CLEAN AIR FUND

England & Wales · Charity number 1183697

Details

Status	Registered
Legal form	Charitable company
Company number	11766712
Registered	2019-06-03
Register	View on the Charity Commission register

Contact

Address	20 St Thomas Street London Bridge Southwark London SE1 9RS
Phone	02080756200
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Website	http://www.cleanairfund.org

Activities

Objects: 4.1 THE CHARITY'S OBJECTS ('OBJECTS') ARE:4.1.1 TO PROMOTE FOR THE PUBLIC BENEFIT THE CONSERVATION, PROTECTION AND IMPROVEMENT OF THE ENVIRONMENT BY THE REDUCTION AND LIMITATION OF AIR POLLUTION IN SUCH A WAY AS TO MITIGATE CLIMATE CHANGE AND PROMOTE SUSTAINABLE DEVELOPMENT, IN PARTICULAR BUT NOT EXCLUSIVELY BY MAKING GRANTS, PROVIDING INFORMATION, SHARING KNOWLEDGE, AND PROMOTING CHARITABLE RESEARCH (INCLUDING THE PUBLICATION OF THE USEFUL RESULTS OF SUCH RESEARCH);4.1.2 TO ADVANCE PUBLIC HEALTH BY PROMOTING THE REDUCTION AND LIMITATION OF AIR POLLUTION, IN PARTICULAR BUT NOT EXCLUSIVELY BY MAKING GRANTS, PROVIDING INFORMATION, SHARING KNOWLEDGE, AND PROMOTING CHARITABLE RESEARCH (INCLUDING THE PUBLICATION OF THE USEFUL RESULTS OF SUCH RESEARCH).4.2 'SUSTAINABLE DEVELOPMENT' MEANS DEVELOPMENT WHICH MEETS THE NEEDS OF THE PRESENT WITHOUT COMPROMISING THE ABILITY OF FUTURE GENERATIONS TO MEET THEIR OWN NEEDS.

Activities: Clean Air Fund brings together philanthropic resources to improve air quality globally. It co-ordinates a collective strategy for air pollution activity, provides grant funding to a multi-national portfolio of clean air programmes, grants funds to research and knowledge-building activities, and provides a means of knowledge sharing and networking between stakeholders.

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Classification

- **How:** Makes Grants To Organisations, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body
- **What:** The Advancement Of Health Or Saving Of Lives, Arts/culture/heritage/science, Environment/conservation/heritage
- **Who:** Children/young People, Elderly/old People, Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

Geography

- Brazil
- Bulgaria
- China
- France
- Ghana
- India
- Northern Ireland
- Poland
- Scotland
- Spain
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£32,945,383	£28,216,287	£19,346,254	77
2023-12-31	£27,236,820	£21,393,992	£15,023,231	48
2022-12-31	£12,196,539	£14,867,135	£9,224,707	27
2021-12-31	£12,966,213	£8,581,308	£10,820,751	23
2020-12-31	£8,454,720	£5,579,527	£6,897,859	12

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Trustees

Name	Role	Appointed
Katherine Lucy Garrett-Cox	Chair	2019-02-05
Gunjan Shah		2022-11-02
Milenna Nikolova		2024-03-01
Sellah Bogonko		2024-12-02
Stelios Kyriakakis		2023-08-08

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CLEAN AIR FUND

England & Wales - Charity number 1183697

Accounts

CLEAN AIR FUND

2024

Annual report and accounts

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LETTER FROM OUR CEO AND CHAIR

JANE BURSTON
CEO

KATHERINE GARRETT-COX CBE
Chair of the Board of Trustees

Air pollution poses an enormous — and growing — public health challenge. It is now the second leading risk factor for early death worldwide, surpassed only by high blood pressure. Air pollution also outranks tobacco as a leading cause of death and disability, according to **State of Global Air**, a report we supported. Dirty air also has wide-reaching economic and social impacts. In 2024, South Asia and Southeast Asia experienced severe air pollution events that forced businesses and schools to close for days.

Tackling air pollution can also help address climate change, as both are caused in large part by burning fossil fuels, and reducing super pollutants, such as black carbon and tropospheric ozone, can slow global warming. 2024 was the warmest year on record and the global average temperature was more than 1.5°C above pre-industrial levels. Extreme weather events —storms, droughts and wildfires — hit many parts of Africa, Europe and the Americas. As with air pollution, the poorest and most vulnerable people were most affected.

Clean Air Fund exists to tackle these interrelated problems, and we saw notable progress in 2024. The European Union agreed ambitious air pollution reduction targets in its revised Ambient Air Quality Directive, making it one of the most progressive air quality regulatory frameworks in the world. The World Health Organization declared that air pollution needed a sharper focus in its 2025-28 programme of work, acknowledging clean air as key public good for health. The World Bank pledged $1bn to de-risk air quality projects to encourage more investment in clean air.

We are proud to have supported these achievements, enabled by our generous donors. In 2024 we increased our grant making and charitable projects significantly, committing funding to 127 new projects. In total, we worked with our partners on 174 projects, worth $24.9m – a 25% increase on 2023. We grew our newer portfolios: our super pollutants portfolio expanded to address a second short-lived climate pollutant, tropospheric ozone, and we started programming in South Africa. With our Breathe Cities initiative now covering 14 cities, we began working in Brazil, Colombia, Mexico and Thailand.

We support a diverse range of organisations across the world, and aim to build the movement for clean air. Our grantee survey showed that 89% of our partners think we're having a positive impact as a funder. Respondents also recognised our role in advocacy, evidence generation and enabling collaboration.

There are big challenges ahead, with existing climate and air quality commitments coming under pressure, not least because of the policy priorities of the new US Administration, as well as the continued conflicts in the Middle East and Ukraine. Nonetheless, we are committed to our mission, and have enormous faith in our partners, donors and staff. We also know that people want to prioritise their health and the health of their children, and that people around the world are continuing to stand up for their right to breathe clean air. Together we are pushing clean air up the agenda to unlock multiple benefits for health, climate, the economy, society and nature.

TRUSTEES' REPORT

Clean Air Fund is a global philanthropic organisation working with governments, funders, businesses and campaigners to create a future where everyone breathes clean air.

OUR YEAR AT A GLANCE

$24.9m
committed to

174
projects

140
partners

150,000 lives will be saved each year from the EU's Ambient Air Quality Directive

100 clean air policies implemented by cities through our Clean Air Accelerator

100+ fewer smog days a year in Krakow thanks to clean air measures

134 air quality sensors from 28 manufactures independently evaluated in the global south

$1bn committed by the World Bank in guarantees for clean air projects for the first time

21 multinational businesses that have joined the Alliance for Clean Air

10 corporate air pollution emission inventories published

14 cities committed to cutting their air pollution and climate emissions by 30% by 2030 through our Breathe Cities initiative

Waste pickers at Green Africa Youth Organization's (GAYO) material recover facility in Accra. GAYO won the Earthshot Prize in 2024. Credit: Earthshot Prize

WHY CLEAN AIR?

Air pollution is everywhere. Invisible particles penetrate cells and organs in our bodies: our lungs, heart, blood and brain. Dirty air is a leading cause of heart attacks, strokes and many other diseases.

In addition to harming our health, air pollution is linked to climate change. Some health harming pollutants, like black carbon and tropospheric ozone, have a very high global warming potential. The sources of air pollutants and greenhouse gas emissions are often the same — burning fossil fuels for energy, transport, industry or agriculture.

Air pollution is **the largest environmental threat to human health** worldwide.

8.1 million premature deaths annually are attributed to air pollution: more than tobacco.

99% of people breathe air that exceeds World Health Organization (WHO) guidelines.

The annual health costs of air pollution are **$6 trillion** – equivalent to 5% of global GDP.

IT DOESN'T HAVE TO BE THIS WAY.

OUR MISSION

We accelerate action on clean air through:

DATA

Putting compelling evidence in the right hands

DEMAND

Growing public awareness and political will

DRIVE

Influencing decision-makers to commit to ambitious clean air measures

TOGETHER, WE CAN DELIVER CLEAN AIR FOR ALL.

Working together for clean air will create a healthier, fairer, more prosperous future for everyone. Clean Air Fund aims to accelerate the movement for clean air by:

Funding and partnering with organisations across the globe that promote data, build public demand for clean air and drive action

Influencing and supporting decision-makers to act on clean air, bringing together funders, researchers, policy makers, businesses, and campaigners to build and strengthen the air quality cause

Working with communities disproportionately affected by air pollution

OUR STRATEGY

Our ambitious Clean Air for All strategy (2023-2026) sets out how we will catalyse progress on air pollution and our strategic results framework enables us to systematically measure progress and draw out lessons and insights from our portfolios.

DURING THIS PERIOD, WE AIM TO:

galvanise global leaders to agree significant action on air pollution

drive significant progress on reducing air pollution in at least 8 countries and 55 cities, through ambitious laws and policies and impactful air quality management plans

encourage at least 75 multinational companies to commit to ambitious plans to reduce their air pollution footprints across their value chains

catalyse a total of $250 million in funds for air quality programming

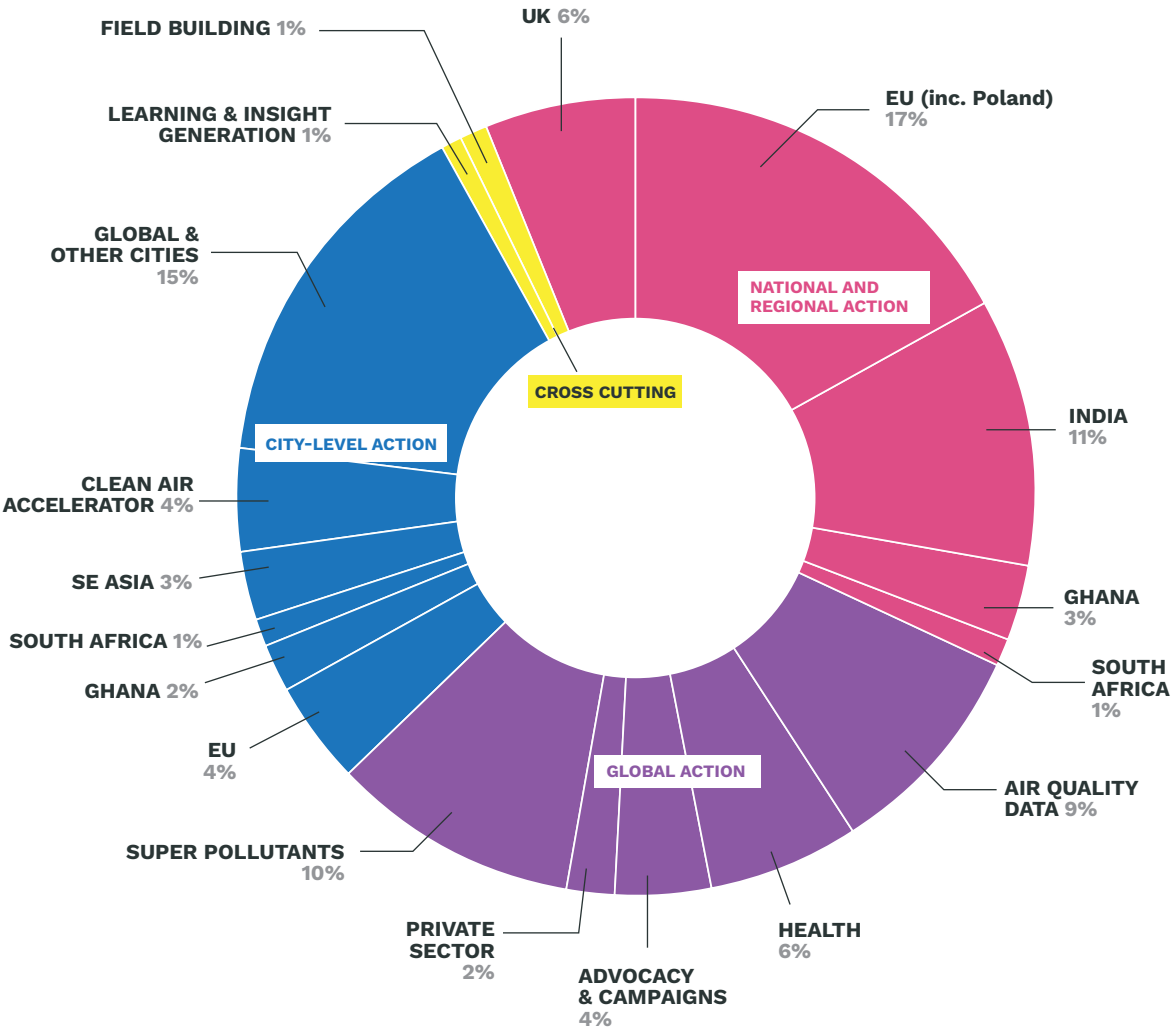
THE END OF 2024 MARKS THE MID-WAY POINT OF OUR STRATEGY, AND WE ARE ON TRACK TO ACHIEVE OUR STRATEGIC GOALS.

STRATEGIC REPORT

OVERVIEW

We increased the scale of our grant making and charitable projects significantly, committing funding to 127 new projects, worth $22.9m in multi-year value during 2024. Annual expenditure on new and live projects totalled $24.9m, a $5.0m (25%) increase from $19.9m in 2023. We managed a total of 174 projects, an increase of 24 from the previous year (150 in 2023).

