to build the market rather than subsidise it. The market strengthened at every level at once. 14 clean-energy enterprises expanded their operations and adopted three-year business plans, a sign that businesses are betting on a market that will last. Manufacturers redesigned their products around what customers actually told them they wanted: Walton launched a digital multi-cooker shaped by customer feedback, and Kinbo a rice cooker 15% more energy-efficient than its predecessor. And at the last mile, local entrepreneurs opened the shops that put clean cooking within reach of their neighbours, in places the market used to skip, proving that demand is real and local.



▲ *Nasima works at her sewing machine in Koyra, Bangladesh. A lack of electricity once forced her to stop work after dark but now solar energy lights her home and business.*

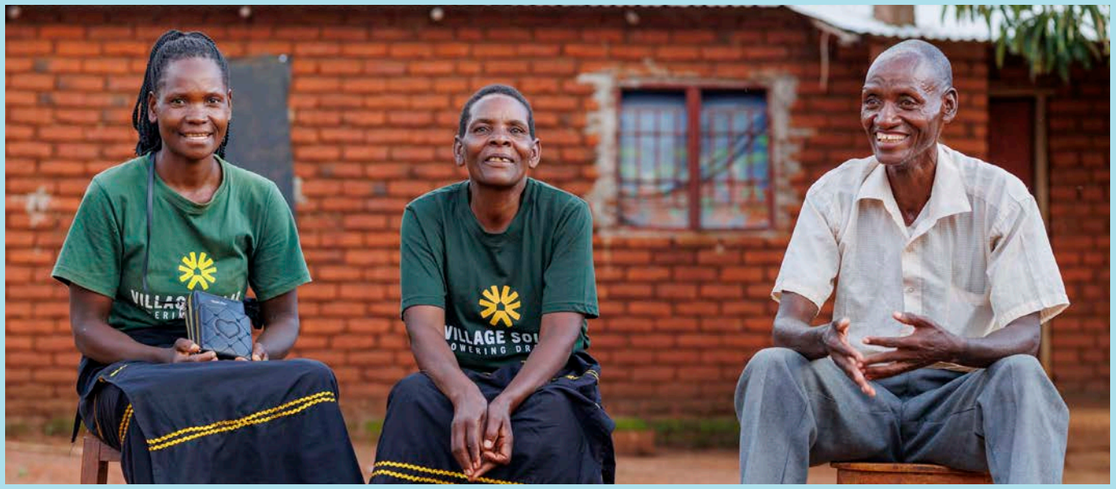


▲ *A child works at a laptop in a school in the Amazonas region of Peru. Through the Brighter Futures project, our work is opening up new ways to learn for children who once went without.*

Latin America

Across the Andes, the arrangements that keep clean energy running are moving into local hands. In Peru, through the Brighter Futures project, the district municipality of Huancasaya and the Huancané education authority signed an agreement to maintain the technologies now running in six schools in Puno, greenhouses, solar power, digital classrooms and water and sanitation, and to plan their financing for the long term. What began as project equipment became a service two public institutions have committed to maintain, with internet already further advancing children's learning.

The same shift is taking root in Bolivia, where solar-powered irrigation is helping highland communities around Lake Titicaca strengthen both their agricultural production and their ability to manage clean-energy solutions locally. Through the Sol4Farm project, ten communities are using solar irrigation systems to provide more reliable water for around seven hectares of diversified crops, reducing their dependence on increasingly uncertain rainfall. Alongside the technology, the project is strengthening local capacities for the operation and management of the systems, laying the foundations for more sustainable, community-led irrigation over time.



Global reach: a network that carries what works

When a solution is proven, the next question is how it travels. The Global Distributors Collective (GDC), a key initiative in Practical Action's energy work, shows how it reaches the last mile.

Across more than 60 countries, the businesses that reach the last mile are the ones rooted in it: local enterprises selling solar lights, clean cookstoves and safe water filters, recruiting and training agents from their own communities, reaching customers far beyond where conventional supply chains stop. Many are led by women, with women selling directly to other women in their communities. This matters because women are often best placed to understand the needs, priorities and barriers facing other women, while trusted, peer-to-peer relationships can make it easier to introduce new products and technologies. Practical Action hosts the network that connects them, the GDC, now more than 340 businesses strong. Together they have reached over 64 million people since 2018.

In this period, the GDC set a new strategy to grow the reach and impact of last-mile distributors, built on four priorities: unlocking finance, strengthening systems and local leadership, scaling innovation, and building stronger businesses.

The strategy translated into practical support. More than 240 members joined training and knowledge-sharing this year, and the value shows in how they rate it: 82% said it had grown their skills, and 96% would recommend the network to other distributors. Through its Innovation Launchpad, eight distributors tested new ways of reaching customers, from e-commerce to AI.

The barrier these businesses hit is rarely demand. It is finance, which seldom reaches enterprises this close to the ground. The GDC responded by launching an investment facility that directed capital to 15 locally led businesses, 60% of them women-led. It also produced the sector's fullest picture yet, with a state-of-the-sector report drawing on more than 100 distributors across 45 countries, alongside the network's first close look at what carbon finance could mean for last-mile businesses.

This year proved big change is within reach: clean energy that counties fund from their own subnational budgets, that companies build their trade on, that communities run on their own terms. And the evidence behind it is now shaping the sector beyond us. The International Energy Agency cited Practical Action's evidence on off-grid solar and market mechanisms in its guidance on financing electricity access in Africa. And after years of measuring the resilience value of off-grid solar in separate and conflicting ways, GOGLA (Global Off-Grid Lighting Association), IRENA (International Renewable Energy Agency), the African Development Bank and RMI (Rocky Mountain Institute) converged on a shared approach that Practical Action helped broker. What works in communities is starting to set how the sector plans and measures at scale. It works because it is built to outlast us. What has been proven now needs to reach the many still without it. That is where the next chapter begins.

▲ *For Maxwell Mtambo, who oversees 35 villages and 30,000 households, the darkness is a barrier to safety, education, and joy. With only 200 homes powered by solar, he has seen the transformative spark of light, but climate change is now threatening crops. His vision for the future is clear: solar irrigation to save their farms, and women-led initiatives to light the way.*

BIG CHANGE ON FOOD



Change that is proven by farmers and backed by institutions

The most durable change in a farming system is rarely a single good harvest. The biggest changes in farming take the longest to prove, from what a government buys to what a market rewards, and this year they were taking root: proof in a farmer's field, spread farmer to farmer, then carried by the people with the power to scale it.

Latin America

In Latin America, Indigenous communities took formal steps this year from being consulted about their territory toward holding real power over it, over the value it produces, and over how the state invests in it.

The most far-reaching of these steps took place at the highest level of government in two countries. In December 2025, the presidents of Ecuador and Peru formally recognised the Andean-Amazonian Transboundary Conservation Corridor. With that, both states committed to a shared conservation framework covering more than two million hectares and over 50 conservation units, the first transboundary conservation initiative adopted at presidential level in Latin America. Built over years with governments, communities, and consortium partners, it evolved from a technical proposal into binational state policy at the highest level, enabling state investment and building cross-border governance. Through our work in the Biodiverse Landscapes Fund's Andes-Amazon project, and alongside Nature and Culture International, our consortium partner, we supported the cross-border coordination between the two governments and Indigenous organisations that helped bring the recognition about.

Elsewhere in the region, communities took control of the value they create, working with Practical Action and partners who each led different parts of the work. In Peru's Amazon, the Yakatheo del Amazonas Cooperative completed its own cocoa processing centre, with our support and that of our partner Terra Nuova. As a result, fine-flavour cocoa from around 700 Awajún families is now processed and sold as dried beans under a collective identity, at better prices, rather than sold raw at the lowest point of the chain. Also in Peru, 12 public officials, after specialist training, designed three public investment projects centred on biodiversity and Indigenous priorities, aimed at opening public funding to Indigenous communities on their own terms. This was possible with our alliance with WWF and AIDESEP, an organisation that brings together most of the Indigenous people's organisations in Peru, through its School "EGIDA" specialised in Indigenous Governance in the Peruvian Amazon.

In Bolivia, Indigenous communities are strengthening the foundations of a more resilient food and livelihood system, linking territorial governance, biodiversity conservation and productive use of natural resources, with Practical Action's support. In the Pilón Lajas Indigenous territory, five Tsimane–Mosetene communities agreed to protect and restore 20 hectares around priority water sources, helping safeguard the water and ecosystems on which local production depends. In the Tacana territory, work was also underway to strengthen the governance and sustainability of Indigenous enterprises linked to the Marca Tacana, including how value, benefits, risks and traceability are managed across the territory.

In Bolivia's highlands, farming communities are adapting how they produce food in response to increasingly uncertain rainfall and water scarcity. More reliable access to water is being combined with efficient irrigation methods, including drip irrigation and fertigation, crop diversification, crop rotation, soil conservation, the use of organic fertilisers, and the integration of trees into productive plots to help protect soils, support water retention and provide greater protection for crops. By the end of 2025, 176 farmers had strengthened their skills in resilient agricultural practices, while diversified production was already being introduced across productive plots, combining traditional Andean crops with vegetables. Rather than addressing water, soils and production separately, the approach is helping farmers build more diverse and climate-resilient farming systems. Together, these efforts are helping communities build greater control over the natural resources and economic value that underpin their livelihoods.



◀ *Indigenous women from the AMARNO association in the Peruvian Amazon (Bagua province in Amazonas), collecting seeds from their fields ("Aja" in the Awajún language) where they grow them. They use the seeds to make bio-jewellery, a bio-business that has been promoted with support from Practical Action, as part of the Nuwas Programme since the implementation of the BLF Andes Amazon project.*

◀◀ *In Sudan, farmer Imtithal Ali Atta Allah is growing nutritious vegetables and strengthening livelihoods with support from Practical Action's VINES project, gaining skills in climate-smart farming and irrigation despite conflict and displacement.*

Africa

Zimbabwe shows the full arc from farmers' field to national policy. Regenerative agriculture spread because farmers convinced other farmers. Practical Action ran innovation hubs where farmers proved the practices to each other. Working through 12 hubs, early adopters and local farmer champions used farmer-to-farmer training to scale regenerative practices from an initial 60 registered farmers to around 600 in a single season. Farmers organised their own village-level share-outs of organic inputs, such as fertiliser; government agricultural extension workers, once trained, went on to train more farmers themselves, reinforcing what the hubs had shown.

Then the Government of Zimbabwe incorporated organic fertilisers into the Presidential Input Scheme, its flagship national farmer-support programme, and entered into an agreement with Genesis Fertiliser to supply organic inputs for distribution through the scheme. Regenerative agriculture went into national procurement, reaching farmers who depend on public support.

In Kenya, the change reached the rules and attitudes that define who farms. Young agripreneurs across nine counties adopted regenerative practices in earnest, spreading them through mentoring set up by Practical Action as part of our Resilient Agriculture that Works for Young People (RAY) project. They moved from conventional, input-heavy methods to composting, crop rotation, mulching and techniques new to them, and organised themselves into youth-led networks to aggregate produce, bargain collectively with buyers and pool savings. And in a shift that runs deeper than agricultural practices, community leaders across those counties began accepting women leasing and negotiating land for their own farming enterprises, loosening one of the oldest structural barriers to women's livelihoods: access to land.

In Sudan, amid war and the risk of famine, smallholder farmers, women's groups and young people achieved something war makes almost impossible. They set up enterprises, took up better seeds and post-harvest processing, and reached buyers where the country's economy had all but stopped. Practical Action worked with 24,736 people across the east, nearly 5,000 of them women, alongside thousands of displaced people and refugees. Some moved into new trades entirely, from oil-pressing to solar repair: 359 producers, including people with disabilities, took up the training, received starter kits we provided, and got going.

In Eastern Sudan, farmers and pastoralists agreed on a demarcated livestock migration corridor and now use it, moving herds along set seasonal routes that keep them off cropland and settling disputes through mechanisms they run with local authorities and traditional leaders. This has eased a long-running source of conflict between the two communities, with our support to demarcate the corridor and set up the arrangements that keep it working.

And in Kassala and Gedarif, women who gained skills and confidence as farmers went on to shape decisions: they took seats on local committees and oversaw how cash assistance was distributed and who received it, putting decisions about scarce resources in the hands of women, many heading their own households, who best understood the need. This is resilience and recovery in one of the hardest contexts we work in.



▶ *Janipher Migiro on her farm in Nyamira County, Kenya. Through the RAY project, she took up regenerative farming, joined a youth savings group and accessed the loan that grew her agribusiness. She now manages over 1,500 improved Indigenous chickens, has registered her own business, and advises other farmers in her community on poultry and animal health.*

Asia

In Nepal, a women-led model crossed from project into public budget. After a first group of women we trained as Digital Champions made rural digital finance work, four rural municipalities in Dang, Rolpa and Rukum East invested their own funds to train 15 more than the 80 first planned. They had written women-led digital financial services into their municipal plans and budgets and extended them to new wards before the project had ended. A pilot became a service the local state now funds and runs.

Around it, the rural market for that technology deepened. Through Samunnati, Practical Action's project on digital services for rural farming, cooperatives, financial institutions and internet providers expanded digital connectivity, digitised cooperative transactions and invested in digital finance platforms, widening access for underserved rural communities, women farmers above all. Also, an authorised dealer network for electric pressure cookers grew from 20 outlets in the project areas to 140 nationwide. These dealers placed collective orders for some 400 units and trained technicians to repair and maintain them, building the private-sector base that a lasting shift to cleaner cooking depends on.

This year our work showed the mechanism by which they take root: a practice proven by farmers, carried into a national scheme, a municipal budget, a presidential declaration. That is how systems can be changed and become the new rule.