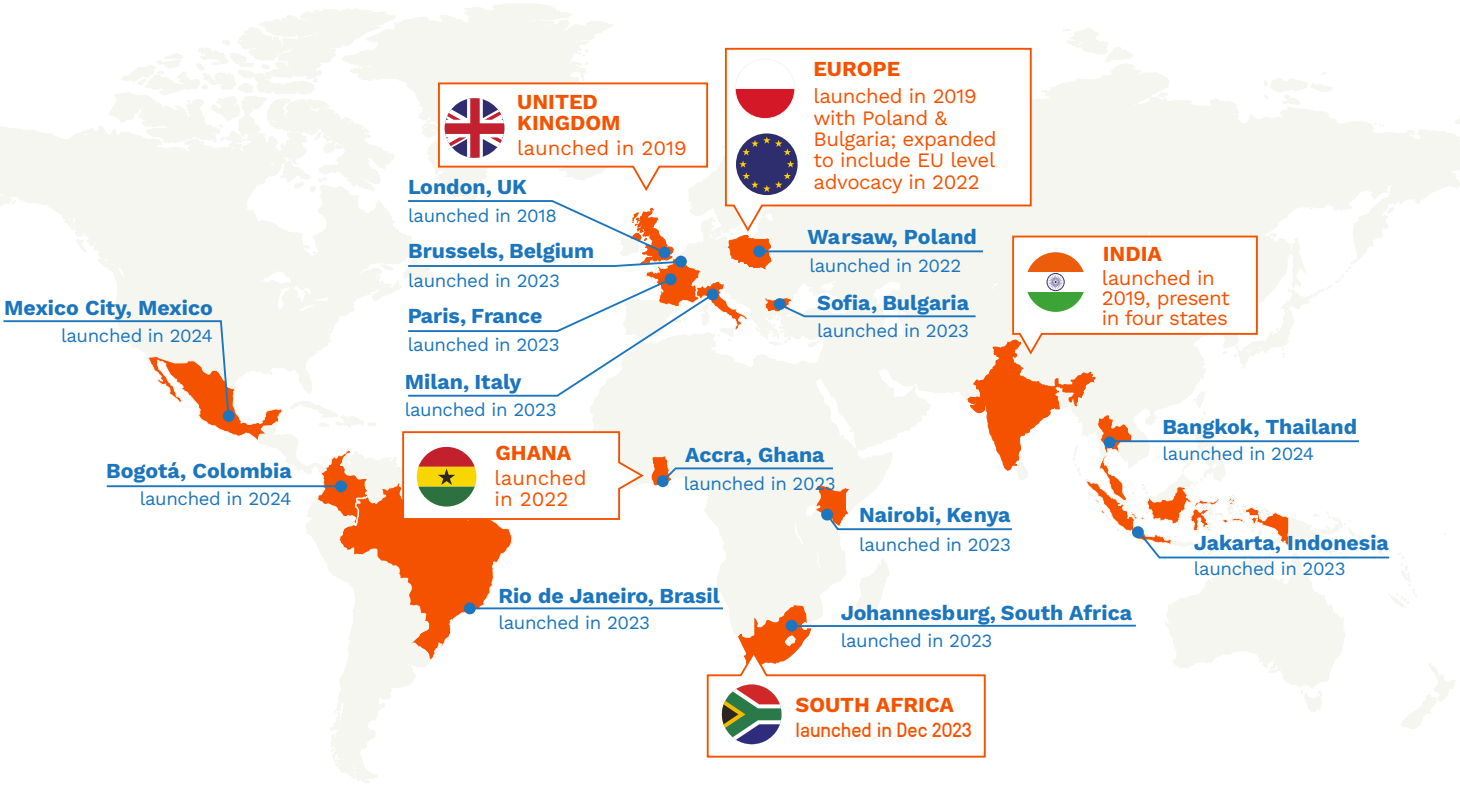
WHERE DID OUR MONEY GO IN 2024?



OUR AREAS OF WORK ARE:

- **Global action:** Advocacy, Air Quality Data, Health, Private Sector Engagement and Super Pollutants
- **National and regional action:** Europe (incorporating EU and Poland), Ghana, India, South Africa and the UK
- **City-level action:** Breathe Cities initiative with Bloomberg Philanthropies and C40 Cities in 14 cities, and the Clean Air Accelerator programme
- **Cross-cutting:** Field Building, and Learning and Insights

WHERE WE WORK



GLOBAL THEMES

Advocacy
Air Quality Data
Health
Private Sector Engagement
Super Pollutants

ORGANISATIONAL PROGRESS

- **Our work in the Global South grew in breadth and prominence:** We began work in five new countries: South Africa (at a national and city level), and at a city level in Brazil, Colombia, Mexico and Thailand.
- **We gathered and responded to grantees' feedback:** Working with the Centre for Effective Philanthropy, we **gathered feedback from 62 grantees** across our programmes. Responses were benchmarked against over 350 other funders. Grantees recognised our role in advocacy, evidence generation, providing a platform and enabling collaboration.
- **We developed our organisational vision for equity, diversity and inclusion (EDI) across all areas of our work.** We published our **EDI vision** and developed recommendations to make our grant management process more equitable. In 2025, each portfolio will have equity objectives incorporated in their annual work plans with progress reported twice a year.

TOP CLEAN AIR WINS IN 2024

Here are some highlights from across our strategic areas which are outlined in more detail in the report.

1 EU ADOPTS PIONEERING AIR QUALITY LAW

The European Parliament adopted a strengthened **Ambient Air Quality Directive** (AAQD), one of the most progressive air quality laws in the world. The legislation will deliver major health, climate and economic benefits for people across Europe, halving premature deaths attributed to air pollution. Over two years, we worked with our partners to push for ambitious evidence-based policy, shaping the European Parliament's and Council's final positions. EU Member States now have until December 2026 to transpose the legislation into national law.

2 MULTILATERAL DEVELOPMENT DONORS INCREASE FUNDING

Our advocacy efforts and flagship annual report, **The State of Global Air Quality Funding**, continued to draw attention to the need for global development finance for air quality in low- and middle-income countries. **The World Bank pledged $1billion** to de-risk air quality projects via their Multilateral Investment Guarantee Agency and to encourage more investment in clean air. Our on-ground preparatory work enabled the World Bank to give India a $350 million loan to improve air quality in Uttar Pradesh.

3 FIRST GLOBAL KNOWLEDGE PLATFORM FOR AIR QUALITY MANAGERS LAUNCHES

AQMx – an Air Quality Management Exchange Platform is a one-stop-shop for policy makers and practitioners looking for the latest guidance and tools on air pollution management. A report we commissioned on air quality management information needs led to the development of the platform by the UN Environment Programme and the Climate and Clean Air Coalition. AQMx will enable greater information exchange and cooperation nationally and regionally.

4 BREATHE CITIES GROWS REACH AND IMPACT

14 cities are now part of Breathe Cities, our global initiative with C40 Cities and Bloomberg Philanthropies. Accra, Bangkok, Bogota, Jakarta, Nairobi, Mexico City and Rio de Janeiro joined in 2024. Cities are making progress on policy changes, with low emissions zones (LEZ) for transport in Warsaw and Sofia, the launch of a LEZ for heating in Sofia and the launch of the Limited Traffic Zone in Paris.

5 HEALTH MINISTERS PRIORITISE ACTION ON AIR POLLUTION

At the World Health Assembly, ministers unanimously adopted a **new resolution** on climate and health, and air pollution was highlighted in the new WHO General Programme of Work. This is spurring the WHO to prioritise resources and action for clean air, including the second Global Conference on Air Pollution and Health. With 37 governments as co-sponsors, the resolution demonstrates the growing momentum at the intersection of climate and health.

6 OUR GRANTEE GAYO WINS EARTHSHOT PRIZE

Nominated by the Clean Air Fund, **Green Africa Youth Organisation** (GAYO) won the clean air category of the world's most prestigious environmental prize. The youth-led NGO in Ghana received a £1 million prize and opportunities for mentoring. With our support, GAYO tackles a major source of air pollution in Ghana — open burning of plastic, electronic and other hazardous waste.

GLOBAL ACTION

ADVOCACY AND HEALTH

We elevated air quality in global environmental commitments. The UN Environment Assembly (UNEA) passed a **landmark resolution** on air pollution, which mandated developing the first Clean Air Action Plan for Africa, better regional cooperation and a global knowledge sharing platform – critical interventions we've called for. Following our advocacy efforts, air pollution also featured in the UN's **Pact for the Future**, which is expected to inform the post-2030 Sustainable Development Goals agenda.

We secured a focus on clean air in an international health resolution. The World Health Assembly unanimously adopted a **resolution on climate and health**, and approved a new Programme of Work for the World Health Organization (WHO), enabling enhanced decision-making and resources for air quality. This unprecedented focus on clean air follows our engagement with the WHO and our partners.

Our advocacy for integrating clean air into development finance institutions' strategies is paying off. The **Our Common Air** commission issued high-level recommendations for action on air pollution and made a strong investment case for clean air. The World Bank's Multilateral Investment Guarantee Agency went on to pledge $1 billion in financial guarantees to de-risk air quality projects in low- and middle-income countries.

We pushed for air pollution in global forums. Our advocacy efforts with the G20 in Rio de Janeiro led to the inclusion of air pollution in the Health Ministerial Declaration on Climate Change, Health and Equity. Air pollution was also mentioned in the Urban 20's final communiqué for the first time. We also engaged with the Brazil national secretary for air quality to push our agenda ahead of COP30 in Brazil.

We commissioned artist Faig Ahmed to create an installation for COP29, elevating the urgent need to tackle black carbon in a global forum. This traditional Azeri rug featured plumes of soot, calling on governments to step up and prioritise cleaning our air.

SUPER POLLUTANTS

We launched our super pollutants programme, a $13.6 million initiative over three years to generate scientific evidence and build coalitions to secure action by governments on short-lived climate pollutants, focussing on black carbon and tropospheric ozone. We worked with intergovernmental, national and civil society partners to make the case for addressing super pollutants to address climate and health challenges.

We raised the profile of black carbon and tropospheric ozone in critical intergovernmental forums. At COP29, we elevated black carbon reduction as an opportunity for smarter climate action and presented our **Case for Action on Tropospheric Ozone**. At the US-China Summit on Methane and Non-CO2 Greenhouse Gases in Baku, **corporate action on tropospheric ozone** was showcased for the first time, highlighting measures from multinational businesses in our Alliance for Clean Air.

FIELD BUILDING

Our role as a field catalyst for clean air is growing. We influenced $11.8 million in aligned funding for the clean air movement. According to our grantee perception survey, 89% of grantees think we're having a positive impact on the field – many cited our role in generating insight and evidence, as well as promoting cross-sectoral collaboration.

We highlighted air quality funding trends and gaps. Our flagship report, The State of Global Air Quality Funding, again showed an increase in international development funding from 2018 to 2022, despite remaining just 1% of this financing. Our report on **Philanthropic Foundation Funding for Clean Air** showcased gaps in philanthropic finance and opportunities for smarter investments. The findings in these reports were covered widely by global media and serve as a reference for the clean air community.

We supported the most comprehensive analysis of the health impacts of air pollution. The **State of Global Air report,** produced by the Health Effects Institute and the Institute for Health Metrics and Evaluation in partnership with UNICEF, covers 204 countries and territories from 1990–2021. This important data resource revealed that 8.1 million people died prematurely due to air pollution in 2021, overtaking smoking as the second largest global risk factor for death.

We drove authentic storytelling around clean air issues and action. Climate Visuals provided the clean air field with over **200 free to use photographs**. The images authentically capture air pollution and the communities most affected, alongside solutions, in Indonesia, Poland, South Africa and the UK. The photos have been downloaded over 1,000 times. We also commissioned **a series of videos** showcasing our grantees' personal stories of impact. Grantees told their experiences of driving change in Ghana, Mongolia, Poland and the UK. The videos were viewed over 5,000 times.

AIR QUALITY DATA

We pushed for air quality data to be open and accessible. Our grantee, OpenAQ, produced the **only global assessment** of national governments data sharing, which found that only 27% of the countries offer fully transparent air quality data. We are also initiated a global programme to establish an open-source data management solution for cities and communities.

First global knowledge exchange platform for air quality managers launched. AQMx – an Air Quality Management Exchange Platform is a one-stop-shop for policy makers and practitioners looking for the latest guidance and tools on air pollution management. A report we commissioned on air quality management needs led to the development of the platform by the UN Environment Programme and the Climate and Clean Air Coalition. AQMx will enable greater information exchange and cooperation nationally and regionally.

We supported efforts to increase the use of low-cost sensors in the global south. Through our partners' work, 134 air quality sensors from 28 manufacturers have been independently evaluated in low- and middle-income countries, promoting this low-cost technology as a reliable and effective monitoring tool for global south contexts. AfriSET, the only air quality sensor evaluation centre in Africa, provided training and assessments on using the sensors to technical institutions, with growing interest from researchers and institutions across multiple African countries.

AfriSET's monitoring station at the University of Ghana in Accra. Credit: Prince Kuaranchie

PRIVATE SECTOR ENGAGEMENT

More companies published their air pollution emissions. Ten multinational businesses in our corporate Alliance for Clean Air publicly reported their air pollutant emissions. Supported by the World Economic Forum, the Alliance and its now 21 members continue leading the way on clean air action in the private sector.

Corporate climate targets aligned with air quality metrics. The guide for assessing corporate air pollutant emissions developed with the Stockholm Environment Institute (SEI) helped businesses align their existing greenhouse gas reduction targets with air quality metrics. The guide was incorporated into the European Financial Reporting Advisory Group's official guidance, becoming the standard for small and medium enterprises (SMEs) looking to comply with European sustainability reporting standards.

We launched a corporate air emissions reporting guide to support Indian companies. Developed with the Confederation for Indian Industries' CEO Forum for Clean Air, **the guidance** helps businesses comply with India's new Business Responsibility and Sustainability Reporting standard. The top 1,000 Indian companies are mandated to report their air pollutant emissions under the standard.

REGIONAL AND NATIONAL ACTION

EUROPEAN UNION

The EU set a pioneering clean air law. The European Parliament adopted a strengthened Ambient Air Quality Directive (AAQD), one of the world's most progressive air quality regulatory frameworks that brings standards closer to the WHO guidelines. The legislation is expected to deliver €121bn in gross annual benefits (primarily health, environmental and economic) across Europe and halve premature deaths attributed air pollution. We worked with our partners to advocate for ambitious evidence-based policy, shaping the European Parliament's and Council's final positions.

GHANA

Air pollution was elevated in the national media agenda. The **Excellence in Clean Air Journalism** project by our grantee, New Narratives, generated a steady drumbeat of investigative reporting and news coverage on air quality issues in Ghana. Journalists on the programme created 128 news stories, national radio programmes and podcasts on the topic. With air pollution's higher profile in the media, the Ghanaian government passed a new Environmental Protection Act with specific sections on climate, pesticides and waste, all of which contribute to dirty air.