▲ *In Bangladesh, Roxana tends the kitchen garden she planted following our training. She now grows enough vegetables to feed her family and sell the surplus at market.*

▼ *Samjhana Budha watering her crop of chillies utilising solar-powered irrigation in Banfe, a remote village in Rolpa District of Western Nepal.*



HOW SYSTEMS CHANGE HAPPENS



Change takes time. Bangladesh shows the time is worth it.

For decades, sanitation workers in Bangladesh carried out some of the country's most dangerous work while remaining invisible in law, policy and public life. Today, through the efforts of Practical Action, many have municipal contracts, legal recognition, dedicated city budget lines and a seat in the rooms where sanitation policy is shaped.

That transformation did not happen in a single project or a single year. It took more than a decade of steady investment, with each step making the next one possible. This is what systems change looks like.

The country's most dangerous work, done by its most invisible people

In Bangladesh, sanitation work is done by some of the most stigmatised people in the country. The work is dangerous, exposing workers to toxic gases, pathogens and sharp objects. The pay is uncertain, with daily wages, no contracts and no security.

Most workers are women from marginalised communities. They are invisible in policy, unprotected by law and excluded from the contracts that would provide stable livelihoods.

For decades, this was simply how the system worked. Workers often accepted the labels attached to them. Communities saw the work as dirty and the workers as untouchable. Governments largely treated sanitation as an engineering challenge, focusing on infrastructure rather than the people who keep services running.

Change started with the workers themselves

Over the last decade, sanitation workers, most of them women from communities long pushed to the margins, organised into cooperatives with our support. The first shift was one of identity. Workers began identifying themselves as "cleaners" rather than accepting the derogatory labels attached to their work. This was more than a change in language. It was a reclamation of identity. Communities began to see them differently, and, within households, gender roles also began to shift, showing that change was taking root. Identity alone, however, could not provide secure livelihoods. The next step was building the structures that would.

We worked with the national Department of Cooperatives to develop a standard by-laws template for waste and sanitation workers' cooperatives, first piloted in Lakshmipur and later rolled out nationally. This removed a long-standing barrier to registration. Cooperatives could register more quickly, open bank accounts and bid for contracts.

Municipal authorities in Satkhira, Kalaroa and Lakshmipur then signed performance-based service agreements with women-led cooperatives, moving workers from informal labour to formal service providers. Within those cooperatives, the gender wage gap was reported eliminated. The cooperatives also secured public investment. Kalaroa increased its sanitation budget by around 30%, while Satkhira allocated BDT 18 lakh for worker-led services.

Alongside this, we supported a plastics-to-fuel operation and community collection systems in Faridpur and Magura. These created a market for difficult, low-value plastic waste, giving workers an additional source of income while helping communities see waste as a resource rather than a problem.

From daily wages to signed contracts

More than 1,400 informal waste workers became part of an organised plastic collection and recycling chain, built with Practical Action's support through training and links to buyers. For many, monthly income roughly doubled, from around BDT 5,000 to around BDT 10,000. Around 44% of workers are women, and 23% are young people, groups often excluded from formal employment. Micro enterprises were set up by 53 workers, who completed government skills training.

These numbers tell only part of the story. Workers now have national legal standing through cooperative registration. They have municipal contracts that provide payment and protection. They have dedicated budget lines in city plans, funded through public resources rather than projects. Women now hold formal leadership across this workforce: a national network led by a woman, representing 47 cooperatives and more than 1,500 workers, with women holding 40% of leadership positions. They also have a seat in the rooms where policy is shaped. The Faecal Sludge Management Network, with Practical Action as its secretariat, is now a recognised voice in national sanitation policy.

The network has integrated a worker database into the National Sanitation Dashboard, contributed to the Sanitation Workers Policy process, engaged the insurance regulator on expanding cover for workers and gained international recognition for its evidence.

Each step made the next one possible

None of these changes happened in isolation and their integration has been a core theme of our work. The legal foundation made formal employment possible. Formal employment made public investment possible. Public investment helped create a new organised actor, the Faecal Sludge Management Network, able to represent sanitation workers nationally and influence policy.

Each step built on the one before it. The work on dignity and identity came before the contracts. The contracts came before the budget lines. The budget lines came before national policy influence. Together, these changes created institutions and relationships that can continue driving change beyond any single project.

The model is already beginning to spread. Leaders from Panchagarh, Barisal and Narayanganj have started planning to replicate Faridpur's approach in their own cities. This is what sustained investment in systems change looks like. It is not quick, but it creates the foundations for lasting change.

◀ *For years, Raju Sheikh worked as a pit-latrine cleaner in Faridpur, Bangladesh, doing difficult and unsafe work for very little pay. In 2013, with support from Practical Action, he helped establish the Kuthibari Cleaners Cooperative Society, starting with contributions of just 20 taka. Today, as its Secretary, Raju has a stable job and access to financial support, including a cooperative loan that helped him pay for his daughter's wedding.*

FUNDRAISING

A sharpened approach

A difficult external environment tested the sector. Our response was to sharpen our focus, deepen the partnerships that matter, and strengthen the income base that gives us resilience.

From the mangrove coasts of Bangladesh to the high Andes and vast forests of the Amazon, and across east to west and southern Africa, our teams worked to keep programmes running and honour the commitments made with communities. We deepened partnerships built over years and sharpened our focus in this first year of our strategy.

Alongside the major programme partnerships that deliver much of our work, we set out to grow a wider base of voluntary income and gifts in Wills. This is income that allows us to respond in a timely and effective way when needs change suddenly and carries long-term work through uncertain years. Total income for the year was £35.2 million, drawn from a broad mix of individual supporters, foundations, companies and government partners.



What our supporters made possible

Individual giving raised £8.68 million in unrestricted income, providing the flexible funding needed to invest strategically, protect vital programmes, and unlock additional support from other donors and partners.

In April 2025, supporters gave more than £230,000 in response to learning about programmes suddenly left without funding, while over 700 regular donors increased their monthly gift. The appeal was later shortlisted for a Third Sector Award.

In January 2026, journalist Krishnan Guru-Murthy read our BBC Radio 4 appeal highlighting our work in Sudan. It raised over £140,000 from 506 gifts, helped by £50,000 in match funding from two supporters who wanted to double the effect of every donation.

Throughout the year, people also chose to remember Practical Action in their Wills. Gifts in Wills brought in £3.86 million, the largest single part of our unrestricted income and a sharp rise on the year before. A gift in a Will is an act of trust, letting us plan ahead and stay well positioned to deliver change in a changing world.

Building solid partnerships

Our long-standing funding partnerships continued to deepen this year, strengthening our resilience in an increasingly competitive and rapidly changing funding environment. The challenge now is to build new types of relationships in response to the changing models of development finance. It takes time to develop the insight, positioning and trust needed to create productive relationships, at a time when funding is becoming more constrained and competitive.

Thanks to the generous support of Postcode Lottery players, we received £600,000 this year, bringing their total amount raised to £1.6 million since 2022. This flexible funding has helped us sustain our work with vulnerable communities around the world to improve food security and build resilient livelihoods amid drought, displacement, and conflict.

> ***"Our partnership with Practical Action has created a scalable global model for regenerative agriculture, enabling smallholder farmers to improve their livelihoods while strengthening their resilience to the growing challenges of climate change."***
>
> ***Nikki Jeffery**, Executive Director, King Charles III Charitable Fund*

As members of the Zurich Climate Resilience Alliance, we continued a partnership now central to how communities prepare for extreme weather, from flooding to extreme heat. Zurich Insurance and the Z Zurich Foundation contributed £1.71 million this year, and the Alliance's shared work is changing how early warning systems are designed and how risk reaches the people who need it first.

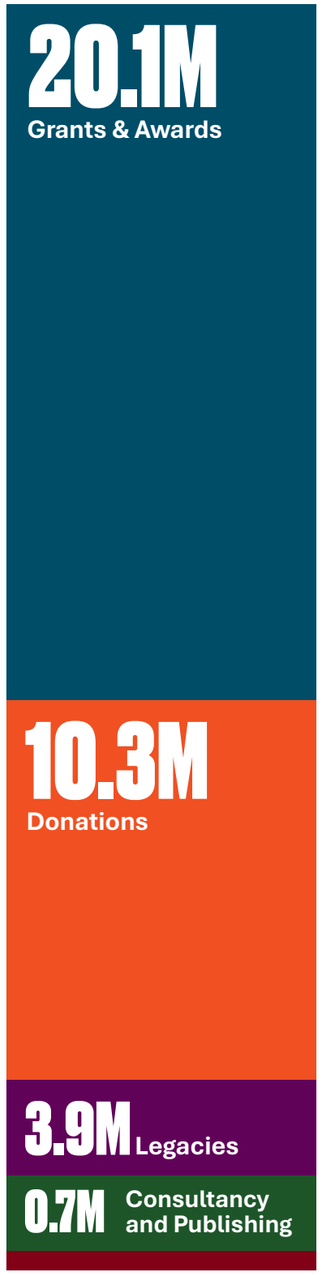
We are thankful for our growing partnership with the UK Department for Environment, Food & Rural Affairs and Indigenous organisations with whom we are tackling the interconnected challenges of poverty, biodiversity loss and the climate emergency by building climate resilient livelihoods and creating and protecting key conservation areas.

The Mastercard Foundation remained one of our largest partners, with £1.67 million committed to our work this year. Through the RAY (Resilient Agriculture for Young People) project, it is funding training and support for 100,000 young people (mostly women) across nine Kenyan counties in regenerative agriculture and agribusiness, giving them access to land, capital, and markets to build resilient rural livelihoods based on dignified and fulfilling work.

A Strategic Partnership Grant from King Charles III Charitable Fund (total award: £390,000, Jan 2023 – Feb 2026) provided flexible support for our regenerative farming work. This enabled us to develop and pilot the Regenerative Agriculture Planning and Implementation Diagnostic (RAPID) Tool as part of a collaborative action research project in Zimbabwe.

◀ *A group of farmers harvest sorghum together at one of our farmer field school in Halfa, Sudan, where we share climate-friendly techniques like crop rotation and soil conservation.*

How we were funded in 2025/26



35.2M
Total income

0.2M
Other income



With thanks

The year's work rested on the trust of thousands of individual supporters and a wide group of institutional partners. We are grateful to everyone who gave, pledged a gift in their Will, or backed us this year — and to the funders and partners whose commitment made it possible:

Agence Française de Développement (AFD) · Bill & Melinda Gates Foundation · Carbon Trust · Danish International Development Agency (DANIDA) · UK Department for Environment, Food & Rural Affairs (DEFRA) · The Efficiency for Access Coalition · European Union · Foreign, Commonwealth & DevelopmentOffice (FCDO) · German Technical Cooperation Agency (GIZ) · Jersey Overseas Aid · King Charles III Charitable Fund · Livelihoods Venture · Mastercard Foundation · Netherlands Enterprise Agency (RVO) · Old Dart Foundation · Postcode Lottery · Swedish International Development Cooperation Agency (Sida) · Swiss Agency for Development and Cooperation (SDC) · UN-Habitat · United Nations Office for Project Services (UNOPS) · World Food Programme · Zurich Insurance Company Ltd and its Z Zurich Foundation.

▲ *For farmers in Gwanda, Zimbabwe, solar-powered irrigation is transforming what is possible. With reliable access to water, farmer Kelebone Ndlovu can follow the cropping calendar, earn her own income and help keep her children in school. The Sustainable Electricity for Rural Communities project is showing how renewable energy can strengthen livelihoods and build more secure rural futures.*

COMMUNITY PROOF TO GLOBAL POLICY

Change does not stop at the community level. Most of what is needed to help people withstand poverty and a changing climate already exists and has been proven in the places where people live with the problem. What decides whether it spreads is finance, policy and the institutions that carry it. That is where we put our evidence to work.

We bring what communities have built and proven into the rooms where those decisions are made. The solutions are not ours to prescribe. They are shaped by local knowledge, priorities and leadership. Our role is to make sure decision-makers can see what is already working, and to help create the conditions for it to spread.

COP30 in Belém, the first climate conference held in the Amazon, showed what that looks like. Our Latin America Regional Director, Alicia Quezada, stood alongside AIDESEP, the largest Indigenous organisation in the Peruvian Amazon, as they launched a proposal for a culturally appropriate mechanism to channel climate finance closer to Amazonian territories. Developed by Indigenous organisations with technical support from Practical Action, it answers a stark imbalance: Less than 1% of climate funding reaches Indigenous Peoples even though they manage 40% of the best-preserved ecosystems.

The proposal sets out five principles for making climate finance work for Indigenous communities: access to finance adapted to Indigenous needs, respect for Indigenous governance, equal participation in decision-making, strategic prioritisation, and stronger global partnerships. It puts Indigenous leadership and existing solutions at the centre of decisions about how money reaches the forest. On the ground, this means free, prior and informed consent as a standing requirement, monitoring that fits Indigenous cultural practices, stronger governance structures, and a progressive, measurable path to institutional strengthening.



The argument travels well beyond Belém. Wherever the terms are being set, in climate negotiations, in national food and energy policy, in the design of funds, the same case holds: back what communities have already proven and put the people closest to the problem in charge of the response. The barrier is rarely that a solution has yet to be invented. It is that finance and policy have not yet been arranged to carry it.

This is not a sideline to our work. It is how proven solutions move beyond the places where they began, with communities and their knowledge at the centre of the change.

▲ *Maruja Huachapa runs a fish farm with her husband in the Peruvian Amazon, selling fish alongside their own consumption. They're active in the Kanus Cooperative, which helps local cocoa farmers improve quality and market access, as Indigenous communities work to build sustainable livelihoods amid climate change and extractive pressures.*

NAVIGATING AN INCREASINGLY COMPLEX WORLD



A year into our 2025-2030 Resilient Futures strategy, the pressures we set out to meet have intensified rather than eased. Political upheaval, deepening climate pressure and sudden funding cuts are reshaping the ground beneath the people we work alongside. This year has tested how we adapt, and shown why proven, practical approaches matter more than ever.

Rapid and unpredictable geopolitical change continues

Many of the countries we work in have faced political or economic upheaval this year. Nepal and Bangladesh have been through political change. Peru, Ecuador and Bolivia have all seen instability. The war in Sudan continues, and conflicts in Ukraine, Gaza and with Iran are felt far beyond their borders. When leaders lose focus on lasting change, instability grows. The closure of the Strait of Hormuz has pushed up fuel and food prices and disrupted the movement of fertiliser in many of the places we work.

The linked poverty, climate and nature crises are deepening

The climate crisis reaches every country now, but not equally: the poorest people carry the greatest risk and the least to fall back on. Yet this has not translated into serious action from most governments. Vested interests push back against change, promoting an agenda that works against climate, nature and, in some places, the rights and gains women had secured. Climate emergencies deepen this: when disaster hits, women and marginalised groups often lose ground first. For the farmers, families and workers already living closest to these pressures, the stakes keep rising.

Funding is not keeping pace with the scale of the challenge

Our supporters have continued to believe in the amazing work Practical Action is able to deliver, but many governments are cutting support for work that tackles poverty and climate change, often with very little notice. This is doing real harm to the most vulnerable people and to efforts to protect nature. The strategies of Charitable Foundations, who provide crucial funding to the sector, are shifting too. Some of this change is welcome, but it has slowed grant-making over the past year, forcing organisations across our sector to cut programmes and jobs. There is growing talk of the private sector and impact funding playing a bigger role. Promising work is happening here, though it cannot yet reach every area that needs it.

Supporting the ecosystem of positive change

What holds steady through all this is how we work. Our teams work close to the ground and across regions, so knowledge and resources move to where they are needed. The relationships we have built with people over many years, and the trust that comes with them, are our real source of strength. New partnerships are emerging too, as local organisations adapt, and we are working to help that wider ecosystem hold together.

Proven approaches point to a better future

Solutions to these crises already exist, all over the world. There is more evidence than ever on how proven approaches can be scaled and adapted for different contexts, from regenerative farming to early warning systems to clean energy. Expanding them is critical. Not only for the direct benefit to the people involved, but because they show that routes to a better future are real and within reach. Without that proof, despair takes hold, and despair can be weaponised in ways that accelerate the outcomes we are all working to avoid.

This is the work we are built for. We are resilient because of how we work and, above all, because of the people we do it with, in our teams, among our partners, and in the places we call home.

◀ *Tayla Ismail from Al Mazraa Village collecting water in a jerrycan. Access to safe water remains a major challenge for communities in eastern Sudan, where some families walk several kilometres to collect it. Through its partnership with the World Food Programme, Practical Action is helping communities in Kassala and Gedarif improve water access, strengthen food security and build resilience.*

STRATEGIC REPORT

Thanks to training and a few simple tools, Anowara in Bangladesh has increased the yields of the vegetables she grows at home. She once struggled to meet her household's nutritional needs. Now she has surplus vegetables to sell at market, earning extra money for daily expenses.

Strategic report – Financial affairs

In an external environment that has continued to be challenging for many in our sector, Practical Action has seen a growth in income in the year ending March 2026 enabling us to deliver more for the communities we work with and for. We have been continuing our process of transformation, to reflect the need to be agile and ready for an ongoing challenging funding environment.

Income and fundraising

Total income was £35.2m for the year ended March 31st, 2026, a 6% increase on prior year.

Restricted income for the year was £22.6m (2025 £21.9m), a 3% increase on prior year. Our most significant donors in the year are shown in note 3 of the accounts. The main increase in restricted income relates to awards from Defra (UK Department for Environmental, Food and Rural Affairs) as shown in note 18 in the annual accounts, the Netherlands Enterprise Agency (RVO) and the World Food Programme.

Unrestricted income for the year was £12.6m (2025 £11.2m), a 13% increase on prior year. This was mainly as a result of a strong response and support to appeals following the USAID closure at the start of the financial year, a Radio 4 appeal, and a number of generous legacies.

Expenditure

Total expenditure was £34.0m for the year, a 5% increase on the prior year.

Restricted expenditure for the year was £23.1m (2025 £21.1m), a 9% increase on prior year, which primarily reflects our success in grant applications in previous years.

Unrestricted expenditure for the year was £10.9m (2025 £11.2m), a 3% reduction on prior year, which reflects work to reduce our unrestricted costs.

Balance sheet (before pension liability)

The charity's total assets grew by £1.23 million to £17.89 million, while creditors were reduced from £7.88 million to £7.44 million.

Across the charity net assets increased by £2.50 million to £9.66 million, while for the overall group net assets increased by £2.14 million to £9.41 million.

Reserves

Total Group reserves for the year ended 31st March 2026 were £9.82 million of which £1.63 million were restricted and £8.19 million were unrestricted. Restricted reserves relate to funds tied to multi-year grants for use in future years.

Unrestricted reserves comprise fixed assets and general funds.

Free unrestricted reserves, excluding amounts related to fixed assets, increased to £7.70 million, above our target range of £4.90 - £5.90 million. We have sought to build our reserves in light of the increasingly challenging funding context, in order to invest for the future, and to meet increasing draws on our reserves that we are particularly seeing for working capital purposes. Accordingly the Trustees have set a deficit budget for 2026/27 and will also be considering the appropriate level of reserves in light of the changed operating environment in the next year.

Free reserves are held for the following purposes

- **Working Capital:** these funds are required to provide working cash and pre-financing for normal operations during the course of the year.
- **Fundraising:** to honour expenditure commitments in the event that fundraising targets are missed.
- **Grant repayment:** to be able to repay donors or inject additional money into projects if there were a failure to meet grant conditions.
- **Foreign exchange:** to support our programming in the short term when the currencies in which we receive income lose value.
- **Business continuity:** to support core activities, such as business development.

Pension scheme

The valuation of Practical Action's pension scheme at March 31st, 2026, for the purposes of FRS 102, showed a deficit of £0.14 million. The above deficit has been disclosed separately within unrestricted funds in line with FRS 102.

Policy for sub-award grants

We work in partnership with several organisations globally and this is an important part of our work.

During the financial year we granted £5.5m (2025 £4.0m) to our partners to support delivery of programme. The increase in grants to partners was primarily achieved in Latin America where we worked with other organisations to deliver the bio-landscape programme. Due diligence is carried out, and we track and monitor funds against agreed deliverables. Partners are contracted to follow our policies and observe our standards in a range of areas including safeguarding and financial management.

Significant events

The substantial reduction of USAID funding globally, as well as the reduction in overseas development aid by other funders has impacted both our programmes and the pipeline as we see an increased competition for funding.

Looking forward

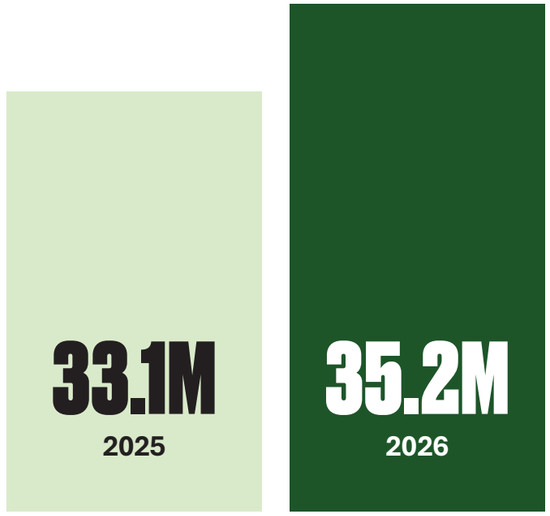
Growth in income and careful cost management leave us in the position of being able to invest in areas to help us grow and to build reserves to support the delivery of our strategic objectives.

In FY 2025/26 we secured new grants and awards of £9.2m compared to a previous year total of £14.2m. This is reflective of a challenging fundraising environment.

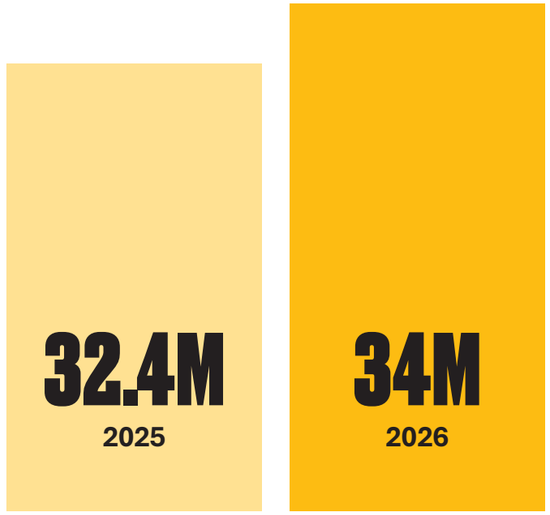
Going concern

Practical Action adopted a proactive and prudent approach in FY 2025/26, paying close attention to the risks posed to income and to expenditure and level of reserves. The unrestricted funding surplus raised reserves above our upper target range of £5.90 million. This was a deliberate strategy as we have sought to build our reserves in light of the funding context, to be able to invest for the future, and to meet increasing draws on our reserves for working capital purposes.

We are therefore confident that the organisation remains a going concern.



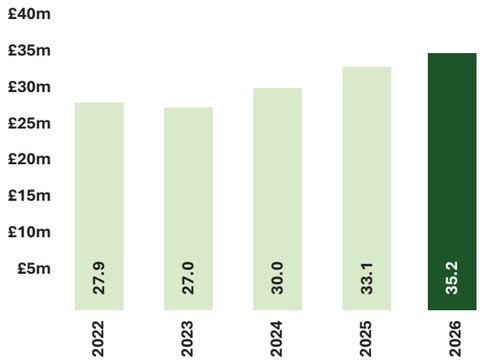
Total income increased 6% in the last 12 months



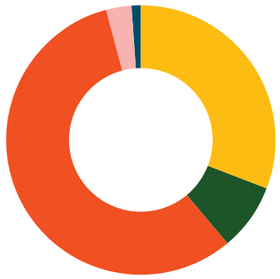
Total expenditure increased 4% in the last 12 months

Summary of income and expenditure

Total annual income

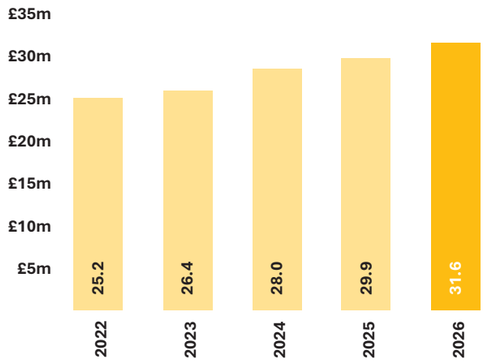


2025/26



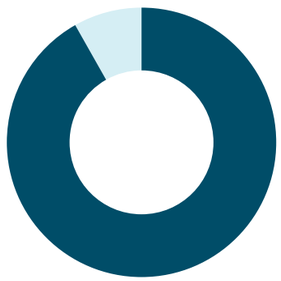
- **Donations from individuals, trusts and companies** £10.3m (29.3%)
- **Legacies from people remembering us in their Will** £3.9m (11%)
- **Grants from governments, trusts and foundations, and companies** £20.1m (57.1%)
- **Consultancy work and Practical Action Publishing** £0.7m (2%)
- **Investments & Other** £0.2m (0.6%)

Total expenditure on charitable activities (£m)



2025/26

(including fundraising and governance)



- **Charitable activities** £31.6m (92.4%)
- **Fundraising** £2.4m (7.6%)

We explain what we mean by charitable activities and how we allocate costs on pages 49-51

Governance and administration

The Board of Trustees

Practical Action is a registered charity (registered in England and Wales, reg. number 247257) and a company limited by guarantee (CRN 00871954).

The Board of Trustees (who are also Directors of Practical Action for the purposes of company law) govern the organisation in line with its Articles of Association, vision, mission, values, aims, and charitable objectives and provide overall policy direction. They are responsible for overseeing the management of all Practical Action's affairs and delegate day-to-day management of the organisation to the Chief Executive.

The Board of Trustees has a formal schedule of matters reserved for its consideration and approval. These matters are included in our Delegation of Authority policy. They include, but are not limited to, the approval of the organisation's objectives, strategic aims, and business plans, the approval of group policies, annual reports, and accounts, and the appointment and removal of Trustees, Members, and the Chief Executive. The Board of Trustees also approves expenditure beyond the Chief Executive's delegated authority.

The Board of Trustees is responsible for the organisation's overall management and control and meets at least four times a year. Trustees are not remunerated and receive no benefits from the organisation, other than the fact that Practical Action pays for Trustee Indemnity Insurance. The Trustees are allowed to claim travel and accommodation expenses after attending face-to-face meetings.

In accordance with standard commercial practice, the organisation has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors, or omissions. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 March 2026 was £27,000 plus insurance premium tax.

The Trustees are appointed and elected or re-elected for a term (usually three years), according to procedures set out in our Articles of Association, which is our governing document. In the absence of any exceptional circumstances, Trustees serve for a maximum period of six years. Trustee recruitment is conducted by the Governance and People Committee of the Board and is undertaken through public advertising on our website, a variety of sector websites, and on social media. The Board of Trustees may appoint a person as a Trustee to fill a vacancy or as an additional Trustee. We had 13 Trustees at the end of 2025/26, as two new Trustees were recruited in December 2025.