Albert Oppong-Ansah, a reporter with the Ghana News Agency who completed New Narratives' 10 month programme for journalists, speaks to a resident of Agbogbloshie, Ghana. Credit: Prince Kuaranchie

INDIA

States to launch regional airshed approach for air quality management programme with loan from the World Bank. The state governments of Haryana and Uttar Pradesh agreed to receive support from the World Bank's regional airshed programme in the Indo-Gangetic Plain and Himalayan Foothills. Our grantee, The Energy and Resources Institute (TERI), provided technical assistance to support Uttar Pradesh governments prepare the detailed project report to receive the loan.

We supported air quality data generation to inform policy decisions. The Indian Institute of Technology Kanpur (IIT Kanpur) developed a sensor network and data monitoring dashboard, which the Bihar State Pollution Control Board has committed to using to inform its policy decisions on prevention and mitigation measures.

We supported localised evidence generation of health impacts of air pollution. Our partners (Indian Institute of Technology, Delhi; Health Care Without Harm and TERI) are generating local evidence that demonstrates the health impacts of air pollution on different socio-economic groups and have socialised results with decision-makers such as the Ministry of Health and Family Welfare (MoHFW). The MoHFW and National Centre for Disease Control (NCDC) have publicly acknowledged that air pollution is a leading risk factor for increased disease burden.

POLAND

Most polluting coal residential heaters are banned in the Malopolska region. The ban applies to heaters below a certain class, known as “smokers”. Grantees like Polish Smog Alert, the European Clean Air Centre and SmogLab have long advocated for national and regional action on coal boiler regulations and to support people to transition to cleaner energy in one of Poland’s most polluted regions. According to regional authorities, the number of these coal ‘boilers’ has decreased from 300,000 to 50,000 since 2017.

We advocated for new reforms on using coal for residential heating. Our grantees advocated for stricter quality rules to limit the types of coal used for household heating. By 2031, the proportion of single-family households using coal for heating is expected to fall to 40%, from 70% in 2017.

Poland’s government played an instrumental role in endorsing the revised EU Ambient Air Quality Directive. Our grantees provided evidence demonstrating how Poland can achieve the EU legislation’s targets, with the government voting in favour of the more ambitious targets at the EU Council, a move which later encouraged Germany to also support the revision.

Emil Nagalewski, Coordinator of Polish Smog Alert in Silesia, at an air quality monitoring station in Rybnik, Poland. Credit: Marek Wrona

SOUTH AFRICA

We started working in South Africa and engaging with the national government. We signed a Collaboration Agreement with the Department of Forestry, Fisheries and the Environment (DFFE), committing to enhancing evidence on air quality and driving action on clean air nationwide.

We committed to convene annual Priority Areas Summit. In partnership with DFFE, we played a crucial role in convening national, provincial and municipal officials along with civil society organisations and businesses to discuss challenges and identified opportunities to facilitate implementation of Priority Area Air Quality Management Plans (AQMPs), policies and regulations.

UNITED KINGDOM

We generated support for clean air policies in the UK election. Ahead of the July 2024 election, the Labour Party's manifesto aligned with five of the eight policies called for in our Refresh Britain Campaign. Once the Labour Party was elected, the new UK Government announced the development of a Clean Air Strategy and review of how air quality information is communicated to the public.

The UK government issued a formal apology to Rosamund Kissi Debrah, the mother of Ella, whose death was declared caused by air pollution in a landmark ruling. Rosamund will receive an undisclosed settlement in compensation for her daughter's death. We have long supported Rosamund's campaigning through the Ella Roberta Foundation.

CITY-LEVEL ACTION

BREATHE CITIES

14 cities joined Breathe Cities, our global urban air quality initiative with C40 Cities and Bloomberg Philanthropies. Cites have already shown a commitment to reducing air pollution and greenhouse gases, with 11 signing collaboration agreements.

We supported data-driven measures in European cities. Warsaw in Poland and Sofia in Bulgaria have launched low emissions zones (LEZ) for transport, with Sofia also implementing an LEZ for heating – a first of its kind in Europe. A limited traffic zone has also been implemented in the centre of Paris, France.

Cities in Africa and Asia are making progress through new policies and regulation. Nairobi in Kenya is developing the first City County Air Quality Regulations and Johannesburg in South Africa laid the groundwork for a Clean Air Zone policy, which would be the first in Sub-Saharan Africa. Accra, Ghana is advancing its Air Quality Action Plan, while Jakarta in Indonesia improved its monitoring and reporting processes for industrial and transport emissions.

CLEAN AIR ACCELERATOR

25 cities implemented high-impact policies through C40 Cities' Clean Air Accelerator. One of our longest grants, the initiative now represents a coalition of 50 mayors dedicated to advancing action against air pollution and greenhouse gases for 252 million residents. Cities took 100 new policy actions across sectors, including waste, energy and buildings, transport, and industrial emissions.

Evans Quarshie, a GhanaThink clean air advocate, promotes air quality awareness in Accra. Credit: GhanaThink Foundation

CITIES IN GHANA

We expanded air quality action in Accra. The city established an air quality monitoring network that helped identify air pollution hotspots in 13 districts. This data is informing the development of air quality action plans in collaboration with local government authorities. Our grantee, Green Africa Youth Organisation (GAYO), winner of the Earthshot Prize in the clean air category, expanded its inclusive Zero Waste Cities programme to five new districts in the Ghanaian capital.

CITIES IN INDIA

We provided technical assistance to 13 cities, including Delhi, Agra, and Gorakhpur. Our grantee World Resources Institute in India is working to support Agra and Gorakhpur in Uttar Pradesh to achieve the National Clean Air Programme target. Pilot projects are being implemented to reduce waste burning, promote green infrastructure, reduce vehicular emissions, and promote clean construction practices and waste management.

CITIES IN POLAND

The number of smog days dropped in major Polish cities. In Krakow, smog days decreased by 100+ per year over the last 11 years (from 116-132 to 16-31 days per year). Since the city piloted a coal ban that eliminated 30,000 coal heaters in 2019, our grantees Polish Smog Alert and the European Clean Air Centre used evidence of the ban's air quality benefits to advocate for a regional ban. The city of Rybnik also saw smog days drop from 89 in 2019 to just 16 in 2023. The city used to be one of the most polluted in Poland, but its transformation was enabled by replacing old coal-fuelled stoves with modern heating, actively enforced by local authorities. Efforts by **Forum Energii and Polish Smog Alert** were vital to these achievements.

CITIES IN THE UNITED KINGDOM

Political commitment to clean air grew in cities. Our grantees campaigned for action on air quality across cities in the UK. Candidates with strong clean air policies were elected in London and West Yorkshire, and all elected mayors made public statements about the importance of reducing air pollution.

Air pollution drops in London. A **report** on the impact of the first six months of London's expanded ultra-low emission zone (ULEZ) shows the scheme has drastically lowered air pollution: NOX emissions are down 24% and particulate matter exhaust emissions are 29% lower. 97% of cars and 88% of vans driving in the zone met emission standards. Our grantees campaigned for an expanded ULEZ over the last few years.

OUR STRUCTURE, GOVERNANCE AND MANAGEMENT

OVERVIEW

Clean Air Fund is a charitable company limited by guarantee (registered company number 11766712), constituted in 2019 and governed by its Memorandum and Articles of Association. Clean Air Fund is a charity registered in England and Wales (registration number 1183697) under the Charities Act 2011. The Charity had three subsidiary organisations at 31 December 2024:

- Clean AF Services India, an Indian private limited company, (U74999DL2022FTC405832) registered on 13 October 2022
- CAF - Trading Limited, a UK registered company (13318649), incorporated on 7 April 2021
- Clean AF Foundation India, an Indian s8 registered company (U85100DL2021NPL391210), registered on 14 December 2021

PUBLIC BENEFIT

As a charity, Clean Air Fund is a Public Benefit Entity. The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit including (PB2 Public Benefit: Running a Charity).

As a grant making organisation, we work through the organisations we fund, which include NGOs and research organisations. Our beneficiaries are people living in the countries and cities in which our partners are working to clean the air. Ultimately, the beneficiaries are much wider, as our aim is to improve air quality globally so that the lives of every individual in the geographies we work will benefit from these improvements. We coordinate a collective strategy for air pollution activity, provide grant funding to a multi-national portfolio of clean air programmes, funding for research and knowledge-building activities, and provide a means of knowledge sharing and networking between stakeholders.

THE BOARD OF TRUSTEES

The Board of Trustees is the governing body of the organisation and has legal, financial and managerial responsibility for the Charity. Clean Air Fund currently has five Trustees, of which one is a funder Trustee and four are independent Trustees. The Chair is one of the independent Trustees. All Trustees are also Members.

Trustees serve a four-year term from their date of appointment. Trustees are eligible to serve up to three full terms. Trustee appointment is confirmed at a meeting of the Board. During 2024, we appointed two new trustees and we had two trustees leave, one due to their four-year term ending, and the other reflecting changes in their personal circumstances preventing them from fulfilling the role.

New Trustees are appointed following a selection process based on our needs, including considerations around diversity, and gaps in expertise of existing Board members. Potential new Trustees meet with the CEO and Chair of Trustees to assess their fit with the organisation. New Trustees receive an induction briefing from the CEO and the Senior Leadership Team and are provided with policy documents covering their legal and regulatory responsibilities and relevant information about Clean Air Fund.

The Board updated our Board skills matrix during 2024 and met quarterly with Board meetings focusing on strategy, impact, organisational policy, financial health, risk, people and culture.

KATHERINE GARRETT – COX CBE (CHAIR)
Re-appointed for a second term
- 09 December 2022

GUNJAN SHAH
Appointed 02 November 2022

STYLIANOS KYRIAKAKIS
Appointed 08 August 2023

MILENA NIKOLOVA
Appointed 01 March 2024

SELLAH BOGONKO
Appointed 02 December 2024

Served during reporting period:

IVAN VATCHKOV
Term ended 23 February 2024

LESLEY LOKKO
Resigned 02 February 2024

In addition, we have individuals from our donors who attend and input into Board discussions, but do not have any voting rights. These are:

ANNA HAKOBYAN
Observer since 10 October 2023

PRIYA SHANKER
Observer since 10 October 2023

THIRD PARTY INDEMNITY PROVISION FOR TRUSTEES

Qualifying third party indemnity provision was in place for the benefit of all trustees of the Charity.

SENIOR LEADERSHIP TEAM

The Senior Leadership Team of the Clean Air Fund compromises seven current members. Current members at the date the Annual Report and Financial Statements were approved:

Chief Executive Officer
JANE BURSTON

Chief Operating Officer
VENETIA BELL

Project Director, Breathe Cities
MIKE SAXTON

Executive Director of Programmes
SHIRISH SINHA

Executive Director of Strategic Partnerships
SEAN MAGUIRE

Chief Impact Officer
SIETSKE VAN DER PLOEG

HR Director
JACQUIE MCLELLAND

Served during reporting period:

Director of Programmes
GILLIAN HOLMES
Served until March 2024

Executive Director, Breathe Cities
JAIME PUMAREJO
Served until June 2025

The Senior Leadership Team is responsible for setting Clean Air Fund's strategy and driving its implementation. The Senior Leadership Team's responsibilities cover people and culture, strategy and impact, organisational processes and planning, risk and reputation.

DECISION MAKING

The Trustees, together with the CEO and Senior Leadership Team, make up the key management of the charity and are responsible for directing, controlling and running the charity on a day-to-day basis.

The Trustees have delegated certain decision-making responsibilities to the CEO and two sub-committees: the Finance, Audit and Risk Committee, and the Grant and Charitable Activities Committee. Significant decisions of sub-committees are reported and monitored at each Board meeting.

Clean Air Fund's Board has strategic and operational oversight of all Clean Air Fund activities, and decision making on strategy and major grants.

The Board has delegated grant making authority for smaller grants to both the Grant and Charitable Activities Committee and to the CEO.

FINANCE, AUDIT AND RISK COMMITTEE

The Finance, Audit and Risk Committee is a sub-committee of the Board. The Committee's membership includes designated Trustees and independent advisors with relevant technical expertise.

The Committee meets at least twice per year to consider budgeting and financial planning, financial reporting, risk management and audit, assurance, systems and controls.

The Committee meets prior to the Board meetings and a report from each meeting is taken to the Board.

GRANT AND CHARITABLE ACTIVITIES COMMITTEE

The Grant and Charitable Activities Committee is a sub-committee of the Board. The Committee's membership includes designated Trustees, independent advisors with relevant technical expertise, and donors that have contributed at least $500,000 per year to the pooled fund.

The Grant and Charitable Activities Committee meets at least three times per year to consider and approve portfolio strategies and approve potential grant awards, up to a value of $6m.

GRANT MAKING POLICY

Grant making within Clean Air Fund is guided by the Grant Making Policy, the key principles of which are outlined below:

Principles relating to Clean Air Fund's strategy

- Grants shall be aligned to at least one of the three drivers in our theory of change: data, demand, drive to action.
- Grants shall be aligned to our geographic and global strategies:
  - Grants should be in or for Clean Air Fund chosen geographies or on a global scale;
- Grants shall not be made directly in areas ruled out of our strategies, including:
  - **Litigation:** Clean Air Fund shall not make grants that are directly used to litigate; and
  - **Reducing exposure only:** we want to tackle both climate and health and thus focus on reducing emissions as well as exposure.

Principles relating to Clean Air Fund's values

- Grants shall align with Clean Air Fund's organisational values:
  - **Evidence-informed:** Informing, and being informed, by data and analysis to drive evidence-based decision making;
  - **Collaborative and inclusive:** Serving and engaging the most vulnerable and ensuring those most impacted by air pollution and climate change are most benefited by our actions. Cultivating an ecosystem of partners to deliver our mission;
  - **Dynamic:** Striving for systemic change through impact-focused grantmaking that delivers value for money.
- Grants shall have measurable and shareable results from which lessons can be learned by other organisations.

RISKS

The Trustees, in conjunction with the Senior Leadership Team, are responsible for the management of the risks faced by Clean Air Fund. This is documented in Clean Air Fund's risk management policy which sets out our risk management principles and roles and responsibilities. The risk management policy includes a five-part risk management process (identification, assessment, evaluation, treatment, reporting) and risk categories and sub-categories including strategic/ governance, financial, people, compliance, legal and operational risks. There were no serious incidents or other matters reported to the Charity Commission in 2024.