We provide an induction programme and materials for each new Trustee, covering all aspects of the role and the organisation. All Trustees are encouraged to attend external training events and seminars to enhance their skills. These events help provide Trustees with a greater understanding of their legal responsibilities and allow them to discuss emerging issues affecting the sector.

The Board delegates day-to-day decision-making and operations to the Chief Executive and the Global Leadership Team, in accordance with an approved delegation of authority policy and schedule of delegations.

The Finance, Audit, and Risk Committee

This Committee oversees matters of financial control and performance, external and internal audit, fraud, whistleblowing, and organisational risk. It also maintains an oversight of the organisation's fundraising plans and activities.

The Governance and People Committee

This Committee reviews the composition and effectiveness of the Board and subsidiary entities, and oversees Trustee recruitment, safeguarding and people and culture issues. It also oversees the terms and conditions of employment of the Global Leadership Team and considers reports from the organisation's international remuneration committees.

Subsidiaries and associated organisations

The Charity has two wholly owned primary purpose trading subsidiaries registered in England and Wales: Practical Action Publishing Limited and Practical Action Consulting Limited.

Practical Action Publishing Limited continues to be a trusted partner for NGOs and authors in international development publishing, championing accessible, evidence-based knowledge that drives sustainable solutions from grassroots to policy and amplifies the voices of practitioners and communities worldwide.

Our commitment to publishing print and e-books as sustainably as possible, using responsibly sourced paper and a network of local print-on-demand services around the world to help us minimise environmental impacts, continues to grow. Our print and digital

models have been transformed, enabling us to reach regions and communities that have traditionally proved difficult or too expensive to deliver knowledge resources to.

Such a commitment, over the past year, to diversity, equity and inclusion in publishing, providing accessible, actionable knowledge, inclusive commissioning policies and a growing global portfolio of authors, culminated in our recent recognition as one of the top five independent publishers shortlisted for the 2026 Independent Publishers Guild DEI award. With 68% of those accessing our resources continuing to originate from outside the UK, Europe, the US, and Australia, this tangible progress toward a more equitable publishing model will enhance our real-world impact in addressing global development challenges.

Practical Action Consulting Limited

Practical Action Consulting Limited provides technical assistance and consultancy services to governments, NGOs, aid agencies, research institutions, and the private sector, in areas closely aligned with the mission of Practical Action (the Charity).

Practical Action Consulting Limited has registered several development consultancy subsidiaries under the Practical Action Consulting name globally (with the trademark licensed from Practical Action). These subsidiaries further Practical Action's aims and objectives and include locally registered entities with varying ownership structures and activity levels.

- Practical Action Consulting Private Limited Nepal – private limited company registered in Nepal. Practical Action Consulting Limited UK has a 51% shareholding, and 49% is held by Nepali nationals in trust.
- Practical Action Consulting (India) Private Limited – private limited company registered in India. Practical Action Consulting Limited UK has a 99.67% shareholding, and 0.33% is held by an Indian national in trust.
- Practical Action Consulting Bangladesh Limited – private limited company registered in Bangladesh. Practical Action Consulting Limited UK has a 99% shareholding in the company.
- Practical Action Consulting S.A.C. – private limited company registered in Peru. Practical Action Consulting Limited UK holds a 49% shareholding. This company is currently dormant.
- Practical Action Consulting Rwanda – registered as a branch of Practical Action Consulting Limited UK.
- Practical Action Consulting Senegal – private limited company registered in Senegal. Practical Action Consulting Limited UK is the sole member of the company.
- Practical Action Consulting Limited Malawi – dormant private company limited by guarantee registered in Malawi. Practical Action Consulting Limited UK and its nominee are the two members of the company.

We have two dormant subsidiaries held to protect our previous company names: Intermediate Technology Development Group Limited (CRN 1017062) and Intermediate Technology Publications Limited (CRN 6424984).

Affiliated entities

We are also affiliated with two locally registered overseas entities carrying the Practical Action name. Practical Action is registered as an International Non-Governmental Organisation in Kenya and operates as a locally registered entity with an independent board. As Practical Action exerts significant influence and control, this entity is included in the Group's consolidated accounts.

The Practical Action Foundation is a locally registered not-for-profit entity incorporated in India. The organisation works in partnership with Practical Action and Practical Action Consulting; however, as Practical Action does not hold a shareholding and does not control the entity, it is not included in the Group's consolidated accounts.

Charity Governance Code

We are committed to the highest standards of governance.

The Trustees have reviewed and continue to apply the principles of the Charity Governance Code as the governance framework across the organisation. During the year, governance arrangements have been supported through an established committee structure, including the Finance, Audit and Risk Committee and the Governance and People Committee, with clearly defined delegated authority. Board and committee papers and minutes evidence decision-making, including risk consideration and rationale, supported by established financial, audit and risk management frameworks. Trustees are also supported through structured induction, development and ongoing oversight of Board composition to ensure an appropriate balance of skills and experience. The Trustees are satisfied that governance arrangements are effective, proportionate to the organisation's size and international operating model, and aligned with the spirit and intent of the Charity Governance Code.

Statement of Directors' duties

As Company Directors, the Trustees must act in a way they consider to be in good faith and most likely to promote the success of the company for the benefit of all its members, both in the current period and in the long term. In discharging these duties, the charity's directors carefully consider, among other matters, the impact of their decisions on various stakeholder groups.

The groups we consider in this regard are our employees, community participants, funders, partners, and the broader community in which we operate. The directors recognise that building strong relationships with our stakeholders will help us deliver our long-term strategy in line with our core values and operate the business sustainably. We are committed to conducting business responsibly. The directors do not consider that any decisions taken during the year had a significant impact on the company's stakeholder groups that would warrant specific disclosure in this report.

Our approach to raising funds from the public

We're fortunate to have many members of the public who support our work, and we take our responsibility to them very seriously. Our Supporter Promise, published on our website, outlines our commitments to supporters: honesty, accountability, and respectful communication. We also commit to protecting our supporters' privacy and putting supporters in control over how we contact them, making it easy for them to change the frequency and channels of communication.

We are registered with the Fundraising Regulator, and we comply with the regulatory standards for

raising funds, including the Charities Act 2011, the Charities (Protection and Social Investment) Act 2016, the Data Protection Act 2018, and the Privacy and Electronic Communications Regulations 2003.

We have a complaints procedure that is published on our website. We received two complaints relating to fundraising activities in 2025/26. Both complainants felt it wasn't clear on the appeal material that donations would be going to the unrestricted pot and not a specific project. We didn't receive any complaints that required escalation.

Our fundraising and supporter services teams keep up to date with regulation and best practice and work to our Supporter Fundraising Policy and the accompanying compliance handbook. These cover topics including current fundraising regulations, data protection, accepting and refusing donations, protecting vulnerable people, and complaints procedures. This also ensures that if we feel, or are advised, that a person is vulnerable, our systems are updated so they no longer receive any mailings or requests for support.

The Finance, Audit and Risk Committee has an oversight role in fundraising. When working with a third party or partner organisation for fundraising purposes, we work closely with them to ensure they meet our high standards of practice. During the reporting period, we worked with two third-party Professional Fundraising Organisations that promoted payroll giving on our behalf, and one that recruited regular givers by telephone.

In 2025/26, 21,924 people supported us with a gift. 1,288 of these were new donors. Thanks to pledges from committed givers and other donors, we're confident that at the start of 2026/27, 42% of our public fundraising target is already secured.

21,924

people supported us with a gift in 2025-2026

Remuneration and staff engagement

We remain committed to attracting and retaining talented people who share our commitment to Practical Action's mission and our values. Our remuneration approach is underpinned by principles of fairness, transparency and sustainability, with pay informed by local labour markets and benchmarking against similar roles in comparable organisations. We aspire to position pay broadly at the market median, while recognising local context, organisational affordability and market competitiveness.

Our global reward framework provides a consistent approach to evaluating roles and making reward decisions. It supports greater consistency and clarity in job grading and pay decisions across the organisation and to promote fair, equitable and unbiased pay decisions for all employees, regardless of sex, race,

religion, ethnic or national origin, caste, tribe, belief, age, marital or civil partnership status, pregnancy, caring responsibilities, sexual orientation, gender identity or disability.

Remuneration Committees at the management level oversee local remuneration decisions, including cost-of-living adjustments. Decisions are guided by local market data, organisational affordability, financial performance, recruitment and retention considerations, and employment market trends.

The Governance and People Committee provides oversight and holds these committees to account. Remuneration of the Executive Directors is approved by the Governance and People Committee, with the Chief Executive Officer's remuneration requiring full Board approval.

We are committed to promoting equality, valuing diversity, and fostering an inclusive culture where people feel heard, recognised and supported, and where equality of opportunity underpins our people practices.

Staff engagement remains central to our success. We actively seek feedback from colleagues through surveys, consultation, and ongoing engagement to help shape our people practices and continuously improve the employee experience, committed to promoting equality, valuing diversity, and fostering an inclusive culture where people feel heard, recognised and supported, and where equality of opportunity underpins our people practices.

Global gender pay gap data analysis

The global gender pay gap analysis indicates a 4% mean pay gap in favour of women compared with 2% in favour of women in the previous year.

Although men represent 53% of our global workforce, the global mean gender pay gap remains in favour of women. This reflects the strong representation of women in senior roles and within the higher salary quartiles of our global workforce, particularly in a number of country offices where women are well represented in higher-paid roles.

We continue to monitor gender representation and pay equity through our annual reporting and workforce planning, while reviewing our recruitment, talent, and career development practices to support equitable access to opportunities across the organisation.

Safeguarding

We continue to take a proactive, organisation-wide approach to safeguarding, embedding a culture of prevention, accountability, and continuous improvement across all aspects of our work. We are committed to ensuring our policies, culture, and practices reflect the highest standards of prevention, response and accountability. Our Safeguarding Policy remains subject to Board approval and the Chair of the Governance and People Committee, Shivani Wadhwa, continues to serve as the Board's designated Safeguarding Trustee.

During 2025/26 we strengthened our safeguarding framework to align more closely with recognised international safeguarding and Protection from Sexual Exploitation and Abuse (PSEA) standards. This included enhancements to our safeguarding policy, survivor-centered reporting and response processes, governance arrangements, and organisational oversight.

Practical Action has zero tolerance for all forms of abuse, exploitation, and harm and is committed to acting promptly, fairly and appropriately when concerns are raised, whilst prioritising the rights, needs and wishes of survivors.

Safeguarding remains both an organisational and individual responsibility. Our policy applies to employees, trustees, consultants, volunteers, partners and others acting on behalf of Practical Action. All employees receive safeguarding training through induction and mandatory refresher training.

Our safer recruitment framework continues to include pre-employment screening, safeguarding focused reference checks, candidate self-declarations and participation in the Inter-Agency Misconduct Disclosure Scheme. Together, these measures help reduce the risk of individuals with a history of safeguarding misconduct from entering or moving within the sector.

Robust governance arrangements continue to support our safeguarding framework. Through regular consideration of Safeguarding at our Board Governance and People Committee, and our network of Safeguarding Focal Points, we maintain oversight of safeguarding performance, organisational risk, policy implementation, reporting, training, and organisational learning, ensuring safeguarding remains embedded across the organisation.

Safe, confidential and accessible reporting mechanisms continue to be promoted for staff, partners, programme participants and communities. Concerns may be raised through local safeguarding routes or our independent reporting service and, where appropriate, are investigated by trained personnel or external specialists.

Our safeguarding approach remains survivor-centred, prioritising safety, confidentiality, informed consent and access to appropriate support. Safeguarding risks continue to be considered across programme delivery, partnerships, and organisational risk management.

During the 2025/26 reporting period, no serious safeguarding matters were raised. We continue to promote a culture of safe reporting and remain vigilant in preventing and responding to safeguarding risks.

Section 172 governance disclosure on carbon reporting

Practical Action is deeply concerned about climate change and its effects on everyone, especially marginalised, low-income people and families.

Core to all Practical Action's work is an ambition to safeguard the planet today and for the benefit of future generations. Alongside our programming and influencing work, Practical Action aims to keep its carbon footprint as small as possible. This means exploring ways to reduce its footprint while still carrying out work effectively.

The organisation achieves this by monitoring and managing the emissions of greenhouse gases generated by its operations. Practical Action programmes are designed to protect and improve the environment.

Practical Action has completed a carbon footprint baseline and developed an organisational carbon reduction plan. Every year, we will continue to measure our footprint and report progress against our baseline. Key findings include flights (both international and national), vehicle usage, gas and electricity consumption, and paper usage.



▲ *On Diogué Island in Senegal, local people work together to restore degraded mangroves along their shoreline. We're supporting this coastal community to combine mangrove replanting with nature-based defences like bamboo groynes, holding back erosion and helping both the ecosystem and local livelihoods recover.*

How we manage our affairs

How our activities deliver public benefit

The Trustees have reviewed the Charity Commission's Summary Guidance PB1, PB2 and PB3 for Charity Trustees on the Public Benefit Requirement and discussed as a Board the main principles contained within the Guidance. They consider that they have complied with the duty (set out in Section 17(3) of the Charities Act 2011) to have due regard to public benefit guidance published by the Commission.

In exercising their powers and duties as Trustees, the Board considers that the organisation's strategies, aims, and activities, which it has put in place, are for the public benefit. This is fundamental to all areas of our operation, including undertaking current activities, planning future activities, and measuring outcomes. The Trustees' and Directors' Annual Report and Strategic Report outline the main activities conducted by the organisation this year, with a focus on our work with poor women and men in developing countries, where we have country and regional programmes.

We provide an induction programme and materials for each new Trustee, covering all aspects of the role and the organisation. All Trustees are encouraged to attend external training events and seminars to enhance their skills. These events help provide Trustees with a greater understanding of their legal responsibilities and allow them to discuss emerging issues affecting the sector.

The Board delegates day-to-day decision-making and operations to the Chief Executive and the Global Leadership Team, in accordance with an approved delegation of authority policy and schedule of delegations.

Risk management

Every quarter, the Global Leadership Team reviews and updates the group-level risk register, which the Finance, Audit, and Risk Committee then reviews on behalf of the Board. Country teams also regularly update their risk registers. This ensures the organisation properly identifies the risks to which it is exposed.

Mitigation strategies are in place for all key risks, and management continually monitors them to ensure compliance with management's risk appetite. The Group has a well-established system of internal controls that governs its operations. The Internal Audit function assesses the adequacy and effectiveness of these controls through a risk-based internal audit programme. Overseas offices are audited every two to three years per a trustee-approved plan. The Finance, Audit and Risk Committee reviews all reports and receives Group-wide quarterly updates on the progress of agreed action points.

Principal risks

Rapid and unpredictable geopolitical change continues to present significant risks to Practical Action's operations. Many of the countries in which we work face political instability, conflict and economic uncertainty.

During 2025/26, Nepal and Bangladesh experienced significant political change, while the ongoing conflict in Sudan continued to create severe humanitarian and operational challenges. Practical Action has continued to strengthen security management, support staff wellbeing, and adapt programme delivery to ensure that our impact is maintained in challenging contexts.

The reduction in development and climate finance across our sector remains a material and strategic risk. Governments have significantly reduced their international development budgets, foundations have reviewed their funding priorities, and we continue to experience intensifying competition for all forms of funding across all our geographies. Some Government contracts have been terminated early and other anticipated funding opportunities with strategic partners have either not progressed or are proving slow in their development. Practical Action's diversified funding base has been critical in maintaining resilience. We continue to invest in unrestricted fundraising, strengthen relationships with strategic funding partners, and broaden our fundraising capabilities to ensure long-term sustainability. We also continue to review our costs closely and have taken action to reallocate resources in support of our most impactful activities. Furthermore, we have increased our focus on organisational agility, building a strong regional structure and devolved leadership ensuring that we remain responsive to the key opportunities in local contexts.

Safeguarding remains a principal organisational risk. Oversight is provided through a cross-organisational safeguarding group, supported by policies, reporting mechanisms and a rolling programme of safeguarding training for staff, partners and communities. We continue to strengthen safeguarding practice across the organisation and maintain a culture in which concerns can be raised and acted upon appropriately.

These risks are monitored through Practical Action's risk management framework and reviewed regularly by management and the Board to ensure that appropriate mitigation measures remain in place.

Trustees' responsibilities for the financial statements

The Trustees (who are also Directors of Practical Action for the purposes of company law) are responsible for preparing the Trustees' Annual Report and Accounts (which includes the Annual and Strategic Reports being the Companies Act Directors' Report) for each financial year, which give an accurate and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Charity and Group and of the results of the Group for that period. In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Follow applicable accounting standards, subject to any material departures disclosed and explained in the notes to the financial statements.
- Make sound judgments and estimates that are reasonable and prudent.
- Prepare the financial statements on a going-concern basis, unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees confirm that they have complied with the above requirements in preparing the financial statements.

The Trustees are responsible for maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statement complies with the Companies Act 2006. Trustees are also responsible for safeguarding the assets of the Charity and the Group, and, hence, for taking reasonable steps to prevent and detect fraud and other irregularities. In accordance with company law, as the company's directors, we certify that:

- As far as each director is aware, there is no relevant audit information* of which the company's auditors are unaware.
- Each director has taken all the steps (such as making enquiries of other directors and the auditors and any other steps required by the director's duty to exercise due care, skill and diligence) that he or she ought to have taken in his or her duty as a director, to make himself or herself aware of any relevant audit information* and to establish that the company's auditors are aware of that information.

Auditors

A resolution will be proposed at the Annual General Meeting to re-appoint our current auditors, Crowe U.K. LLP, as auditors of the organisation for the ensuing year.

The Trustees are pleased to present the Trustees' Report and Accounts for the Charity for the year ended 31 March 2026, which have been prepared in accordance with the Charity Statement of Recommended Practice – SORP 2015 and the Companies Act 2006.

The Trustees are aware of the forthcoming Charities SORP 2026 requirements, which will apply to reporting periods beginning on or after 1 January 2026. They will continue to develop the Annual Report to ensure future reporting remains clear, balanced and appropriately linked to the financial statements.



▲ *Alvote stands in front of the Mashaba solar mini-grid in Gwanda, Zimbabwe, where he works as a technician keeping the power running for his community.*

** Relevant audit information is defined as: "information needed by the company's auditors in connection with preparing their report."*

Corporate directory

Legal and administrative details

Charity name: Practical Action. Practical Action is a company limited by guarantee and is a Charity.

Charity number: 247257

Company number: 00871954

Registered office: The Robbins Building, 25 Albert Street, Rugby, Warwickshire, CV21 2SD

Auditors: Crowe U.K. LLP, Statutory Auditor, Fourth Floor, St James House, St James' Square, Cheltenham, GL50 3PR

Bankers: Barclays Bank plc, North Street, Rugby, Warwickshire, CV21 2AH

Executives

Global Leadership Team

Chief Executive Officer: Sarah Roberts *(until August 2026)*

Chief Executive Officer (Interim): Patrick Barker *(from August 2026)*

Chief Operating Officer: Chris Kelly

Fundraising, Marketing and Communications Director: Rachel Hudson

Impact, Innovation and Influence Director: Simon Hotchkin

Africa Director: Roselyn Akinyi Walender

Asia Director: Ayan Banerjee

Latin America Director: Alicia Quezada

Country directors

Bangladesh Country Director: Ishrat Shabnam

Bolivia Country Director: Shirley Pazos

Ecuador Country Representative: Balvanera Cruz

Kenya Country Director: Susan Maina

Nepal Country Director: Pooja Sharma

Peru Country Director: Pamela Girano

Rwanda Country Director: Denyse Umubyeyi

Senegal and Burkina Faso Country Director: Amadou Barry

Sudan Country Director: Muna Eltahir

Zimbabwe Focal Point: Henry T. Muchedzi

Trustees 2025/26

Practical Action is a charitable company, and so its directors are also its Trustees for the purpose of charity law. The Trustees serving during the year and since the year-end were as follows:

Sazini Mojapelo (Chair) [1, 2]
Martin Tyler [1, 2]
Fayezul Choudhury* [1, 2]
Matthew Haikin
Isabel Studer Noguez
Aki Temiseva [2]
Mourad Wahba
Shivani Wadhwa* [1]
Bill Liao [1]
Jane Sloane [1]
Claire Ireland [2]
Deepali Khanna *(from December 2025)*
Philip Smith [2] *(from December 2025)*

Key

1. Member of Governance and People Committee

2. Member of Finance, Audit and Risk Committee

** denotes Chair of the Group/Committee*

This report, which incorporates the Trustees' and Directors' Annual Report and Strategic Report, was approved by the Board on 9th October 2026.



Sazini Mojapelo
Chair of the Board of Trustees

Independent Auditor's Report to the Members of Practical Action

Legal and administrative details

Opinion

We have audited the financial statements of Practical Action ('the charitable company') and its subsidiaries ('the group') for the year ended 31 March 2026 which comprise Consolidated Statement of Financial Activities, Consolidated and Charity Balance Sheets, Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

– give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2026 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;

– have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

– have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

– the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

– the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

– adequate and proper accounting records have not been kept; or

– the financial statements are not in agreement with the accounting records and returns; or

– certain disclosures of trustees' remuneration specified by law are not made; or

– we have not received all the information and explanations we require for our audit; or

– the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 43, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the group and charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, including financial reporting legislation together with the Charities SORP (FRS 102) and local tax regulations. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

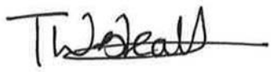
We also considered the opportunities and incentives that may exist within the group and the charitable company for fraud. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant, legacy and consultancy income, and the override of controls by management. Our audit procedures to respond to these risks included designing and performing procedures over grant, legacy and consultancy income, enquiries of management, internal audit, and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tara Westcott
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
Cheltenham

12th October 2026

Financial statements

Consolidated statement of financial activitiesfor the year ended 31 March 2026
(incorporating the income and expenditure statement)

	Note	Unrestricted £'000	Restricted £'000	Total 2026 £'000	Total 2025 £'000
Income and endowments from:					
Donations and legacies	*3*	11,422	2,745	14,167	12,937
Charitable activities	*3*	1,010	19,850	20,860	19,987
Investments	*3*	96	3	99	65
Other income	*3*	115	-	115	151
Total income and endowments	*3*	**12,643**	**22,598**	**35,241**	**33,140**
Resources Expended					
Expenditure on raising funds	*4*	2,379	-	2,379	2,434
Total expenditure on raising funds		**2,379**	**-**	**2,379**	**2,434**
Expenditure on charitable activities:					
Food Systems	*4*	897	5,948	6,845	7,495
Climate resilience	*4*	2,212	7,767	9,979	11,885
Energy for the Hardest to Reach	*4*	2,417	5,945	8,362	6,564
Other / Green & Inclusive Economies	*4*	3,029	3,399	6,428	3,985
Total expenditure on charitable activities		**8,555**	**23,059**	**31,614**	**29,929**
Total expenditure	*4*	**10,934**	**23,059**	**33,993**	**32,363**
Net gain on investment assets	*8*	14	-	14	6
Net income / (expenditure)		**1,723**	**(461)**	**1,262**	**783**
Actuarial (loss)/ gain on defined benefit pension scheme	*16*	116	-	116	(199)
Net movement in funds		**1,839**	**(461)**	**1,378**	**584**
Balance brought forward 1 April		**6,348**	**2,094**	**8,442**	**7,858**
Fund balances carried forward as at 31 March	*14, 15*	**8,187**	**1,633**	**9,820**	**8,442**

The notes on pages 52 to 77 form part of these financial statements.

Consolidated and charity balance sheets at 31 March 2026

	Note	Group 2026 £'000	Group 2025 £'000	Charity 2026 £'000	Charity 2025 £'000
Fixed assets					
Intangible assets	*7*	-	9	-	-
Tangible assets	*7*	771	1,104	762	1,088
Investments	*8*	-	493	-	493
Programme investments	*8*	-	-	29	29
Total fixed assets		**771**	**1,606**	**791**	**1,610**
Current assets					
Stock	*9*	77	103	-	1
Debtors	*10*	5,994	7,447	6,528	7,714
Cash at bank and in hand	*11*	11,118	7,858	10,567	7,328
Total current assets		**17,189**	**15,408**	**17,095**	**15,043**
Creditors: amounts falling due within one year	*12*	(7,770)	(8,141)	(7,438)	(7,881)
Net current assets		**9,419**	**7,267**	**9,657**	**7,162**
Provisions for liabilities and charges	*13*	(228)	(87)	(228)	(34)
Net assets before pension liability		**9,962**	**8,786**	**10,220**	**8,738**
Defined benefit pension scheme liability	*16*	(142)	(344)	(142)	(344)
Net assets after pension liability		**9,820**	**8,442**	**10,078**	**8,394**
Funds Restricted	*14*	**1,633**	**2,094**	**1,633**	**2,094**
Unrestricted fixed assets	*14*	492	568	492	568
Revaluation reserve	*14*	-	97	-	97
General funds		7,695	5,683	7,953	5,635
Unrestricted funds net of pension liability	*14*	**8,187**	**6,348**	**8,445**	**6,300**
Total Funds	*14*	**9,820**	**8,442**	**10,078**	**8,394**

The net surplus for the financial year dealt within the financial statements of the parent charity was £1,684k (2025: £977k).

The notes on pages 52 to 77 form part of these financial statements.

The financial statements were approved by the board on 9th October 2026.

Martin Tyler
Trustee

Fayezul Choudhury
Trustee

Company Number: 00871954

Consolidated cash flow statement for the year ended 31 March 2026

	Note	2026 £'000	2025 £'000
Cash flows from operating activities:			
Net cash provided by/ (used in) investing activities	*17*	**2,824**	**(133)**
Cash flows from investing activities:			
Dividends, interest and rents from investments		99	65
Purchase of property, plant and equipment		(170)	(488)
Proceeds from the sale of property, plant and equipment		507	-
Net cash (used in) investing activities		**436**	**(423)**
Change in cash and cash equivalents in the reporting period		3,260	(556)
Cash and cash equivalents at the beginning of the reporting period		7,858	8,414
Cash and cash equivalents at the end of the reporting period	*11*	**11,118**	**7,858**

The notes on pages 52 to 77 form part of these financial statements.

Notes on financial statements

Practical Action is a company registered and incorporated in England and Wales, limited by guarantee, without share capital and governed by its Articles of Association dated 21 February 1966 and last amended on 8 December 2021. The company registered a change in name on 25 September 2009 with registration number 871954. The company was registered as a charity with the Charity Commission on 26 April 1966 (charity number 247257). The principal address and registered office is The Robbins Building, 25 Albert Street, Rugby, Warwickshire, CV21 2SD. The principal activity is to use technology to challenge poverty in developing countries and enable communities to build on their skills and knowledge to produce sustainable and practical solutions, thus improving their lives and protecting the world around them.