Key risks are documented within an organisational risk register. The risk register grades the risks according to their importance by assessing the likelihood and level of impact of each risk both before and after any mitigating actions. The risk register is updated and reviewed by the Senior Leadership Team, and is also reviewed by the Finance, Audit and Risk Committee every six months and by the Board once a year. Where necessary, Clean Air Fund also creates and maintains risk or incident response plans for specific incidents, reporting to the Finance, Audit and Risk Committee and / or the Board if necessary.

Clean Air Fund's risk appetite is determined by the Board. Significant work was undertaken in 2024 to formalise the Risk Appetite Statement and this was approved by the Board in 2025. While Clean Air Fund has low risk appetite for many categories of risk, it is prepared to take some programming and grant-making related risks, for instance supporting innovative programmes whose outcome is uncertain.

The highest-rated risks identified by the Trustees were:

- **Jurisdictional compliance:** Fast organisational growth, especially international growth, creates the challenge of compliance with law and regulations in different jurisdictions. This risk is mitigated by having senior staff with international management expertise, hiring high quality local advisors, and having a strong set of organisational policies and processes.
- **Geopolitical:** The increased politicisation of some air quality policies reduces the scale of political ambition and leads to less impact. Clean Air Fund recognises the risk of political headwinds, especially driven by the changing priorities of the US Administration. This risk is mitigated in part by understanding the local operating context in working on policy goals and tailoring Clean Air Fund's approach appropriately.
- **Cyber:** The risk of a major cyber security incident. The potential for damage, unauthorised access or disruption to our digital ecosystem, information systems and data due to cyber security threats is increased due to the growth and additional visibility of Clean Air Fund. There has been a significant growth in the number and sophistication of potential cyber security related incidents, including more phishing emails and attempts to imitate Clean Air Fund staff. This risk is mitigated by investments made in people and systems.
- **Employer of Record (EoR) operational and regulatory complexity:** operational and regulatory complexity. Clean Air Fund now has a large number of personnel employed through an EoR across multiple jurisdictions. As these personnel are not employed by Clean Air Fund directly, this poses increased risks including relating to data protection, compliance, and operational risk relating to payroll and performance management. These are mitigated by robust processes, clarity on roles and responsibilities and implementation of appropriate policies locally as well as globally.

The Trustees are satisfied that plans, systems, controls and policies are in place to mitigate and manage exposure to such major risks identified by the Trustees.

FINANCIAL REVIEW

SUMMARY OF FINANCIAL POSITION

2024 marks the second year of our 2023-2026 strategic period, marking the mid-point of this period. Predominately driven by the expansion of the Breathe Cities programme, we continued our growth trajectory into 2024, with total expenditure increasing by 35% year on year. Our team continued to grow both in size and geographic spread, and we increased our grant-making and charitable project spending.

Over the past five years, our annual expenditure has increased by more than 400%, reflecting an average annual growth rate of 50%. There has been particular growth across our grant and charitable project spend (which was five times more in 2024 compared to 2020) and in our team (with 85 staff at the end of 2024 compared to 14 at the end of 2020).

Our income exceeded $40 million for the first time, marking a 24% increase from 2023. This growth was underpinned by funding for the Breathe Cities and Black Carbon programmes (part of our Super Pollutants portfolio), alongside renewals from key donors (Oak Foundation and FIA Foundation) into the pooled fund, further bolstering our strong base to be able to deliver on our 2023-26 strategy.

We saw significant growth in grant and charitable project activities, with total spending increasing by $5 million (25%) since 2023. We contracted 127 new projects and managed a total of 174 projects during the year with 140 different partner organisations. The Breathe Cities project expanded into seven new countries, bringing the total number of countries we are directly working in to 14, alongside a large portfolio of global projects covering our thematic work.

Below is a table of our financial results over the past five years and a brief summary of our sources of income, areas of expenditure and overall financial results for 2024.

SUMMARY OF HISTORIC INCOME AND EXPENDITURE

	2020	2021	2022	2023	2024
USD $m					
Total Income	10.9	17.8	15.1	33.9	42.1
Total Expenditure	7.2	11.8	18.6	26.6	36.1
Total Grant and Charitable Project Spend	5.3	7.8	13.3	19.9	24.9
Net Movement in Funds	**3.7**	**6.0**	**(3.5)**	**7.3**	**6.0**
Fund balance	**8.8**	**14.9**	**11.4**	**18.7**	**24.7**
Restricted	0.4	0.9	0.9	8.0	13.4
Unrestricted: General	8.4	14.0	3.3	9.5	11.2
Unrestricted: Designated	0.0	0.0	7.2	1.2	0.0

SUMMARY OF FINANCIAL KPIS

	2020	2021	2022	2023	2024
Average number of employees	12.3	22.9	26.9	48.3	77.0
Total Funds awarded to Partners ($m)	8.6	13.0	14.8	24.6	22.9
Grant disbursements ($m)	6.2	6.7	10.1	12.8	17.5

2024 FINANCIAL STATEMENTS REVIEW

INCOME: $42.1M

Total income in 2024 was $42.1m, an increase of 24% from 2023 ($33.9m). As in previous years the major source of income in 2024 was large scale grants from philanthropic funders and we received grants totalling $40.5m ($32.7m in 2023) from 10 funders, including 2 new funders and 2 funders who renewed their commitments to our pooled fund.

There was also interest income and gifts in kind of $1.5m ($1.1m in 2023). The interest income earned was generated from placing our cash funds in interest-bearing short-term deposit accounts and low risk money market funds. The gifts in kind relate to pro-bono services received toward developing our geographic expansion plans and portfolio strategy reviews.

Restricted funding continued to make up a significant proportion of our income, with restricted funds now comprising 53% of income in 2024 (2023: 43%). This is mostly driven by the large project funds we have for Breathe Cities and Black Carbon, as well as funding towards our pooled fund which is restricted for particular geographies, and the remaining funding related to a handful of smaller project-restricted funds, in line with work done in previous years.

Income is recognised in accordance with Clean Air Fund's accounting policy (when there is entitlement to funds, receipt is probable, and the amount is measurable) which means there is significant variation in annualised income depending upon our funders' profile of payments and mid-grant review processes across different financial periods.

EXPENDITURE: $36.1M

Total expenditure for 2024 was $36.1m; $9.4m (36%) higher than in 2023.

Total charitable activities expenditure represents 99% of total expenditure. In 2024 this was $35.5m (2023: $26.3m), an increase of $9.2m (35%) on the prior year.

The most significant area of Clean Air Fund's charitable activities expenditure relates to grants to our partner organisations. We also deliver charitable activities through service contracts with non-charitable organisations (which we refer to as charitable service contracts), and on some occasions Clean Air Fund delivers charitable activities itself (which we refer to as direct delivery).

Expenditure on grants and charitable projects grew by $5m to $24.9m in 2024 (2023: $19.8m), in alignment with our relative increase in income and our overall growth. This increase was driven by expansion of new portfolios, commencement of Black Carbon and expansion of the Breathe Cities programme. Meanwhile, the total multi-year value of projects awarded in 2024 slightly declined to $22.9m (2023: $24.6m), reflecting the maturing nature of our established portfolios, which are increasingly focused on managing existing grants alongside awarding of new projects.

Charitable activities expenditure is broken down into:

- $20.5m (2023: $16.1m) grant expenditure;
- $4.4m (2023: $3.7m) activities undertaken directly both by our own staff and through charitable service contracts, such as undertaking evaluations, supporting advocacy of the clean air movement, conducting research, publishing, and disseminating reports, organising convenings and conferences, and providing technical assistance to our grantees and other charitable organisations.
- $1.4m (2023: $0.7.m) incurred by Clean Air Fund in support of charitable projects, including project related travel, consultants and communications costs.
- $4.9m (2023: $2.6m) direct staff costs managing grants and charitable projects; and
- $4.4m (2023: $3.2m) organisational and support costs.
- The remaining 1% of expenditure $0.5m (2023: $0.03m, 1%) is related to fundraising and communications activity and consisted of staff time dedicated to finding new donors and communicating about the work of Clean Air Fund and its grantees.

FINANCIAL RESULTS

Clean Air Fund ended the year with a surplus of $6.0m (2023: $7.3m). There was a small surplus on our unrestricted funds of $0.6m (2023: $0.1m). There was a surplus of $5.5m on restricted funds (2023: $7.2m), driven by income received from donors in advance of project spend. Our overall financial results were expected and in line with our financial plans for 2024 and our medium-term financial planning to the end of 2026.

BALANCE SHEET

Total Net Assets at year-end were $24.7m, comprising $40.6m in assets, less $15.9m owed to creditors (of which $14.9m was due within one year).

As of 31 December 2024, Clean Air Fund held current assets totalling $40.6m, of which $39.6m (2023: $33.3m) compromised cash and cash equivalents, an increase of $6.3m year on year. The increase reflects the receipt of donor' funds in advance of programme delivery, particularly for restricted projects, consistent with prior years. The higher cash balance aligns with our overall income growth. These funds allow us to make multi-year grant commitments to our grantees where the corresponding grant expenditure is disbursed in staged tranches over the lifetime of the grant. The timing difference in these payments is reflected in the $14.6m of grant payables shown on the balance sheet (also increased year on year).

Given the higher interest rate environment, the majority of this cash balance was held in short term deposits, helping earn $1.5m of additional income for Clean Air Fund (2023: $1m) and helping diversify our cash.

Total liabilities at the end of 2024 were $15.9m (2023: $15.4m), an increase of $0.5m. The two key drivers of changes in total liabilities are an increase in grants payable, and a decrease in deferred income:

- Grants payable: at the end of 2024 were $14.6m (2023: $11.4m), an increase of $3.2m, driven by the increase in the value of grants committed during 2024
- Deferred income: at the end of 2024 was $Nil (2023: $2.8m), this decrease was due to the release of advance payments from funders held at the end of 2023, and other payments.

The closing position was total funds of $24.7m (2023: $18.7m), of which $11.3m (2023: $10.6m) were unrestricted and $13.4m (2023: $8.0m) restricted. Restricted funds of $13.4m relate to $7.4m in Breathe Cities funds, $3.0m on Black Carbon, $1.5m for the Clean Air Fund in India work, $0.8m on our pooled funding focused on the Global South and $0.7m in other project funds carried forward. These all relate to ongoing projects where funds will be spent down over their lifetime.

RESERVES POLICY

The Trustees aim to maintain free reserves in unrestricted funds at a level which equates to between four to six months of unrestricted operational costs. The Trustees consider that this level will provide sufficient funds to respond to manage ongoing grants and ensure coverage of support and governance costs. We have total unrestricted reserves of $11.3m, of which we consider our core reserves to be $3.1m, approximately 5 months of unrestricted operating costs, and therefore within policy. The remaining $8.2m (2023: $7.5m), are free reserves and driven by receiving funding from our donors upfront which are available for future grant commitments and put us in a healthy financial position.

During 2022, the Trustees created a designated reserve of $7.2m. This reserve represents the contingent liabilities to cover the costs of grant commitments made in the previous strategic period where the expenditure is not yet accounted for. At the beginning of 2024, there was a balance of $1.2m on this, which was fully utilised during the year.

The Trustees may, at their discretion, ring-fence further unrestricted funds for future essential spend or for a specific purpose.

The year-end total reserves were $24.7m. This is broken down as follows:

- Restricted reserves: $13.4m
- Unrestricted reserves: $11.3m. Made up by:
  - Core reserves: $3.1m
  - Free reserves: $8.2m

GOING CONCERN STATEMENT

Clean Air Fund's current financial position is strong. 31st December 2024 marked the end of the second year of our second strategic and funding period from 2023 to 2026. Key donor renewals have been secured (including two new in 2024), meaning we have multi-year funding contracts in place until 2026 providing a secure income base and supporting our healthy financial outlook.

Taking into account the current strong financial position of the organisation, our healthy reserves, cash-flow projections and our contracted grant income for the next 12 months, the Trustees and the Senior Leadership Team believe that Clean Air Fund has adequate financial resources to continue to operate and implement our plans. Accordingly, the financial statements have been prepared on the going concern basis.

ADDITIONAL POLICIES

INVESTMENT POLICY

Clean Air Fund does not have an endowment and therefore investment is not a major part of the Fund's activities. Clean Air Fund's funds are held to support future grant expenditure. The aim of the investment policy is to minimise risk and protect capital security and therefore such assets are held as cash, invested to obtain a yield where possible. Driven by the high interest rate environment during 2024, we held the majority of our cash in short term, low risk, money market and liquidity funds over the year, which resulted in earning $1.5m of income from the interest and dividends on the funds held in these account.

SAFEGUARDING AND CHILD PROTECTION

Clean Air Fund is committed to sector-wide best practice with regards to safeguarding and child protection. Clean Air Fund is committed to:

- Promoting good practice and work in a way that prevents harm, abuse and coercion occurring;
- Ensuring that any allegations of abuse or suspicions are investigated promptly and robustly. And where the allegation is proven it will be dealt with appropriately;
- Taking any action within our powers to stop abuse occurring and ensure the person who has experienced the abuse receives appropriate support; and
- Being transparent and open by reporting any cases of abuse to the appropriate authorities.

SUSTAINABILITY AND CARBON REPORTING

Clean Air Fund does not yet meet the size threshold for mandatory disclosure for carbon reporting, and therefore this is a voluntary disclosure. We have decided to disclose our main source of CO2 emissions, which for Clean Air Fund relates to international travel, with total emissions relating to this 341,403kg in 2024. International travel is a necessary part of Clean Air Funds' work and all trips are taken with the ultimate purpose of delivering our mission. Clean Air Fund also participates in a scheme to offset emissions from international travel.

Clean Air Fund has a Sustainability Policy. We have a cross-cutting approach which looks to embed sustainability across each area of our activities. Key elements of the sustainability approach are:

- To prioritise train travel not air travel where possible;
- To default to vegetarian meals for Clean Air Fund events;
- To encourage suppliers and partners to implement their own sustainability policies;
- To offer an employee benefit package that prioritises sustainable benefits, such as cycle to work scheme in the UK and the default pension fund being an ESG scheme.