The organisation is a Public Benefit Entity.

1. Accounting policies

The financial statements have been prepared under the historical cost convention as modified by the revaluation of fixed asset investments, and are in accordance with applicable law, the Companies Act 2006, applicable accounting standards and the 2019 Statement of Recommended Practice ('SORP') for Accounting and Reporting by Charities.

The financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS 102).

The following principal accounting policies have been applied:

Going concern

We have set out in the Trustees' report a review of financial performance and the group's reserves position. We have adequate financial resources and are well placed to manage the business risks. Our planning process, including financial projections for the next three financial years, has taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. We have a reasonable expectation that we have adequate resources to continue in operational existence for the foreseeable future. We believe that there are no material uncertainties that call into doubt the group's ability to continue. The financial statements have therefore been prepared on the basis that the group is a going concern.

Basis of consolidation

The consolidated financial statements incorporate the results of Practical Action and all of its subsidiary undertakings as at 31 March 2026 using the acquisition method of accounting. The results of subsidiary undertakings are included from the date of acquisition.

No statement of financial activities is presented for the charitable company alone as the results of the subsidiary companies are separately identified within the group accounts and the charitable company is exempt from presenting such a statement under section 408 of Companies Act 2006. The group net expenditure includes a net surplus from the charitable company itself of £1.7m (2025 : £1.0m).

Income

Income is accounted for on an accruals basis in the period in which the charity is entitled to income where the amount can be measured with reasonable certainty. Where the entitlement to project or grant income is performance related the income is recognised when the conditions for entitlement have been fulfilled. Legacies are recognised when receipt is reasonably certain and the amount is quantifiable. We recognise a legacy on the earlier of notification by the executors that a payment can be made following the agreement of the estate's accounts, notification by the executors that payment will be made or receipt of a distribution from the estate. Where funds are received net of tax, and tax is recoverable, the income is recognised gross at the time of receipt. Gifts in Kind – Donated goods and services are recognised in the financial statements, as both income and expenditure, at a reasonable estimate of their value in the period in which they are donated.

Resources expended

Expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation to pay. Expenditure on charitable activities includes the direct cost of planning, staffing and operating both UK and overseas activities. It also includes support costs, which represent costs of providing the infrastructure and organisational services that support the charitable activities. It also includes governance costs.

Basis of allocation of costs

The majority of costs are directly attributable to specific charitable activities. The remaining support costs relate to more than one activity and are apportioned across charitable activities and fundraising costs based on the level of expenditure of these activities. The charitable activities included in this report are aligned to the Flagships in our Resilient Futures strategy.

Fundraising costs

This is the money we spend on activities to generate donations and legacies, including the costs of keeping donors informed about our work and the administration of gifts. Costs are made up of salaries of people working in our fundraising, marketing and supporter care teams and the direct costs of running fundraising campaigns. They do not include the cost of bidding for grants and contracts shown in the financial statements as income from charitable activities.

Governance costs

Governance costs consist of the statutory and organisational costs of operating as a charitable company.

The costs are made up of a percentage of salaries for management, company secretarial/legal costs, internal and external audit costs, meeting costs for strategic leadership team and trustees (including travel costs) and an apportionment of support costs.

Tangible fixed assets

Tangible fixed assets are stated at cost less any provisions for depreciation and impairment. Impairments are calculated such that the carrying value of the tangible fixed assets is the lower of its cost compared with the higher of its net realisable value and its value in use.

All fixed assets costing more than £500 are capitalised. The cost of fixed assets which have been acquired and held in the UK and International programmes is their purchase cost, together with any incidental expenses on acquisition.

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets, except freehold property spread evenly over their expected useful lives. It is calculated at the following rates:

Motor vehicles	33.3% per annum straight line
Computer equipment	33.3% per annum straight line
Fixtures and fittings	20.0% per annum straight line

Intangible fixed assets

Intangible assets are stated at cost less any provisions for amortisation and impairment. Impairments are calculated such that the carrying value of the intangible assets is the lower of its cost compared with the higher of its net realisable value and its value in use.

All intangible assets costing more than £500 are capitalised. The cost of intangible assets which have been acquired and held in the UK and International programmes is their purchase cost, together with any incidental expenses on acquisition.

Amortisation is provided to write off the cost, less estimated residual values, of all intangible assets. It is calculated at 20.0% per annum on a straight line basis.

Investments

Investments are shown at market value. Unrealised and realised investment gains or losses are shown net on the face of the statement of financial activities.

Stocks

Stocks are stated at the lower of cost or net realisable value.

Debtors

Debtors are measured at cost less any impairment

Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty or notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than 3 months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Pension costs

Practical Action Employee Benefits Scheme

Practical Action Employee Benefits Scheme

The charity has accounted for pension costs in accordance with FRS 102. The charity operates a defined benefits scheme in the UK, which was closed to contributions in 2002. The scheme is a registered pension scheme under chapter 2 Part 4 of the Finance Act 2004. The assets of the scheme are held separately from the assets of the charity, being represented by unitsin a segregated fund managed by an external investment manager.

The group also operates a defined contribution pension scheme. Contributions to this scheme are charged to the statement of financial activities in the year in which they become payable.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at the settlement value, with the exception of bank loans which are subsequently measured at amortised cost using the effective interest rate method.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the time of the transaction. Monetary balances held at the year-end are retranslated at the rate prevailing at that date. No provision is made against balances held which could not readily be converted to sterling as these are only held to be used in the short term in that country. Gains or losses on translation of foreign currencies are treated as credits/charges to the project for which the currency is held.

Restricted funds

Where funds are received for specific purposes set out by the donor or implied by the terms of appeal, these are shown as restricted income in the statement of financial activities. Expenditure for the purposes specified is applied against the income and any amounts unexpended at the balance sheet date are shown within restricted funds. Deficits at the balance sheet date represent amounts expended in advance of anticipated funding.

Unrestricted funds

The Trustees, at their discretion, may set aside funds to cover specific future costs. Such funds are shown as designated funds within unrestricted funds. Where the Trustees decide such funds are no longer required for the purposes intended, they may be released by transfer to general unrestricted funds. Unrestricted funds which are not designated are held in accordance with Practical Action's reserves policy. In order to monitor this policy, funds represented by functional fixed assets are identified separately on the face of the balance sheet within unrestricted funds.

Termination costs

Redundancy and termination costs only occur where absolutely necessary and are accounted for on an accruals basis when the commitment to terminate a post has been made.

Operating leases

The annual rentals on operating leases are charged to the statement of financial activities on a straight line basis over the term of the lease.

Taxation

Practical Action is a registered charity and as such is potentially exempt from taxation of its income and gains to the extent that they fall within the charity exemptions in the Corporation Taxes Act 2010 or Section 256 Taxation of Chargeable Gains Act 1992. No UK corporation tax charge has arisen in the year.

Irrecoverable VAT is chargeable to the projects using the partial exemption method.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described in Note 1, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

Pension liabilities

The charity recognises its liability to its defined benefit pension scheme which involves a number of estimations as disclosed in the Pensions note 16. A liability of £142k (2025: £344k) has been recognised at the year end.

Income recognition on grants

The charity recognises grant income when the conditions for entitlement have been fulfilled.

Accrued and deferred income

The charity recognises cash received in advance as a deferred income liability in the balance sheet. Where the conditions to recognise grant income are met but the amount due has not been notified to the donor, the charity recognises the income as an accrual.

3. Income and endowments

The table below lists funders who contributed over £250,000 to charitable activities carried out in 2025/26. These contributions are shown in line with our income recognition policy (Note 1 Accounting Policies).

Our accounting policy is to recognise income when the conditions for entitlement have been fulfilled and so this may differ from amounts received from these and other funders in this period.

	Unrestricted £'000	Restricted £'000	Total 2026 £'000	Total 2025 £'000
Agence Française de Développement (AFD)	-	271	271	44
Bill & Melinda Gates Foundation	-	101	101	299
Carbon Trust	-	560	560	-
Danish International Development Agency (DANIDA)	-	705	705	612
Department for Environment, Food & Rural Affairs (DEFRA)	-	3,927	3,927	2,638
European Union (EU)	-	74	74	1,085
Foreign, Commonwealth and Development Office (FCDO)	-	1,995	1,995	2,163
German Technical Cooperation Agency (GIZ)	-	556	556	713
Green Climate Fund	-	-	-	350
International Livestock Research Institute (ILRI)	-	-	-	487
International Potato Center	-	-	-	257
Jersey Overseas Aid (JOA)	-	300	300	355
Livelihoods Venture	-	655	655	819
Mastercard Foundation	-	1,673	1,673	2,151
Netherlands Enterprise Agency (RVO)	-	1,630	1,630	551
Old Dart Foundation	-	324	324	185
Postcode Lottery	600	-	600	575
Swedish International Development Cooperation Agency (Sida)	-	1,032	1,032	1,449
Swiss Agency for Development and Cooperation (SDC)	-	381	381	265
The Efficiency for Access Coalition (EforA)	-	323	323	21
USAID	-	-	-	792
USAID Bureau for Humanitarian Assistance (BHA)	-	-	-	1,104
UN-Habitat (United Nations Human Settlements Programme)	-	479	479	-
United Nations Office for Project Services (UNOPS)	-	740	740	-
World Food Programme (WFP)	-	1,881	1,881	-
World Vegetable Centre	-	-	-	456
Zurich Insurance Company Ltd and its Z Zurich Foundation	-	1,713	1,713	2,529
Other (donations under £250k)	12,043	3,278	15,321	13,240
Total	**12,643**	**22,598**	**35,241**	**33,140**

	Unrestricted £'000	Restricted £'000	Total 2026 £'000	Total 2025 £'000
Donations and legacies				
Donations	7,562	2,745	10,307	10,424
Legacies*	3,860	-	3,860	2,513
Total donations and legacies	**11,422**	**2,745**	**14,167**	**12,937**
Charitable activities				
Grant income	311	19,805	20,116	19,081
Consultancy and publishing income	699	45	744	906
Total charitable activities	**1,010**	**19,850**	**20,860**	**19,987**
Income from investments				
Rental	39	-	39	25
Interest	57	3	60	40
Total investments	**96**	**3**	**99**	**65**
Other income				
Other income	115	-	115	151
Total other	**115**	**-**	**115**	**151**
Total	**12,643**	**22,598**	**35,241**	**33,140**

*Approximately £4,103k (2025: £3,960k) of residuary and £37k (2025: £47k) of reversionary legacies had been notified to the charity before 31 March 2026 but have not been recognised as income in the year as they do not meet the Practical Action income recognition criteria.

Gifts in Kind

During the year ended 31 March 2026 Practical Action received gifts in kind totalling £41k (2025: £96k).

Volunteers

Practical Action does not have a volunteer programme, volunteer requests are dealt with on an individual basis. In the year Practical Action worked with no volunteers (2025: nil).

4. Total Resources Expended

	Grants payable	Direct costs	Support costs	Total 2026	Total 2025
	£'000	£'000	£'000	£'000	£'000
Fundraising	-	2,175	204	2,379	2,434
Charitable activities:					
Food Systems	501	5,756	588	6,845	7,495
Climate resilience	3,493	5,629	857	9,979	11,885
Energy for the Hardest to Reach	1,111	6,533	718	8,362	6,564
Other, Green & Inclusive Economies	610	4,842	512	5,964	3,539
Governance	2	422	40	464	446
Total expenditure on charitable activities	**5,717**	**23,182**	**2,715**	**31,614**	**29,929**
Total resources expended	**5,717**	**25,357**	**2,919**	**33,993**	**32,363**

In line with the charity's Resilient Futures strategy, 'Farming that works' is now 'Food systems', 'Energy that Transforms' is now 'Energy for the hardest to reach', 'Cities fit for people' and 'Resilience that protects' have combined into 'Climate resilience' and all other charitable activities are now 'Other, green & inclusive economies'.

Support costs represent the costs for management and administration which is made up of Chief Executive, Marketing and Communications, Finance, People and Culture (Human Resources), Facilities and Services and Information Technology shared (central) costs. Support costs are allocated across the charitable activities in proportion to direct cost. This represents the most appropriate view of the support costs for Practical Action.

Support costs	2026 £'000	2025 £'000
CEO's Office	217	331
Marketing and Communications	516	616
Finance	402	667
IT	660	600
People & Culture	512	717
Facilities and Services	348	388
Other *	264	432
Total support costs	**2,919**	**3,751**

* Other costs includes depreciation, UK pension service costs, VAT annual rate adjustment, re-structuring and other exceptional costs.

Total expenditure on charitable activities (inclusive of support costs)	Total 2026 £'000	Total 2025 £'000
Charitable activities:		
Africa	13,680	11,132
Asia	5,542	6,807
Europe	4,753	5,400
Latin America	7,175	6,144
Governance costs	464	446
Total expenditure on charitable activities	**31,614**	**29,929**

During the year ended 31 March 2026, Practical Action made grants to partner organisations. Grants payable to partner organisations are considered to be part of the costs of activities in the furtherance of the objects of the charity because much of the charity's programme activity is carried out through grants to partner organisations that support long-term, sustainable benefits for a community, which are monitored by the charity.

Grants to partners greater than £200k	Total 2026 £'000	Total 2025 £'000
AIDESEP	625	-
Carbon Trust	-	325
COSPE	295	-
DEPROSC-Nepal	-	226
Nature and Culture International	633	-
SNV Netherlands Development Organisation	271	300
Terra Nuova	546	-
World Wildlife Fund (WWF)	564	378
Other	2,581	2,821
Total	**5,515**	**4,050**

Amounts payable to the auditor	2026 £'000	2025 £'000
Group audit fees	68	64
Additional Fees	34	11
Non-UK audit costs	-	8
Tax advice	2	7
Other services	-	12
Total	**104**	**102**

5. Employees

Staff Costs	2026 £'000	2025 £'000
Wages and salaries	11,460	11,465
Social security costs	546	452
Pension costs (employee benefit scheme)	258	248
Pension (stakeholder scheme)	1,001	730
Staff end of service costs*	148	118
Redundancy, ex gratia and termination costs**	257	29
Total emoluments of employees	**13,670**	**13,042**
Other staff costs ***	90	(33)
Total staff costs	**13,760**	**13,009**

*In order to meet local employment regulations, 'end of service' payments are made to employees in country programmes when they leave employment with Practical Action. The amount of the payments are determined by the salary and length of service of the employees. Staff end of service costs change each year based on the accrued entitlement.

** Redundancy, ex gratia and termination costs of £257k relating to 17 members of staff were charged in the year (2025: £30k relating to 1 member)

*** Other staff costs consists of temporary and agency staff.

Average number of full time equivalent employees	2026 Number	2025 Number
Africa	147	156
Asia	117	136
Europe	86	86
Latin America	95	93
Total	**445**	**471**

Average number of employees	2026 Number	2025 Number
Africa	148	156
Asia	126	136
Europe	93	93
Latin America	87	93
Total	**454**	**478**

During the year, employees earning more than £60,000 pa fell into the following bands:

	2026 Number	2025 Number
£60,001 - £70,000	9	13
£70,001 - £80,000	4	5
£80,001 - £90,000	2	1
£90,001 - £100,000	1	2
£100,001 - £110,000	0	1
£110,001 - £120,000	1	1
£120,001 - £130,000	1	1

The total cost of remuneration for the CEO during the year was £123,000 (2025 : £117,526).

Benefits are accruing to 10 (2025: 14) higher-paid employees under Practical Action's stakeholder pension scheme, which is open to all eligible employees. Employer contributions of £136k (2025: £146k) have been made into this stakeholder scheme for these higher-paid employees. Within Practical Action's Employee Benefits Scheme, benefits are accruing for no (2025: none) higher-paid employees.

The cost of key management personnel, which are considered to be the Global Leadership Team (GLT) as listed on page 44 was £774k in 2025/26 (2024/25: £761k). This represented 7 people in 2025/26 (2024/25: 9).

Salaries and benefits of the Strategic Leadership Team (SLT) are overseen by the Board's Governance and People Committee in line with the policy and principles for all staff pay. These are considered by the Committee annually.

The Trustees receive no remuneration for their services. No expenses were reimbursed to Trustees during the year. In 2024/25 £1k was reimbursed to 3 Trustees for travel and subsistence costs for meetings.

Indemnity insurance is provided for Trustees which is incorporated into a Professional Indemnity policy for the Organisation at a total cost of £26k (2025: £30k).

6. Net income from trading subsidiaries and summary balance sheets

The results of the principal trading subsidiaries are summarised below:

	Practical Action Consulting 2026	PAC India* 2026	PAC Nepal Private Ltd* 2026	PAC Malawi* 2026	PAC Bangladesh* 2026	PAC Peru* 2026	Practical Action Publishing 2026
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income	7	493	539	-	78	-	348
Expenditure	(7)	(528)	(549)	-	(127)	-	(347)
Net (loss) / profit	**-**	**(35)**	**(10)**	**-**	**(49)**	**-**	**1**
Income per subsidiary accounts	7	493	539	-	78	-	348
Less: grants from parent charity	(7)	(453)	-	-	-	-	-
	-	**40**	**539**	**-**	**78**	**-**	**348**
Expenditure per accounts	(7)	(528)	(549)	-	(127)	-	(347)
Less: group charges	-	-	-	-	-	-	
	(7)	**(528)**	**(549)**	**-**	**(127)**	**-**	**(347)**
Net effect on group results for the year	**(7)**	**(488)**	**(10)**	**-**	**(49)**	**-**	**1**
Summary Balance Sheet							
Fixed Assets	-	-	3	-	11	-	-
Investment	32	-	-	-	-	-	-
Net current assets/ (liabilities)	(461)	33	234	17	(3)	12	88
Net Assets / (liabilities)	**(429)**	**33**	**237**	**17**	**8**	**12**	**88**
Called Up share capital	-	28	31	-	10	13	-
Profit & loss account	(429)	5	206	17	(2)	(1)	88
Surplus/(deficit) on shareholder funds	**(429)**	**33**	**237**	**17**	**8**	**12**	**88**

	Practical Action Consulting 2025	PAC India* 2025	PAC Nepal Private Ltd* 2025	PAC Malawi* 2025	PAC Bangladesh* 2025	PAC Peru* 2025	Practical Action Publishing 2025
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income	34	236	496	-	1	-	303
Expenditure	(86)	(265)	(471)	-	(38)	-	(349)
Profit/(loss)	**(52)**	**(29)**	**25**	**-**	**(37)**	**-**	**(46)**
Income per subsidiary accounts	34	236	496	-	1	-	303
Less: grants from parent charity	(18)	(203)	-	-	-	-	(50)
Net income	**16**	**33**	**496**	**-**	**1**	**-**	**253**
Expenditure per accounts	(86)	(265)	(471)	-	(38)	-	(349)
Less: group charges	18	232	-	-	-	-	232
Net expenditure	**(68)**	**(33)**	**(471)**	**-**	**(38)**	**-**	**(117)**
Net effect on group results for the year	**(52)**	**(232)**	**25**	**-**	**(37)**	**-**	**(136)**
Summary Balance Sheet							
Fixed Assets	-	-	3	-	11	-	9
Investment	32	-	-	-	-	-	-
Net current assets/ (liabilities)	(163)	55	244	(124)	56	12	145
Net Assets / (liabilities)	**(131)**	**55**	**247**	**(124)**	**67**	**12**	**154**
Called Up share capital	-	28	31	-	7	13	-
Profit & loss account	(131)	27	216	(124)	60	(1)	154
Surplus/(deficit) on shareholder funds	**(131)**	**55**	**247**	**(124)**	**67**	**12**	**154**

* These entities are subsidiaries of Practical Action Consulting Limited registered in the UK.

7. Intangible and tangible assets

Group and Charity Intangible fixed assets	2026 £'000
Cost	
At 1 April 2025	105
Additions	-
At 31 March 2026	**105**
Amortisation	
At 1 April 2025	96
Charge for the year	9
At 31 March 2026	**105**
Net Book Value (NBV)	
At 31 March 2025	9
At 31 March 2026	**-**

Group Tangible fixed assets	Freehold and leasehold Property £'000	Motor Vehicles £'000	Computer Equipment £'000	Furniture and Other Equipment £'000	Total £'000
Cost					
As at 1 April 2025	120	2,644	1,951	1,406	6,121
Additions	8	-	141	21	170
Disposals	-	(173)	(10)	-	(183)
At 31 March 2026	**128**	**2,471**	**2,082**	**1,427**	**6,108**
Depreciation					
As at 1 April 2025	-	2,009	1,716	1,292	5,017
Charge	-	338	142	24	504
Disposals	-	(166)	(9)	(9)	(184)
At 31 March 2026	**-**	**2,181**	**1,849**	**1,307**	**5,337**
Net Book Value (NBV)					
As at 31 March 2025	120	635	235	114	1,104
As at 31 March 2026	**128**	**290**	**233**	**120**	**771**

Charity Tangible fixed assets	Freehold and leasehold Property £'000	Motor Vehicles £'000	Computer Equipment £'000	Furniture and Other Equipment £'000	Total £'000
Cost					
As at 1 April 2025	120	2,644	1,883	1,406	6,053
Additions	8	-	165	16	189
Disposals	-	(176)	(3)	-	(179)
At 31 March 2026	**128**	**2,468**	**2,045**	**1,422**	**6,063**
Depreciation					
As at 1 April 2025	-	2,009	1,664	1,292	4,965
Charge	-	338	157	24	519
Disposals	-	(170)	(1)	(12)	(183)
At 31 March 2026	**-**	**2,177**	**1,820**	**1,304**	**5,301**
Net Book Value (NBV)					
As at 31 March 2025	120	635	219	114	1,088
As at 31 March 2026	**128**	**291**	**225**	**118**	**762**

8. Investments

	Group		Charity	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Cash Investments				
Common investment fund	-	493	-	493
Total	**-**	**493**	**-**	**493**
Programme investments				
Programme investments	-	-	29	29
Total	**-**	**-**	**29**	**29**

Reconciliation of Common investment fund:	**£'000**
Historical Cost	396
Opening balance at 1 April 2025	493
Realised gain	14
Proceeds on disposal	(507)
Closing balance at 31 March 2026	**-**

The following were subsidiary undertakings at the end of the year and have all been included in the consolidated financial statements, except Dormant Companies:

	Country of incorporation	Proportion of voting rights and ordinary share capital held	Nature of business
Practical Action Consulting Limited (Reg. No. 00952705) The Robbins Building, 25 Albert Street, Rugby, Warwickshire, England, CV21 2SD	England	100%	Consultants for agriculture and industry
Practical Action Publishing Limited (Reg. No. 01159018) Address as above	England	100%	Publishers and booksellers
Intermediate Technology Publications Limited (Dormant company Reg. No. 06424984) The Robbins Building, 25 Albert Street, Rugby, Warwickshire, England, CV21 2SD	England	100%	Publishers and booksellers
Intermediate Technology Development Group Limited (Dormant company Reg. No. 01017062) The Robbins Building, 25 Albert Street, Rugby, Warwickshire, England, CV21 2SD	England	100%	Developers of agriculture and industrial machinery
ATS Property Holdings Private Limited (Dormant company Reg. No. Sri-Lanka PV 6894), 5 Lionel Edirisinghe Mawatha, Kirulapone, Colombo 5. Sri Lanka	Sri Lanka	100%	Property purchase, lease moveable, immoveable property
Practical Action Consulting Private Limited (Reg. No. Kathmandu, 117858/070/071) Indira House, House No.1114, Panipokhari Hill, Kathmandu, Nepal	Nepal	51% PAC 49% PA	Consultants for agriculture and industry
Practical Action Consulting (India) Private Limited (Reg. No. Delhi, CIN U74999DL2014FTC272886, Plot No: H-4, BJB Nagar, Lewis Road, Bhubaneswar –751014, Odisha, India	India	99.9% PAC 0.1% PAC staff	Consultants for agriculture and industry
Practical Action Consulting Limited (Reg. No. 14654) Area 6, Plot 130, P.O. Box 30108, Lilongwe, Malawi	Malawi	100% PAC	Consultants for agriculture and industry
Practical Action Consulting Bangladesh Limited (Reg. No. C-130198/2016) House 28/A, Road 5, Dhanmondi, Dhaka –1205, Bangladesh	Bangladesh	99% PAC 1% PA staff	Consultants for agriculture and industry
Practical Action Consulting S.A.C Limited (Reg. No. 20601238200) Centro Empresarial Peruano Suizo Av. Aramburú 166 Of. 2A, Miraflores, Lima, Perú	Peru	49% PAC 51% PA staff	Consultants for agriculture and industry

9. Stock

	Group		Charity	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Finished goods	74	96	-	1
Work in progress	3	7	-	-
Total	**77**	**103**	**-**	**1**

10. Debtors

	Group		Charity	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Trade debtors	113	221	32	131
Restricted accrued income and donor claims	3,985	5,534	3,854	5,347
Prepayments & accrued income	1,499	1,140	1,455	1,109
Amounts owed to the charity by the group	-	-	826	586
Other debtors	397	552	361	541
Total	**5,994**	**7,447**	**6,528**	**7,714**

11. Cash at bank and in hand

	Group		Charity	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Cash at bank in UK	8,212	4,864	8,202	4,853
Cash at bank overseas	2,903	2,988	2,362	2,225
Petty cash	3	6	3	250
Total	**11,118**	**7,858**	**10,567**	**7,328**

12. Creditors: amounts falling due within one year

	Group		Charity	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Trade creditors	1,286	1,779	1,172	1,645
Payments received in advance *	3,440	3,938	3,353	3,921
Accruals	919	872	833	821
Taxation and social security	202	57	189	25
Other creditors	1,923	1,495	1,891	1,469
Total	**7,770**	**8,141**	**7,438**	**7,881**

*Payments received in advance represent grants received in advance of the period to which they relate. The analysis of such payments is shown below:

	Group £'000	Charity £'000
Balance brought forward	3,938	3,921
Released to income	(3,938)	(3,921)
Received in year	3,440	3,935
Balance carried forward	**3,440**	**3,935**

13. Provisions

Group	Balance at 1 April 2025 £'000	Provision created £'000	Provision utilised £'000	Balance at 31 March 2026 £'000
Project issues	8	106	-	114
Other **	79	95	(60)	114
Total	**87**	**201**	**(60)**	**228**

Charity	Balance at 1 April 2025 £'000	Provision created £'000	Provision utilised £'000	Balance at 31 March 2026 £'000
Project issues	8	106	-	114
Other **	26	95	(7)	114
Total	**34**	**201**	**(7)**	**228**

** Other provisions relate to tax liabilities, foreign exchange differences and office dilapidations.

14. Funds note

	Balance at 1 April 2025	Incoming resources	Expenditure and charges	Transfers in/(out)	Balance at 31 March 2026
	£'000	£'000	£'000	£'000	£'000
Designated reserves					
Fixed asset fund	568	-	-	(76)	492
Revaluation reserve	97	14	-	(111)	-
Free reserves	**5,683**	**12,643**	**(10,818)**	**187**	**7,695**
Total unrestricted funds	**6,348**	**12,657**	**(10,818)**	**-**	**8,187**
Restricted funds					
Food Systems	-	5,948	(5,948)	-	-
Climate resilience	1,549	7,573	(7,768)	-	1,354
Energy for the Hardest to Reach	-	5,945	(5,945)	-	-
Other / Green & Inclusive Economies	-	3,398	(3,398)	-	-
Restricted fixed assets	545	(266)	-	-	279
Total restricted funds	**2,094**	**22,598**	**(23,059)**	**-**	**1,633**
Total funds	**8,442**	**35,255**	**(33,877)**	**-**	**9,820**

	Balance at 1 April 2024	Incoming resources	Expenditure and charges	Transfers in/(out)	Balance at 31 March 2025
	£'000	£'000	£'000	£'000	£'000
Designated reserves					
Fixed asset fund	430	-	-	138	568
Revaluation reserve	91	-	-	6	97
Free reserves	**6,011**	**11,217**	**(11,401)**	**(144)**	**5,683**
Total unrestricted funds	**6,532**	**11,217**	**(11,401)**	**-**	**6,348**
Restricted funds					
Food Systems	-	5,936	(5,936)	-	-
Climate resilience	758	10,745	(9,961)	7	1,549
Energy for the Hardest to Reach	-	4,266	(4,266)	-	-
Other / Green & Inclusive Economies	16	976	(992)	-	-
Restricted fixed assets	552	-	-	(7)	545
Total restricted funds	**1,326**	**21,923**	**(21,155)**	**-**	**2,094**
Total funds	**7,858**	**33,140**	**(32,556)**	**-**	**8,442**

The fixed asset funds represent the net book value of tangible and intangible assets originally funded from free or restricted reserves. Transfers into/out of a fixed asset fund represent capital additions less disposal proceeds and depreciation. Fixed asset fund transfers are funded by / contribute to the associated free or restricted fund. The investment fund was closed during the financial year, which necessitated the closure of the revaluation reserve as well. The revaluation reserve is part of the transfer out of designated funds.