FUNDRAISING

Clean Air Fund does not undertake any public fundraising activities that meet the Charities (Protection and Social Investment) Act 2016.

REMUNERATION

None of the Trustees are remunerated for their services to the charity.

The remuneration of the CEO and key management is reviewed annually and based on a combination of philanthropic and not-for-profit market rates. The CEO's remuneration is reviewed and agreed annually by the Chair of the Board, on behalf of the Trustees.

Staff salaries are based upon set pay scales that are set with reference to philanthropic and not-for-profit market rates. Any increments to staff salaries are proposed by the SLT and ratified by the Trustees.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors for the purposes for company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and regulations and United Kingdom generally accepted accounting practice (United Kingdom accounting standards) including FRS 102 (The Financial Reporting Standard) applicable in the UK and Republic of Ireland.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. This Trustees' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

So far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware. The Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees' Annual Report, including the Strategic Report, was approved and authorised for issue by the Board of Trustees on 22/07/2025 and signed on its behalf by

KATHERINE GARRETT-COX CBE,
CHAIR OF TRUSTEES

INDEPENDENT AUDITOR'S REPORT

OPINION

We have audited the financial statements of Clean Air Fund ('the charitable company') and its subsidiaries ('the group') for the year ended 31 December 2024 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cash Flows 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 December 2024 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 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 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:

- the parent company has not kept adequate accounting records; or
- The parent company 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.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement set out on page 33, 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 members. 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 charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS102) 2019.
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 necessary to the charitable group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable group for fraud.

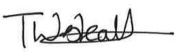
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, designing and performing audit procedures for grant income, 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 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

Date: 23/07/2025

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTES	UNRESTRICTED FUNDS 2024 $'000	RESTRICTED FUNDS 2024 $'000	TOTAL FUNDS 2024 $'000	TOTAL FUNDS 2023 $'000
INCOME FROM:					
Donations	3	18,509	22,036	**40,545**	32,718
Investments	4	1,083	372	**1,455**	1,000
Other income	5	100	-	**100**	147
TOTAL		**19,692**	**22,408**	**42,100**	**33,865**
EXPENDITURE ON:					
Raising funds	6	(540)	-	**(540)**	(322)
Charitable activities	6	(18,559)	(16,958)	**(35,516)**	(26,278)
TOTAL		**(19,099)**	**(16,958)**	**(36,057)**	**(26,600)**
Net income before net gains & losses on investments		593	5,450	**6,043**	7,265
Net income before transfers		593	5,450	**6,043**	7,265
Transfers		44	(44)	**-**	_
Net income/(expenditure) and net movement in funds	18/19	637	5,406	**6,043**	7,265
RECONCILIATION OF FUNDS:					
Fund balances brought forward at 1 January		10,639	8,040	**18,679**	11,414
Fund balances carried forward at 31 December		11,276	13,446	**24,722**	18,679

BALANCE SHEET

AS AT 31 DECEMBER 2024

	NOTES	THE GROUP		THE CHARITY	
		2024 $'000	**2023 $'000**	**2024 $'000**	**2023 $'000**
FIXED ASSETS:					
Investments	12	-	-	192	192
Tangible assets	13	-	4	-	-
		-	**4**	**192**	**192**
CURRENT ASSETS:					
Debtors	14	1,020	814	933	766
Cash and cash equivalents		39,591	33,245	39,563	33,174
		40,611	**34,059**	**40,496**	**33,940**
LIABILITIES FALLING DUE WITHIN ONE YEAR:					
Grants payable	17	(13,540)	(10,985)	(13,540)	(10,985)
Creditors	15	(1,335)	(3,975)	(1,566)	(4,103)
		(14,875)	**(14,960)**	**(15,106)**	**(15,088)**
NET CURRENT ASSETS		**25,736**	**19,099**	**25,390**	**18,852**
TOTAL ASSETS LESS CURRENT LIABILITIES		**25,736**	**19,103**	**25,582**	**19,044**
LIABILITIES FALLING DUE AFTER ONE YEAR:					
Grants payable	17	(1,014)	(424)	(1,014)	(424)
TOTAL NET ASSETS		**24,722**	**18,679**	**24,568**	**18,620**
FUNDS:					
UNRESTRICTED FUNDS:					
General funds		11,276	9,475	11,122	9,416
Designated funds		-	1,164	-	1,164
RESTRICTED FUNDS		**13,446**	**8,040**	**13,446**	**8,040**
TOTAL FUNDS	18	**24,722**	**18,679**	**24,568**	**18,620**

All of the charity's activities derived from continuing operations during the above financial period. All recognised gains and losses are included in the above statement of financial activities. These accounts have been prepared in accordance with the Companies Act 2006. (Company number 11766712). Notes 1 – 22 form part of these financial statements. The financial statements were approved by the members of the Board of Trustees on 22/07/2025 and signed on their behalf by:

Katherine L. Garrett-Cox

CONSOLIDATED STATEMENT OF CASH FLOWS

AS AT 31 DECEMBER 2024

	Notes	**2024 $'000**	2023 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	A	**4,887**	7,847
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends and interest from investments		**1,455**	1,000
Disposal/ (Purchase) of fixed assets		**4**	(4)
Net cash provided by investing activities		**1,459**	996
CHANGE IN CASH AND CASH EQUIVALENTS IN THE PERIOD	B	**6,346**	8,843
CASH AND CASH EQUIVALENTS AT 1 JANUARY	B	**33,245**	24,402
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	B	**39,591**	33,245

NOTES TO THE STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2024

A. RECONCILIATION OF NET INCOME AND NET MOVEMENT IN FUNDS TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	2024 $'000	2023 $'000
NET INCOME AND NET MOVEMENT IN FUNDS (AS PER THE STATEMENT OF FINANCIAL ACTIVITIES)	**6,043**	7,265
ADJUSTMENTS:		
Dividends and interest from investments	**(1,455)**	(1,000)
Increase/(decrease) in debtors	**(206)**	550
(Decrease)/increase in creditors falling due within one year	**(85)**	1,351
Increase/(decrease) in creditors falling due after one year	**590**	(319)
Net cash provided by operating activities	**4,887**	7,847

B. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2024 $'000	2023 $'000
TOTAL CASH AND CASH EQUIVALENTS		
Change in cash and cash equivalents in the year	**6,346**	8,843
Cash and cash equivalents at the beginning of the year	**33,245**	24,402
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**39,591**	33,245
REPRESENTED BY		
Cash and Cash Equivalents	**39,591**	33,245
	39,591	33,245

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 2024

1. BASIS OF PREPARATION

A. BASIS OF ACCOUNTING

The Charity is a charitable company limited by guarantee (registered number 11766712), which is incorporated and domiciled in the UK and is a public benefit entity. The Charity is registered in England and Wales (registered number 1183697). The Charity was incorporated on 15 January 2019 and the year end date was changed from 31 January to 31 December. The Charity started trading on 1 May 2019. These financial statements cover the period from 1 January 2024 to 31 December 2024.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The financial statements have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011, and UK Generally Accepted Practice as it applies from 1 January 2019.

The charity constitutes a public benefit entity as defined by FRS 102.

B. FUNCTIONAL AND PRESENTATIONAL CURRENCY

The financial statements are presented in US dollars and are rounded to the nearest dollar. US dollars is the currency of the primary economic environment in which the entity operates reflecting the currency of both the majority of income and grants awarded.

All amounts have been rounded to the nearest thousand, unless other indicated and the terminology 'k' will be used to refer to thousands through the financial statements.

This is a change in the presentation for the 2024 accounts, to improve the clarity and readability of the accounts given the scale of the charity's operations. Comparative figures have been restated accordingly to ensure consistency across reporting periods.

C. BASIS OF CONSOLIDATION

The consolidated financial statements include the results of Clean Air Fund and its subsidiary Clean Air Fund Services Private Limited (registered address: Unit 202 Crescent Building Lado Sarai, Mehrauli, New Delhi 110030). A subsidiary is an entity controlled by Clean Air Fund. Control exists where Clean Air Fund has the right to govern the operating and financial policies of that entity.

Details of Clean Air Fund's subsidiary is listed in note 11. A separate Statement of Financial Activities and Balance Sheet has been presented for Clean Air Fund. No separate cash flow statement has been prepared for Clean Air Fund as permitted by the exemption in paragraph 1.12 of FRS 102.

2. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

A. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Preparation of the accounts requires the Board of Trustees and management to make significant judgements and estimates. The items in the accounts where these judgements and estimates have been made include:

- Timing of entitlement of income as described in the income policy.
- Timing of entitlement of grant expenditure as described in the expenditure policy.

B. ASSESSMENT OF GOING CONCERN

Clean Air Fund's Board of Trustees have assessed whether the use of the going concern basis is appropriate and have considered feasible events or conditions that might cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. Specifically, the Trustees have considered Clean Air Fund's current financial position, our cash-flow projections and scenario planning forecasts and future funding streams.

Clean Air Fund's current financial position is strong. 31st December 2024 marked the end of the second year of our second strategic and funding period from 2023 to 2026. Key donor renewals have been secured (including two new in 2024), meaning we have multi-year funding contracts in place until 2026 providing a secure income base and supporting our healthy financial outlook.

Taking into account the current strong financial position of the organisation, our healthy reserves, cash-flow projections and our contracted grant income for the next 12 months, the Trustees and the Senior Leadership Team believe that Clean Air Fund has adequate financial resources to continue to operate and implement our plans. Accordingly, the financial statements have been prepared on the going concern basis.

C. INCOME

Income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount can be measured reliably.

Donations received by the Charity, which are made up of grants, include those from donors that provide core funding, or are of a general nature. In the event that a grant is subject to conditions, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity, and it is probable that those conditions will be fulfilled, including those committed over multiple years.

Other income received by the charity is Gift-in-kind (GIK). GIK is a type of charitable giving in which contributions take the form of tangible goods or services or time given instead of money. Clean Air Fund's reported GIK were donated services, and they were valued at fair market value on receipt of the service.

Grants received with a restricted purpose are allocated on receipt directly into the correct fund and are not transferred between funds.

Income received in advance of the start of the grant agreement and with time-related conditions attached to the grants are deferred until the commencement date as agreed with the donor.

D. EXPENDITURE

All expenditure is accounted for on an accrual basis and is recognised as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is stated inclusive of irrecoverable VAT.

Charitable activities comprise direct expenditure including grant expenditure, activities undertaken directly and direct staff costs attributable to the activity.

During the reporting period, the Charity undertook a review of how expenditure is classified and allocated across activities in the accounts. As a result, the Charity has amended its expenditure categorisation to better reflect the nature and objectives of its charitable activities and to improve transparency of financial information. These new categories align more closely with the charity's strategic priorities and delivery areas.

Due to the unavailability of sufficiently detailed information on staff time and other cost allocation in the prior year, it has not been possible to restate the comparative figures on a consistent basis. As such, prior year figures remain presented under the previous categorisation method.

The Trustees believe these changes provide a more accurate and meaningful presentation of the charity's financial activities.

Grants are made to institutions and are recognised where the beneficiary has been formally notified in writing of the award. This notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. In the case of an unconditional grant offer this is accrued once the recipient has been notified in writing of the grant award. Grant awards that are subject to the recipient fulfilling conditions are accrued when any remaining unfulfilled conditions attaching to that grant are outside of the control of the Charity.

The provision for a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the Charity that would permit the Charity to avoid making the future payment(s), settlement is probable and the effect of discounting is material. The majority of Clean Air Fund grants are accounted for on an annual basis due to an annual performance review within our grant agreements. The grantees performance is seen as being outside the control of the Charity.

In accordance with the Charities SORP (FRS 102), the charity is required to disclose material grants made to institutions or individuals. Due to the growth in the charity's grant-making activities during, the volume and value of individual grants has continued to increase year on year.

To maintain clarity and focus in the financial statements only individual grants with a value of $100,000 or more are disclosed in detail in Note 7. This threshold has been applied to ensure that disclosures remain meaningful and proportionate, without obscuring the overall financial picture with excessive detail.

The total value of all grants awarded, including those below the disclosure threshold, is fully reflected in the aggregate figures presented in the Statement of Financial Activities and related notes.

Costs of raising funds include staff time incurred seeking new donations and additional funding for the Charity.

E. ALLOCATION OF SUPPORT COSTS

Support costs, including general management, financial management, operations management, information systems and premises costs. Governance costs are those incurred in connection with the management of the Charity's assets, organisational administration and compliance with constitutional and statutory requirements. Support costs are allocated on the total direct costs for each activity.

F. DEBTORS

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

G. CASH AT BANK

Cash at bank represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

H. CREDITORS

Creditors are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

I. FUNDS STRUCTURE

General funds are unrestricted funds that are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity, and that have not been designated for other purposes. Designated funds are unrestricted funds earmarked for a particular purpose by the trustees. Designation does not legally restrict the trustees' discretion to apply the fund. During 2022, the Trustees created a designated reserve of $7.2m (fully spent down at the end of 2024). This reserve represents the contingent liabilities to cover the costs of grant commitments made in 2022 where the expenditure is not yet accounted for (as grant commitments are contingent on future performance milestones and so are contingent liabilities). Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors.

All income and expenditure of Clean Air Fund has been included in the Consolidated Statement of Financial Activities.

J. PENSION COSTS

Contributions payable to defined contribution pension schemes and / or personal pension plans are accounted for in the year in which they are payable.

The charity operates a salary sacrifice arrangement whereby employees agree to reduce their gross salary in exchange for the charity making equivalent contributions directly into their pension scheme.

Under this arrangement, the sacrificed salary is not treated as employee remuneration but forms part of the employer's pension contribution.

Accordingly, all pension contributions made under the salary sacrifice arrangement are accounted for as employer pension costs and included in the total employer pension cost disclosed in these financial statements.

K. FOREIGN CURRENCY TRANSLATION

Monetary assets and liabilities denominated in a foreign currency are translated into USD at the exchange rate ruling on the Balance Sheet date. Transactions in foreign currencies are recorded at the average rate of exchange for the month the transaction was incurred.

All exchange differences are taken to the statement of financial activities.

L. FINANCIAL INSTRUMENTS

The Charity 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 present value of the future cash flows unless the effect of discounting would be immaterial. Financial assets comprise cash at bank and in hand and debtors, including accrued income. Financial liabilities comprise grants payable, other creditors and accrued expenditure.

M. TAXATION

Clean Air Fund is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

N. LEASES

Rentals payable under operating leases are charged to the Consolidated Statement of Financial Activities on a straight-line basis over the term of the lease. Rent-free periods and other lease incentives are accounted for as a reduction to the lease expense over the lease term on a straight-line basis. Clean Air Fund does not have any finance leases.

3. INCOME FROM DONATIONS

	UNRESTRICTED 2024 $'000	RESTRICTED 2024 $'000	YEAR TO 31 DECEMBER 2024 $'000	YEAR TO 31 DECEMBER 2023 $'000
Grant Income	18,509	22,036	40,545	32,718
TOTAL	**18,509**	**22,036**	**40,545**	**32,718**

4. INCOME FROM INVESTMENTS

	UNRESTRICTED 2024 $'000	RESTRICTED 2024 $'000	YEAR TO 31 DECEMBER 2024 $'000	YEAR TO 31 DECEMBER 2023 $'000
Bank interest and dividends	1,083	372	1,455	1,000
TOTAL	**1,083**	**372**	**1,455**	**1,000**

5. OTHER INCOME

	UNRESTRICTED 2024 $'000	RESTRICTED 2024 $'000	YEAR TO 31 DECEMBER 2024 $'000	YEAR TO 31 DECEMBER 2023 $'000
Gifts in kind	100	-	100	147
TOTAL	**100**	**-**	**100**	**147**

6. EXPENDITURE

A. CHARITABLE EXPENDITURE

	DIRECT COSTS					
	GRANTS (Note 7) **$'000**	**ACTIVITIES UNDERTAKEN DIRECTLY** (Note 8) **$'000**	**STAFF COSTS $'000**	**OTHER DIRECT COSTS $'000**	**SUPPORT AND GOVERNANCE COSTS $'000**	**YEAR TO 31 DECEMBER 2024 $'000**
CHARITABLE ACTIVITIES						
Global Action	6,145	1,847	1,873	318	1,450	11,633
National & Regional Action	7,211	1,608	1,098	195	1,439	11,551
City Action	7,120	551	1,452	576	1,380	11,079
Cross-Cutting	-	353	457	288	156	1,254
TOTAL CHARITABLE ACTIVITIES	**20,476**	**4,359**	**4,880**	**1,377**	**4,425**	**35,517**
RAISING FUNDS	-	-	456	16	68	540
TOTAL CHARITABLE EXPENDITURE	**20,476**	**4,359**	**5,336**	**1,393**	**4,493**	**36,057**

During the reporting period, the Charity undertook a review of how expenditure is classified and allocated across activities in the notes to the accounts. As a result, the Charity has amended its expenditure categorisation to better reflect the nature and objectives of its charitable activities and to improve transparency of financial information. These new categories align more closely with the charity's strategic priorities and delivery areas. Cross cutting refers to work done to further support the organisations activities, such as measurement, evidence & learning and strategic communications.

Due to the unavailability of sufficiently detailed information on staff time and other cost allocation in the prior year, it has not been possible to restate the comparative figures on a consistent basis. As such, prior year figures remain presented under the previous categorisation method.

The Trustees believe these changes provide a more accurate and meaningful presentation of the charity's financial activities.

PRIOR YEAR

	DIRECT COSTS					
	GRANTS (Note 7) **$'000**	**ACTIVITIES UNDERTAKEN DIRECTLY** (Note 8) **$'000**	**STAFF COSTS $'000**	**OTHER DIRECT COSTS $'000**	**SUPPORT AND GOVERNANCE COSTS $'000**	**YEAR TO 31 DECEMBER 2024 $'000**
CHARITABLE ACTIVITIES						
UK	1,794	1,302	272	34	467	3,869
India	2,889	122	298	13	457	3,779
Europe	3598	1077	391	46	702	5814
Africa	1,426	23	215	22	232	1,918
Global	6,409	1,189	1,434	550	1,316	10,898
TOTAL CHARITABLE ACTIVITIES	**16,116**	**3,713**	**2,610**	**665**	**3174**	**26,278**
RAISING FUNDS	-		283	-	39	322
TOTAL CHARITABLE EXPENDITURE	**16,116**	**3,713**	**2,893**	**665**	**3213**	**26,600**

B. SUPPORT AND GOVERNANCE COSTS

	YEAR TO 31 DECEMBER 2024 $'000	YEAR TO 31 DECEMBER 2023 $'000
SUPPORT COSTS		
Staff costs	2,085	1,557
Other staff related costs	459	598
Communications & events	152	186
Legal & professional services	310	219
Consultant costs	93	217
Office & IT	1,015	315
Travel	106	257
Foreign exchange	175	(208)
TOTAL SUPPORT COSTS	**4,395**	**3,141**
GOVERNANCE COSTS		
Auditors' remuneration	39	33
Accountancy	7	6
Trustee and committee costs	52	29
Consultant costs	-	3
TOTAL GOVERNANCE COSTS	**98**	**71**
TOTAL SUPPORT AND GOVERNANCE COSTS	**4,493**	**3,212**

7. GRANTS

In accordance with the Charities SORP (FRS 102), the charity is required to disclose material grants made to institutions or individuals. Due to the growth in the charity's grant-making activities during, the volume and value of individual grants has continued to increase year on year.

To maintain clarity and focus in the financial statements only individual grants with a value of $100,000 or more are disclosed in detail in this note. This threshold has been applied to ensure that disclosures remain meaningful and proportionate, without obscuring the overall financial picture with excessive detail.

The total value of all grants awarded, including those below the disclosure threshold, is fully reflected in the aggregate figures presented in the Statement of Financial Activities and related notes.

In line with the changes set out in note 2D, the grants note for the current year is classified against the new expenditure categories.

	GLOBAL ACTION	NATIONAL & REGIONAL ACTION	CITY ACTION	YEAR TO DECEMBER 2024
	$'000	$'000	$'000	$'000
Air Parif	232	-	57	289
Association Smog Alert	-	427	-	427
Brown University	272	-	-	272
C40 Cities Climate Leadership Group, Inc.	-	-	3,388	3,388
Centre for Public Interest Law	-	-	105	105
Centre for Science and Environment	-	957	-	957
Chaordika	-	-	100	100
Clean Air Institute	376	-	-	376
Columbia University	202	92	-	294
Confederation of Indian Industry (CII)	-	241	-	241
CSTEP	-	317	-	317
Enact Equality	-	104	-	104
Environmental Capacities and Sustainability Institute (ECAS Institute)	-	-	312	312
European Clean Air Center (ECAC)	-	299	-	299
European Heat Pump Association	-	144	-	144
Forum Energii	-	382	-	382
Fundacja Promocji Pojazdów Elektrycznych (FPPE, Electric Vehicles Promotion Foundation)	-	416	-	416
Fundacja Przedsiębiorczości Technologicznej (The Foundation for Technology Entrepreneurship)	-	150	-	150
Green Africa Youth Organization	-	226	-	226
HabitatMap	137	-	-	137
Health & Environment Alliance (HEAL)	-	264	-	264
Health Policy Watch	125	-	-	125
Health Effects Institute (HEI)	269	-	-	269
IIT Delhi	-	177	-	177
IIT-Kanpur	-	440	-	440
Infinity970	-	-	126	126

	GLOBAL ACTION	NATIONAL & REGIONAL ACTION	CITY ACTION	YEAR TO DECEMBER 2024
	$'000	$'000	$'000	$'000
Innovative Green Development Program SL (iGDP)	193	-	-	193
Inter-American Development Bank	140	-	-	140
International Council on Clean Transportation (ICCT)	-	-	269	269
Italian Climate Network	-	-	100	100
ITDP Brasil	-	-	180	180
Kigali Collaborative Research Centre	240	-	-	240
Kusudi Cause Communication Trust	-	-	148	148
Kwame Nkrumah University of Science and Technology	-	301	-	301
Labour Climate and Environment Forum	-	118	-	118
Legambiente	-	-	191	191
Les Petits Débrouillards	-	-	161	161
Lund University	485	-	-	485
Natural Resources Defense Council	240	-	-	240
Open AQ	475	-	-	475
People's Dialogue on Human Settlements	-	175	-	175
Polityka Insight	-	269	-	269
Possible	-	128	-	128
The Polish Alternative Fuel Association (PSPA)	-	142	-	142
Raahgiri Foundation	-	193	-	193
Royal College of Paediatrics and Child Health (RCPCH)	278	-	-	278
ShareAction	104	-	-	104
Smart Freight Centre	138	-	-	138
Social Good Fund	106	-	-	106
Stockholm Environment Institute	104	-	-	104
Stockholm University	359	-	-	359
The Active Wellbeing Society	-	113	-	113
The Energy Resources Institute (TERI)	-	261	-	261
Transport and Environment	-	-	169	169
UNDP (United Nations Development Programme)	200	-	102	302
Union for International Cancer Control (UICC)	120	-	-	120
University of Birmingham	-	161	-	161
University of Energy and Natural Resources	-	-	138	138
University of Ghana	-	59	98	157
Vital Strategies	-	-	739	739
Washington University in St Louis	150	-	-	150
WattTime	250	-	-	250
World Health Organization (WHO)	540	-	-	540
World Resources Institute (WRI)	-	249	-	249
Grants less than $100k	419	679	737	1,835
FX Variance and writebacks on prior year grants	(9)	(273)	-	(282)
Total	**6,145**	**7,211**	**7,120**	**20,476**

PRIOR YEAR

	UK $'000	INDIA $'000	EU $'000	AFRICA $'000	GLOBAL $'000	TOTAL $'000
Air for Health	-	-	25	-	-	25
AirBG.info	-	-	25	-	-	25
Asthma + Lung UK	349	-	-	-	-	349
British Lung Foundation	-	-	-	-	-	-
Bruegel	-	-	81	-	-	81
C40 Cities Climate Leadership Group, Inc.	-	-	-	-	2,289	2,289
Center for Study of Science, Technology and Policy (CSTEP)	-	283	-	-	-	283
Center for the Study of Democracy	-	-	28	-	-	28
Centre for Science and Environment	-	383	-	-	-	383
Climate Outreach Information Network	-	-	-	-	109	109
Columbia University	-	-	-	270	-	270
Confederation of Indian Industry (CII)	-	232	-	-	-	232
Conservation Law Foundation	-	-	-	-	154	154
Conservative Environment Network	59	-	-	-	-	59
Environmental Defense Fund (EDF)	-	-	-	-	305	305
Ella Roberta Family Foundation	197	-	-	-	-	197
EnEffect	-	-	79	-	-	79
Energy Policy Institute at the University of Chicago (EPIC India)	-	679	-	-	-	679
European Clean Air Center (ECAC)	-	-	100	-	-	100
European Environmental Bureau (EEB)	-	-	577	-	-	577
European Lung Foundation	-	-	87	-	-	87
Forum Energii	-	-	143	-	-	143
Forum for the Future	47	-	-	-	-	47
Fundacja Promocji Pojazdów Elektrycznych	-	-	223	-	-	223
Global Alliance for Incinerator Alternatives	-	-	-	-	250	250
German Alliance on Climate Change and Health (KLUG)	-	-	144	-	-	144
GhanaThink	-	-	-	65	-	65
Gujarat Mahila Housing Sewa Trust	-	250	-	-	-	250
HabitatMap	-	-	-	-	82	82
Health & Environment Alliance (HEAL)	-	-	223	-	-	223
Health Effects Institute	-	-	-	-	290	290
Health Care Without Harm (HCWH)	-	354	-	-	-	354
Health Policy Watch	-	-	-	-	76	76
IIT Delhi	-	139	-	-	-	139
IIT-Kanpur	-	691	-	-	-	691
Impact Amplifier Pty	-	-	-	217	-	217
Imperial College London	409	-	-	-	-	409
Institute for European Environmental Policy	-	-	65	-	-	65
Instytut Zdrowia i Demokracji (IZID)	-	-	85	-	-	85
International Council on Clean Transportation (ICCT)	-	-	89	-	50	139

	UK $'000	INDIA $'000	EU $'000	AFRICA $'000	GLOBAL $'000	TOTAL $'000
Invisible Dust	66	-	-	-	-	66
Kigali Collaborative Research Centre	-	-	-	236	-	236
Krakow Smog Alert	-	-	257	-	-	257
Kwame Nkrumah University of Science and Technology	-	-	-	70	-	70
Lab AIR	-	-	22	-	-	22
Labour Climate and Environment Forum	120	-	-	-	-	120
Lewiatan	-	-	152	-	-	152
Mums for Lungs	76	-	-	-	-	76
New Narratives	-	-	-	197	-	197
Open AQ	-	-	-	-	475	475
Pan American Health Organisation (PAHO)	-	-	-	-	50	50
Polityka Insight	-	-	228	-	-	228
Polskie Stowarzyszenie Paliw Alternatywnych	-	-	248	-	-	248
Road Safety Partnership	-	-	108	-	-	108
Rockefeller Philanthropy Advisors	-	-	-	150	-	150
Royal College of Paediatrics and Child Health (RCPCH)	152	-	-	-	-	152
Salud por Derecho	-	-	50	-	-	50
ShareAction	102	-	-	-	-	102
Social Good Fund	-	-	-	-	143	143
Stockholm Environment Institute	-	-	147	-	-	147
The Energy Resources Institute (TERI)	-	145	-	-	-	145
Transport & Envirionment	194	-	191	-	-	385
UK Community Foundation	5	-	-	-	-	5
Union for International Cancer Control (UICC)	-	-	-	-	79	79
United Charitable	-	-	-	-	148	148
United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP)	-	-	-	-	137	137
University of California, Davis, Air Quality Research Center	-	-	-	-	50	50
University of Cape Coast	-	-	-	223	-	223
University of Birmingham	16	-	-	-	-	16
Vital Strategies	-	-	-	-	80	80
Washington University in St Louis	-	-	-	-	145	145
WattTime	-	-	-	-	75	75
World Economic Forum	-	-	-	-	506	506
World Athletics	-	-	-	-	163	163
World Heart Federation (WHF)	-	-	-	-	112	112
World Resources Instutute (WRI)	-	-	-	-	490	490
Youth Environment Europe (YEE)	-	-	163	-	-	163
Za Zemiata	-	-	54	-	-	54
Other grants, FX variances and write backs on prior year grants	2	(267)	4	(2)	151	(112)
Total	**1,794**	**2,889**	**3,598**	**1,426**	**6,409**	**16,116**

8. ACTIVITIES UNDERTAKEN DIRECTLY

The direct expenditure of $4,359k (2023 $3,713k) on charitable activities was to further the Charity's mission and objectives. This includes undertaking evaluations, supporting advocacy of the clean air movement, conducting research, publishing, and disseminating reports, organising convenings and conferences, and providing technical assistance to our grantees and other charitable organisations.