The free reserves represent the funds of the charity not designated for particular purposes.

The restricted funds represent the funds that can only be used for donor specific activities within the organisation's charitable aims and objectives. The Zurich funded programs makes up the majority of the restricted fund balance carried forward at 31 March 2026.

15. Total funds

	Unrestricted fund £'000	Restricted funds £'000	Total 2026 £'000
Fixed assets	492	279	771
Stock	77	-	77
Debtors	5,994	-	5,994
Cash at bank and in hand	6,299	4,819	11,118
Creditors: amount due within one year	(4,419)	(3,351)	(7,770)
Provisions for liabilities and charges	(114)	(114)	(228)
Pension liability	(142)	-	(142)
Total funds	**8,187**	**1,633**	**9,820**

	Unrestricted fund £'000	Restricted funds £'000	Total 2025 £'000
Fixed assets	568	545	1,113
Investments	493	-	493
Stock	103	-	103
Debtors	4,930	2,517	7,447
Cash at bank and in hand	4,827	3,031	7,858
Creditors: amount due within one year	(4,221)	(3,920)	(8,141)
Provisions for liabilities and charges	(8)	(79)	(87)
Pension liability	(344)	-	(344)
Total funds	**6,348**	**2,094**	**8,442**

16. Pension costs and FRS 102

Practical Action Employee Benefits Scheme

The charity operates a defined benefits scheme in the UK which was closed to new members in 2002. The charity has accounted for pension costs in accordance with FRS 102. The scheme is a registered pension scheme under chapter 2 Part 4 of the Finance Act 2004. The assets of the scheme are held separately from the assets of the charity, being represented by units in a segregated fund managed by an external investment manager. At 1 April 2023, the latest full valuation date, the actuarial value of the schemes assets was 78% of the value of past service liabilities on an ongoing (SFO) basis. The market value of the scheme's assets at the valuation date was £7,743k, excluding money purchase AVCs. As a result of the scheme deficit at the valuation date, the trustees and the charity agreed that the charity would make a deficit contribution of £87,300 in January 2025 plus monthly deficit contributions of £9,700 from January 2025 to March 2029 inclusive. The scheme trustees and the charity also agreed that the charity would pay contributions to the scheme in respect of expenses and levies at the rate of £4,415 per month from January 2025, increasing by 2.5% pa with the first such increase applying from 1 April 2025. The full valuation has been updated to 31 March 2026 by a qualified independent actuary.

Following the High Court ruling in the Virgin Media vs NTL Pension Trustees II Limited case, the Government introduced amendments to the Pension Schemes Bill. The charity, group and their actuarial advisers accept that the issues involved are complex and continue to make no adjustments to the calculated scheme liabilities until the impact of the Pension Scheme Bill and the professional guidance issued by the Financial Reporting Council is ascertained.

Principal actuarial assumptions at the Balance Sheet date:

	2026	2025
Discount Rate	6.00%	5.50%
Inflation (RPI)	3.60%	3.40%
Inflation (CPI)	2.60%	2.40%
Future Salary Increases	3.60%	3.40%
Revaluation in Deferment	2.60%	2.40%
Pension Increases RPI (0,5)	3.30%	3.15%
Pension Increases Fixed 3	3.00%	3.00%
Mortality		
– Base Table	S3PXA	S3PXA
– Allowance for Future Improvements	CMI2025[1%]	CMI2023[1%]

Practical Action Employee Benefits Scheme

	2026 £'000	2025 £'000
Present value of funded obligations	(6,983)	(7,246)
Fair value of plan assets	6,841	6,902
Deficit per FRS102	**(142)**	**(344)**
Amounts in the balance sheet:		
Liabilities	(142)	(344)
Net liability	**(142)**	**(344)**

Changes in the present value of the defined benefit obligation:

	2026 £'000	2025 £'000
Opening defined benefit obligation	7,246	7,747
Interest cost	384	369
Benefits paid	(493)	(397)
Remeasurement gains	(154)	(473)
Defined benefit obligation at end of year	**6,983**	**7,246**

Changes in the fair value of the scheme assets:

	2026 £'000	2025 £'000
Opening fair value of scheme assets	6,902	7,504
Interest income	369	361
Remeasurement losses	(38)	(672)
Employer contributions	172	170
Benefits paid	(493)	(397)
Expenses paid	(71)	(64)
Fair value of scheme assets at the year end	**6,841**	**6,902**
The actual return on the scheme assets in the year	331	(311)

Amounts included within the Statement of Financial Activities:

	2026 £'000	2025 £'000
Expenses	(71)	(64)
Interest on net liability	(15)	(8)
Total amount charged within net outgoing resources	**(86)**	**(72)**
Actual return on plan assets less interest	(38)	(672)
Experience gain on liabilities	(61)	13
Change in assumptions	215	460
Actuarial (loss) / gain recognised	**116**	**(199)**
Total (loss) / gain recognised in the statement of financial activities	**30**	**(271)**

17. Reconciliation of net income to net cash inflow from operating activities

	2026 £'000	2025 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	1,378	783
(Gain) on investments	(14)	(6)
Dividends, interest and rents from investments	(99)	(65)
Depreciation	513	335
(Gain)/Loss on the disposal of fixed assets	(1)	22
Decrease / (Increase) in stocks	26	(15)
Decrease / (Increase) in debtors	1,453	(539)
(Decrease) in creditors and provisions	(230)	(547)
Movement in defined benefit pension scheme	(202)	(101)
Net cash provided by / (used in) operating activities	**2,824**	**(133)**

18. Additional grant and donation disclosures

The disclosures below relate to special conditions in specific grant agreements to publish the annual project funding value in the statutory accounts.

Department for Environment, Food & Rural Affairs

	Funding 2026 £'000	Funding 2025 £'000
Biodiverse Landscapes Fund Andes/Amazon	3,238	1,346
BLF Accelerate Spend	646	1,292
Total	**3,884**	**2,638**

United Nations Environment Programme (UNEP)

	Contract Number	Funding 2026 £'000	Funding 2025 £'000
Project funding details required by UNEP			
Creating the enabling conditions for eliminating open burning of waste through regional roadmaps and city pilots	24-016-WST-22-001	77	106
Total		**77**	**106**

CLASP funded by Foreign, Commonwealth and Development Office (FCDO) and Swedish International Development Agency (SIDA)

	Contract Number	Funding 2026 £'000	Funding 2025 £'000
Project funding details required by FCDO and SIDA			
Energy Access Institutions Facility – FCDO funding received in year and for whole project	192030 FCDO EAIF	149	-
Energy Access Institutions Facility – SIDA funding received in year and for whole project	239010 SIDA MI Facility	74	-
Total		**223**	**-**

Swiss Agency for Development and Cooperation (SDC)

	Funding 2026 £'000	Funding 2025 £'000
Project funding details required by SDC		
Strengthening the early warning early action system	-	131
Anticipation in Ecuador and the Andean region	-	101
Early warning and early action on multiple climate hazards	207	34
Total	**207**	**266**

19. Commitments under operating leases

As at 31 March 2026, the group had commitments under non-cancellable operating leases as set out below:

	2026 Land & Buildings £'000	2025 Land & Buildings £'000
Operating leases which expire		
Within one year	407	196
In two to five years	556	305
In over five years	-	-
	963	**501**

The net income for the year has been stated after charging £476k (2025: £345k) for the hire of assets under operating leases.

20. Related party transactions

Details of the subsidiaries of the Practical Action Group are disclosed in note 8. Subsidiary grants paid and charges claimed by the charity along with gift aid received by the charity from the subsidiaries are disclosed in note 6.

Practical Action Consulting Limited received a management costs grant of £6k (2025: £18k) from the charity, was charged no management fee (2025: £18k) and no subsidiary activity costs (2025: £208k) by the charity and transferred £14k (2025: £369k) to the group cash pooling facility. At the year end, Practical Action Consulting Limited owed the charity £458k (2025: £536k).

PAC Nepal Private Limited recharged no (2025: £18k) charity activity costs to the charity. The charity recharged £13k (2025: £10k) of subsidiary activity costs to PAC Nepal Private Limited. At the year end, PAC Nepal Private Limited owed the charity £39k (2025: £30k).

Practical Action Consulting (India) Private Limited received a management costs grant of £429k (2025: £203k) from the charity, was charged payroll costs totalling £55k (2025: £61k) and subsidiary activity costs totalling £47k (2025: £3k) by the charity and charged the charity £27k (2025: £2k) of charity activity costs. At the year end, PAC India owed the charity £63k (2025: £58k).

Practical Action Consulting Bangladesh Limited was charged payroll costs totalling £9k (2025: £nil) and subsidiary activity costs totalling £42k (2025: £nil). At the year end, PAC Bangladesh owed the charity £166k (2025: £31k).

Practical Action Consulting Limited (Malawi) owed the charity £132k (2025: £132k) at the year end.

Practical Action Publishing Limited did not receive a management costs grant from the charity (2025: £50k), was charged payroll costs totalling £195k (2025: £188k) and subsidiary activity costs totalling £67k (2025: £112k) by the charity and transferred £336k (2025: £77k) to the group cash pooling facility. At the year end, Practical Action Publishing Limited owed the charity £544k (2025: £613k).

At 31 March 2026 the total provision recognised by the charity for related party debt is £602k (2025: £814k).

21. Financial instruments

	2026 £'000	2025 £'000
Financial instruments measured at fair value through profit and loss	-	493

The income, expense and gains in respect of financial instruments are summarised below:

Gains on financial instruments measured at fair value through profit and loss	**2026 £'000**	**2025 £'000**
Financial instruments measured at fair value at the start of the year:	493	487
Gain	14	6
Disposal	(507)	-
Financial instruments measured at fair value through profit and loss at the end of the year	**-**	**493**

22. Post balance sheet events

After the balance sheet date the following new registrations were approved:

- Practical Action – approved as a charitable entity by the Ministry of the Interior and Public Security, Senegal on 24 April 2026 with the registration number 24.04.2026*009629
- Practical Action Asia Pte. Ltd – registered as a private company limited by shares with the Accounting and Corporate Regulatory Authority, Singapore on 25 September 2026 with the registration number 202644485D. The company's shareholder is Practical Action Consulting Limited, United Kingdom.

All of the above new entities have remained dormant since registration.

23. Comparative statement of financial activities for the year ended 31 March 2025

	Unrestricted £'000	Restricted £'000	Total 2025 £'000
Income and endowments from:			
Donations and legacies	10,213	2,724	12,937
Charitable activities	862	19,125	19,987
Investments	61	4	65
Other income	81	70	151
Total income and endowments	**11,217**	**21,923**	**33,140**
Resources expended			
Expenditure on raising funds	2,434	-	2,434
Total expenditure on raising funds	**2,434**	**-**	**2,434**
Expenditure on charitable activities:			
Energy that transforms	2,298	4,266	6,564
Farming that works	1,559	5,936	7,495
Cities fit for people	271	2,471	2,742
Resilience that protects	1,653	7,490	9,143
Knowledge that inspires	1,452	34	1,486
Other	1,541	958	2,499
Total expenditure on charitable activities	**8,774**	**21,155**	**29,929**
Total expenditure	**11,208**	**21,155**	**32,363**
Net gain/(loss) on investment assets	6	-	6
Net income / (expenditure)	**15**	**768**	**783**
Actuarial loss on defined benefit pension scheme	(199)	-	(199)
Net movement in funds	**(184)**	**768**	**584**
Balance brought forward 1 April 2024	**6,532**	**1,326**	**7,858**
Fund balances carried forward as at 31 March 2025	**6,348**	**2,094**	**8,442**

BIG CHANGE STARTS WITH

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