9. NET (EXPENDITURE) INCOME BEFORE TRANSFERS

	TOTAL FUNDS 2024 $'000	TOTAL FUNDS 2023 $'000
Depreciation	-	81
Audit fees (incl VAT)	33	30

10. STAFF COSTS

	THE GROUP		THE CHARITY	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Wages and salaries	5,952	3,634	5,250	3,323
Social security costs	736	424	736	424
Pension costs	612	392	580	392
TOTAL	**7,300**	**4,450**	**6,566**	**4,139**
Other staff related benefits	120	49	112	46
TOTAL	**7,420**	**4,499**	**6,678**	**4,185**

In the current reporting period, the charity has revised its staff costs disclosure to include the cost of additional employee benefits, such as private health insurance, wellbeing allowances, and other non-contractual or discretionary benefits provided to staff.

These items were previously not included within the total staff costs note, but are now disclosed to provide a fuller representation of the total employment-related expenditure, in accordance with the principles of the Charities SORP (FRS 102).

Where practical, comparative figures have been adjusted to reflect this change; where not, the prior year figures remain on the previous basis of presentation.

The average number of employees has been analysed over a 12 month period, (by head count), analysed by function, was as follows:

	2024 No.	2023 No.
Fundraising	3.5	1.9
Charitable activities	53.8	29.9
Support	19.9	16.5
TOTAL	**77.2**	**48.3**

By 31 December 2024 Clean Air Fund had a headcount of 85 employees (2023: 61).

There were 32 employees (2023:17) whose emoluments amounted to over $77,000 (£60,000) per annum or more (excluding benefits) during the year, based on the average exchange rate for the year.

	YEAR TO 31 DECEMBER 2024	YEAR TO 31 DECEMBER 2023
$77k to $88k (£60k to £70k)	13	4
$89k to $101k (£71k to £80k)	4	4
$102k to $114K (£81k to £90k)	5	4
$115k to $127k (£91k to £100k)	2	1
$128k to $140k (£101k to £110k)	1	1
$141k to $152k (£111k to £120k)	2	1
$153k to $165k (£121k to £130k)	3	1
$166k to $178k (£131k to £140k)	1	-
$256k to $267k (£201k to £210k)	-	1
$281k to $293k (£221k to £230k)	1	-
TOTAL	**32**	**17**

The key management personnel of Clean Air Fund has been defined as the CEO and the Senior Leadership Team. The total employee benefits including employer's pension contributions of the key management personnel were $1,723,148 (2023:$1,179,709).

The Trustees did not receive any remuneration for their services during the period. Three Trustees were reimbursed expenses for travel and subsistence in the year for a total of $23,411 (2023: 5 Trustees were reimbursed $28,777).

11. SUBSIDIARY UNDERTAKINGS

Clean Air Fund has a wholly-owned trading subsidiary undertaking, Clean Air Fund India Private Limited (CAFIPL), a company incorporated and registered in India (registered no U74999DL2022FTC405832). The principal activities of this company are to provide grant research and management services to Clean Air Fund. All of its profits are retained by the entity. The charity owns the entire issued share capital of 1,600,000 equity shares of INR 1,600,000 equity shares of INR 10 each.

CLEAN AIR FUND INDIA PRIVATE LIMITED (CAFIPL)

PROFIT AND LOSS ACCOUNT	**2024 $'000**	**2023 $'000**
Turnover	1,050	476
Cost of sales	(955)	(417)
Gross profit	95	59
Administration expenses	-	-
PROFIT ON ORDINARY ACTIVITIES	**95**	**59**

BALANCE SHEET	**2024 $'000**	**2023 $'000**
Intangible fixed assets	-	4
Current assets	368	268
Creditors: amounts falling due within one year	(22)	(21)
TOTAL ASSETS LESS CURRENT LIABILITIES	**346**	**251**
Called up share capital	192	192
Retained profit and loss account	154	59
SHAREHOLDERS' FUNDS	**346**	**251**

12. FIXED ASSET INVESTMENTS

	THE GROUP		THE CHARITY	
Investments held in subsidiary	**2024 $'000**	**2023 $'000**	**2024 $'000**	**2023 $'000**
Clean Air Fund India Private Limited (CAFIPL)	-	-	192	192
TOTAL INVESTMENTS	**-**	**-**	**192**	**192**

13. TANGIBLE FIXED ASSETS

THE GROUP	**COMPUTER EQUIPMENT $'000**	**TOTAL $'000**
COST		
As at 01 January 2024	4	4
Additions in year	-	-
Disposals in year	(4)	(4)
As at 31 December 2024	**-**	**-**
DEPRECIATION		
As at 01 January 2024	-	-
Charge for the year	-	-
As at 31 December 2024	**-**	**-**
NET BOOK VALUE		
As at 01 January 2024	4	4
As at 31 December 2024	**-**	**-**

14. DEBTORS

	THE GROUP		THE CHARITY	
	2024 $'000	**2023 $'000**	**2024 $'000**	**2023 $'000**
Trade Debtors	-	-	-	-
Accrued income	410	390	410	390
Prepayments	200	182	195	178
Other debtors	410	242	328	198
TOTAL	**1,020**	**814**	**933**	**766**

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	THE GROUP		THE CHARITY	
	2024 $'000	**2023 $'000**	**2024 $'000**	**2023 $'000**
Trade creditors	494	438	484	420
Social security costs	132	113	132	113
Accruals	679	511	668	508
Deferred income (note 16)	-	2,830	-	2,830
Other creditors	30	83	30	83
Intercompany	-	-	252	149
TOTAL	**1,335**	**3,975**	**1,566**	**4,103**

16. MOVEMENT IN DEFERRED INCOME

	THE GROUP		THE CHARITY	
	2024 $'000	**2023 $'000**	**2024 $'000**	**2023 $'000**
As at 01 January 2024	2,830	5,610	2,830	5,610
Released in year	(2,830)	(5,610)	(2,830)	(5,610)
Deferred in year	-	2,830	-	2,830
AS AT 31 DECEMBER 2024	**-**	**2,830**	**-**	**2,830**

Deferred income comprises grant funds which the charity has received but is not yet entitled, due to time-related conditions attached to the terms of the grants.

17. GRANTS PAYABLE

	YEAR TO 31 DECEMBER 2024 $'000	YEAR TO 31 DECEMBER 2023 $'000
GRANT COMMITMENTS AT 1 JANUARY	**11,410**	**8,107**
Grants awarded in the year	20,758	16,485
Grants written back in the year	(181)	(368)
Grants paid in the year	(17,333)	(12,814)
GRANT COMMITMENTS AT 31 DECEMBER	**14,554**	**11,410**
Payable within one year	13,540	10,986
Payable after one year	1,014	424

18. MOVEMENT IN FUNDS

THE CHARITY	AT 1 JANUARY 2024 $'000	INCOME $'000	EXPENDITURE $'000	TRANSFERS $'000	AT 31 DECEMBER 2024 $'000
UNRESTRICTED FUNDS					
General fund	9,416	19,692	(18,030)	44	11,122
Designated funds	1,164	-	(1,164)	-	-
TOTAL UNRESTRICTED FUNDS	**10,580**	**19,692**	**(19,194)**	**44**	**11,122**
RESTRICTED FUNDS					
Breathe Cities	4,731	11,709	(9,067)	-	7,373
Black Carbon Project	1,679	4,163	(2,787)	-	3,055
Ozone Project	-	650	(613)	-	37
Clean Air Fund in India	414	2,830	(1,724)	-	1,520
India Evaluation	-	259	(129)	-	130
EME Support	-	500	(315)	-	185
Global South & Health	-	1,667	(867)	-	800
Breathe Providence	272	-	(272)	-	-
Breathe Warsaw	377	300	(355)	(44)	278
Technical Centres of Excellence in India	300	-	(300)	-	-
Project Clean Air EU	4	-	(4)	-	-
Clean Air Fellowships	36	187	(223)	-	-
Birmingham Clean Air Project	227	(162)	(26)	-	39
EU Cleanairtech & Clean Heating Coalition	-	178	(156)	-	22
Clean Air Justice Network	-	127	(120)	-	7
TOTAL RESTRICTED	**8,040**	**22,408**	**(16,958)**	**(44)**	**13,446**
TOTAL FUNDS	**18,620**	**42,100**	**(36,152)**	**-**	**24,568**

THE GROUP	AT 1 JANUARY 2024 $'000	INCOME $'000	EXPENDITURE $'000	TRANSFERS $'000	AT 31 DECEMBER 2024 $'000
UNRESTRICTED FUNDS					
General fund	9,475	19,692	(17,935)	44	11,276
Designated funds	1,164	-	(1,164)	-	-
TOTAL UNRESTRICTED FUNDS	**10,639**	**19,692**	**(19,099)**	**44**	**11,276**
RESTRICTED FUNDS					
Breathe Cities	4,731	11,709	(9,067)	-	7,373
Black Carbon Project	1,679	4,163	(2,787)	-	3,055
Ozone Project	-	650	(613)	-	37
Clean Air Fund in India	414	2,830	(1,724)	-	1,520
India Evaluation	-	259	(129)	-	130
EME Support	-	500	(384)	-	185
Global South & Health	-	1,667	(867)	-	800
Breathe Providence	272	-	(272)	-	-
Breathe Warsaw	377	300	(355)	(44)	278
Technical Centres of Excellence in India	300	-	(300)	-	-
Project Clean Air EU	4	-	(4)	-	4
Clean Air Fellowships	36	187	(223)	-	-
Birmingham Clean Air Project	227	(162)	(26)	-	39
EU Cleanairtech & Clean Heating Coalition	-	178	(156)	-	22
Clean Air Justice Network	-	127	(120)	-	7
TOTAL RESTRICTED	**8,040**	**22,408**	**(16,958)**	**(44)**	**13,446**
TOTAL FUNDS	**18,679**	**42,100**	**(36,057)**	**-**	**24,722**

General funds are unrestricted funds that are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity, and that have not been designated for other purposes.

Designated funds are unrestricted funds earmarked for a particular purpose by the trustees. Designation does not legally restrict the trustees' discretion to apply the fund. The designated funds relating to contingent liabilities to cover the costs of grant commitments made in 2022 where the expenditure is not yet accounted for was fully spent down in year.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors. All income and expenditure of Clean Air Fund has been included in the Statement of Financial Activities. A summary of the material restricted funds held are:

- 'Breathe Cities' is a partnership delivered by Clean Air Fund, C40 Cities and Bloomberg Philanthropies that support cities around the world to cut their air pollution and climate emissions. This programme will include our current focus geographies and new ones too, with a focus on the Global South.
- 'Black carbon' is a programme including a mix of grant making and direct delivery to galvanise action against black carbon and reduce the considerable health harms of this component of particulate matter, and secure faster climate mitigation.
- 'Clean Air Fund in India' is funding towards Clean Air Funds pooled fund restricted to be spent in India only.

PRIOR YEAR

THE CHARITY	AT 1 JANUARY 2023 $'000	INCOME $'000	EXPENDITURE $'000	TRANSFERS $'000	AT 31 DECEMBER 2023 $'000
UNRESTRICTED FUNDS					
General fund	3,309	19,249	(13,302)	160	9,416
Designated funds	7,200	-	(6,036)	-	1,164
TOTAL UNRESTRICTED FUNDS	**10,509**	**19,249**	**(19,338)**	**160**	**10,580**
RESTRICTED FUNDS					
Breathe Cities	-	8,557	(3,826)	-	4,731
Black Carbon Project	-	1,985	(306)	-	1,679
Clean Air Fund in India	-	2,830	(2,416)	-	414
Breathe Providence	412	-	(140)	-	272
Breathe Warsaw	194	350	(167)	-	377
Technical Centres of Excellence in India	300	300	(300)	-	300
Project Clean Air EU	-	154	(150)	-	4
Clean Air Fellowships	-	211	(15)	(160)	36
Birmingham Clean Air Project	-	227	-	-	227
TOTAL RESTRICTED	**906**	**14,615**	**(7,320)**	**(160)**	**8,040**
TOTAL FUNDS	**11,415**	**33,864**	**(26,659)**	**-**	**18,620**

The GROUP	AT 1 JANUARY 2023 $'000	INCOME $'000	EXPENDITURE $'000	TRANSFERS $'000	AT 31 DECEMBER 2023 $'000
UNRESTRICTED FUNDS					
General fund	3,309	19,249	(13,243)	160	9,475
Designated funds	7,200	-	(6,036)	-	1,164
TOTAL UNRESTRICTED FUNDS	**10,509**	**19,249**	**(19,279)**	**160**	**10,639**
RESTRICTED FUNDS					
Breathe Cities	-	8,557	(3,826)	-	4,731
Black Carbon Project	-	1,985	(306)	-	1,679
Clean Air Fund in India	-	2,830	(2,416)	-	414
Breathe Providence	412	-	(140)	-	272
Breathe Warsaw	194	350	(167)	-	377
Technical Centres of Excellence in India	300	300	(300)	-	300
Project Clean Air EU	-	154	(150)	-	4
Clean Air Fellowships	-	211	(15)	(160)	36
Birmingham Clean Air Project	-	227	-	-	227
TOTAL RESTRICTED	**906**	**14,615**	**(7,320)**	**(160)**	**8,040**
TOTAL FUNDS	**11,415**	**33,864**	**(26,600)**	**-**	**18,679**

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

THE CHARITY	GENERAL FUND $'000	DESIGNATED FUNDS $'000	RESTRICTED FUNDS $'000	TOTAL 2024 $'000
FUND BALANCES AT 31 DECEMBER 2024 ARE REPRESENTED BY:				
Fixed Assets	192	-	-	192
Current Assets	16,043	-	24,453	40,496
Current Liabilities	(4,780)	-	(10,326)	(15,106)
Non-Current Liabilities	(333)	-	(681)	(1,014)
TOTAL NET ASSETS	**11,122**	**-**	**13,446**	**24,568**

THE GROUP	GENERAL FUND $'000	DESIGNATED FUNDS $'000	RESTRICTED FUNDS $'000	TOTAL 2024 $'000
FUND BALANCES AT 31 DECEMBER 2024 ARE REPRESENTED BY:				
Fixed Assets	-	-	-	-
Current Assets	16,158	-	24,453	40,611
Current Liabilities	(4,549)	-	(10,326)	(14,875)
Non-Current Liabilities	(333)	-	(681)	(1,014)
TOTAL NET ASSETS	**11,276**	**-**	**13,446**	**24,722**

PRIOR YEAR

THE CHARITY	GENERAL FUND $'000	DESIGNATED FUNDS $'000	RESTRICTED FUNDS $'000	TOTAL 2023 $'000
FUND BALANCES AT 31 DECEMBER 2023 ARE REPRESENTED BY:				
Fixed Assets	192	-	-	192
Current Assets	20,679	1,164	12,097	33,940
Current Liabilities	(11,110)	-	(3,978)	(15,088)
Non-Current Liabilities	(345)	-	(79)	(424)
TOTAL NET ASSETS	**9,416**	**1,164**	**8,040**	**18,620**

THE GROUP	GENERAL FUND $'000	DESIGNATED FUNDS $'000	RESTRICTED FUNDS $'000	TOTAL 2023 $'000
FUND BALANCES AT 31 DECEMBER 2023 ARE REPRESENTED BY:				
Fixed Assets	4	-	-	4
Current Assets	20,798	1,164	12,097	34,059
Current Liabilities	(10,982)	-	(3,978)	(14,960)
Non-Current Liabilities	(345)	-	(79)	(424)
TOTAL NET ASSETS	**9,475**	**1,164**	**8,040**	**18,679**

20. TRANSACTIONS WITH RELATED PARTIES

No related parties transactions have taken place with senior management. Clean Air Fund's Conflict of Interest policy is for Board or Grant and Charitable Activities Committee members who have an interest in any grant awarding decisions do not take part in that decision and disclose any interest.

Stelios Kyriakakis (Trustee, appointed 08/08/2023) holds the position of Chief Operating Officer at IKEA Foundation. During the year CAF received $10,000,000 from the IKEA Foundation in respect of a grant for 2024, awarded in 2022 for a four year period. The trustee did not receive remuneration in his capacity as a Trustee.

In respect of Clean Air Fund's subsidiary, Clean Air Fund India Private Limited (CAFIPL), intercompany transactions totalling $1,049,371 were incurred. There was a year end creditor of $159,002 in the Charity's accounts.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

21. OPERATING LEASES COMMITMENTS

	YEAR TO 31 DECEMBER 2024 $'000	YEAR TO 31 DECEMBER 2023 $'000
Less than one year	657	507
Two – five years	321	-

22. CHARITY STATEMENT OF FINANCIAL ACTIVITIES

The Charity Statement of Financial Activities reflects the results of the Clean Air Fund charity only, excluding the results of the trading subsidiary undertaking, Clean Air Fund India Private Limited (CAFIPL)

	UNRESTRICTED FUNDS 2024 $'000	RESTRICTED FUNDS 2024 $'000	TOTAL FUNDS 2024 $'000	TOTAL FUNDS 2023 $'000
INCOME FROM:				
Donations	18,509	22,036	**40,545**	32,718
Investments	1,083	372	**1,455**	1,000
Other income	100	-	**100**	147
TOTAL	**19,692**	**22,408**	**42,100**	**33,865**
EXPENDITURE ON:				
Raising funds	(405)	-	**(405)**	(322)
Charitable activities	(18,789)	(16,958)	**(35,747)**	(26,278)
TOTAL	**(19,194)**	**(16,958)**	**(36,152)**	**(26,600)**
Net income before net gains & losses on investments	498	5,450	**5,948**	7,205
Foreign exchange losses	-		**-**	-
Net Income before transfers	498	5,450	**5,948**	7,205
Transfers	44	(44)	**-**	_
Net income/(expenditure) and net movement in funds	543	5,406	**5,948**	7,205
RECONCILIATION OF FUNDS:				
Fund balances brought forward at 1 January	10,580	8,040	**18,620**	11,414
Fund balances carried forward at 31 December	11,122	13,446	**24,568**	18,620

REFERENCE AND ADMINISTRATIVE DETAILS

REGISTERED NAME	**Clean Air Fund**
DATE OF INCORPORATION	15th January 2019
COMPANY NUMBER	11766712
REGISTERED CHARITY NUMBER	1183697
TRUSTEES	Katherine Garrett-Cox CBE Gunjan Shah Stylianos Kyriakakis Milena Nikolova Sellah Bogonko
CHIEF EXECUTIVE OFFICER	Helen Jane Burston
COMPANY SECRETARY	Mike Saxton Venetia Bell
REGISTERED OFFICE CLEAN AIR FUND	20 St Thomas Street London SE1 9RS
REGISTERED OFFICE CLEAN AF SERVICES INDIA	Unit No.202 The Crescent Building Lado Sarai Mehrauli New Delhi-110030 India
BANKERS	HSBC Bank Plc 69 Pall Mall St James London SW1Y 5EY
SOLICITORS	Mills & Reeve 24 King William Street London EC4R 9AT
AUDITORS	Crowe U.K. LLP Fourth Floor St James House St James' Square Cheltenham GL50 3PR

CLEAN AIR FUND

The Clean Air Fund (UK) is registered in England with company number 11766712 and charity number 118369.

Registered address: 20 St Thomas Street, London, SE1 9RS.

info@cleanairfund.org
www.cleanairfund.org
@cleanairfund

CLEAN AIR FUND

England & Wales - Charity number 1183697

Accounts

CLEAN AIR FUND

2023

Annual report and accounts

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INTRODUCTION FROM OUR CHAIR AND CEO

JANE BURSTON
CEO

KATHERINE GARRETT-COX CBE
Chair of the Board of Trustees

The year 2023 was an exciting and demanding year in equal measure.

The world experienced another 12 months of extreme weather events. Wildfires and floods pushed climate change and air pollution onto front pages and into the forefront of the public's consciousness. Evidence about the damaging consequences of air pollution grew by the day. Most notably, the British Medical Journal published a new estimate of 8.3 million deaths associated with polluted air each year, an 18% increase on the previous estimated death toll.

It was also a year when global leaders took important steps towards addressing the interconnected issues of climate change and air pollution. At COP28 in Dubai, world leaders recognised the health impacts of climate change and agreed to transition away from fossil fuels. Similarly, financial institutions became more vocal in acknowledging the role of "access to clean air" in delivering sustainable economic development and a liveable world — as World Bank president, Ajay Banga, commented when he stepped into his role.

The Clean Air Fund made the case for clean air, and for the transition to decarbonised economies which underpins it. Doing so in the context of the ongoing cost-of-living crisis, the continuing war in Ukraine and the political uncertainty associated with a packed election calendar, has required us to be savvy, fleet of foot and, above all, well-coordinated with our partners.

We are proud that we grew the scale and reach of our grant making and our cross-cutting research, advocacy and strategic communications. We increased our expenditures on new and live projects to $19.8m, a 50% increase on 2022 ($13.3m). We expanded our portfolios from 8 to 11, developed our work in South Africa and on Super Pollutants and launched an ambitious cross-cutting Breathe Cities portfolio. We also grew our influence at a global level by supporting the establishment of our 'Our Common Air,' an independent commission co-chaired by Dr Soumya Swaminathan and Rt. Hon. Helen Clark (former WHO Chief Scientist and former Prime Minister of New Zealand respectively).

In the first year of our Clean Air for All strategy (2023-2026), we made good progress towards our goals. Some of the many achievements of the clean air movement are highlighted in this report. Examples include C40 Cities' Clean Air Accelerator programme, which now includes 400+ bold city level actions to tackle the main sources of air pollution; the corporate members of our global Alliance for Clean Air publishing their air pollution inventories for the first time; efforts of health and climate campaigners which lead to the first Health Day being convened at COP28 in Dubai; and policy changes achieved from Ghana to Poland. There is much to recognise and celebrate.

Still, there is much to achieve. We are grateful to our grantees, trustees and staff whose expertise and commitment enables us to attain our milestones, and to our donors whose continued trust and confidence enables us to reach for our ambitious goal of clean air for all.

18
3004

TRUSTEES' REPORT

Clean Air Fund is a global philanthropic organisation that brings together and supports governments, campaigners, researchers, funders and businesses to create a world where everyone breathes clean air.

OUR YEAR AT A GLANCE

$19.9m
committed to

150 air quality projects

130 partners

11 global, geographic and cross-cutting portfolios

5,000,000
more Londoners breathing cleaner air after the Ultra Low Emission Zone expansion

22,000
dirty heating stoves replaced each year in polluted regions of Poland

60 local government officials in Accra trained on air quality management

21 cities in the Global South improving their air quality data

18 Our Common Air Commissioners appointed

17 corporate Alliance for Clean Air members

6 multinationals publishing their air pollution emission inventories

1 advocacy organisation shortlisted for the Earthshot prize, Polish Smog Alert

Global

$3.0m for Breathe Cities

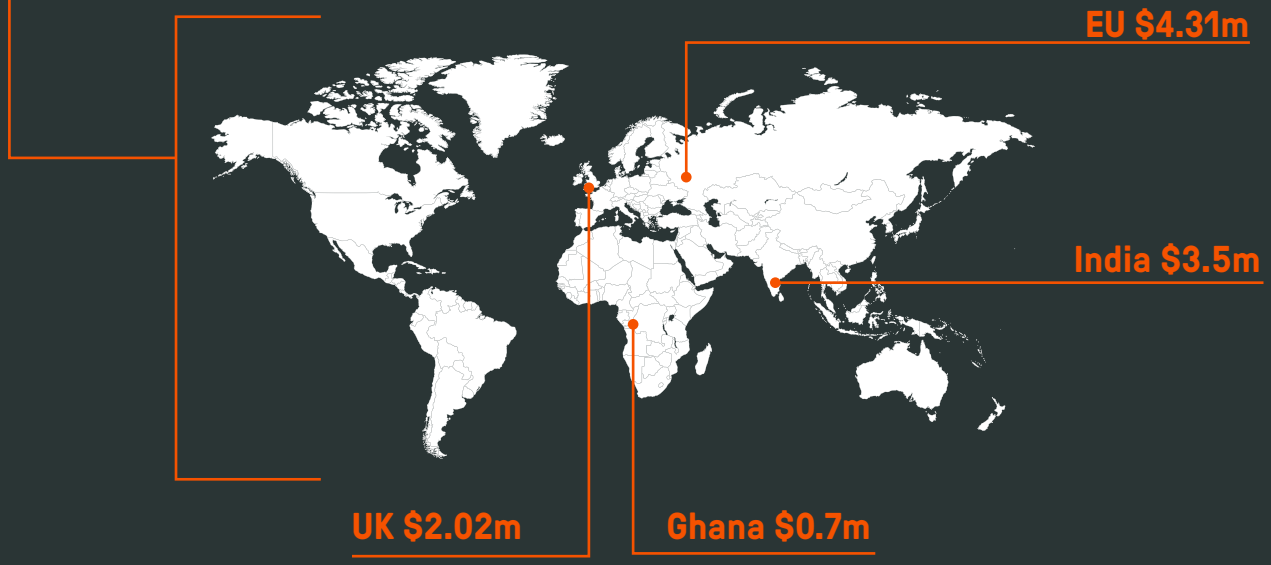
$0.84m for Private Sector Engagement

$1.45m for Advocacy & Field Building

$1.31m for our Health portfolio

$2.38m to improve Air Quality Data

$0.37m to address Super Pollutants (and more)



WHY CLEAN AIR?

Air pollution is everywhere. Invisible particles penetrate cells and organs in our bodies: our lungs, heart, blood and brain. Dirty air is a leading cause of heart attacks, stroke and many other diseases.

In addition to harming our health, air pollution is linked to climate change. Some health harming pollutants, like black carbon or soot, have a very high global warming potential. The sources of air pollutants and greenhouse gas emissions are often the same – burning fossil fuels for energy, transport, industry or agriculture.

8+ MILLION
early deaths are **attributable to air pollution** each year

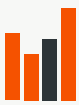
$8.1 TRILLION
in global **health damages annually**

45% OF CURRENT GLOBAL TEMPERATURE INCREASES
are caused by **Short Lived Climate Pollutants**

IT DOESN'T HAVE TO BE THIS WAY.

OUR APPROACH

We accelerate action on clean air through:



DATA

Putting compelling evidence in the right hands

DEMAND

Growing public awareness and political will

DRIVE

Influencing decision-makers to commit to ambitious clean air measures

TOGETHER, WE CAN DELIVER CLEAN AIR FOR ALL.

OUR MISSION

Working together for clean air will create a healthier, fairer, more prosperous future for everyone. The Clean Air Fund aims to accelerate the movement for clean air by:

Funding and partnering with organisations across the globe that promote data, build public demand for clean air and drive action

Influencing and supporting decision-makers to act on clean air, bringing together funders, researchers, policy makers, businesses, and campaigners to build & strengthen the air quality cause

Working with communities disproportionately affected by air pollution.

OUR STRATEGY

Our ambitious Clean Air for All strategy (2023-2026) sets out how we will catalyse progress on air pollution and our strategic results framework enables us to systematically measure progress and draw out lessons and insights from our portfolios.

DURING THIS PERIOD, WE AIM TO:

galvanise global leaders to agree significant action on air pollution

drive significant progress on reducing air pollution in at least 8 countries and 55 cities, through ambitious laws and policies and impactful air quality management plans

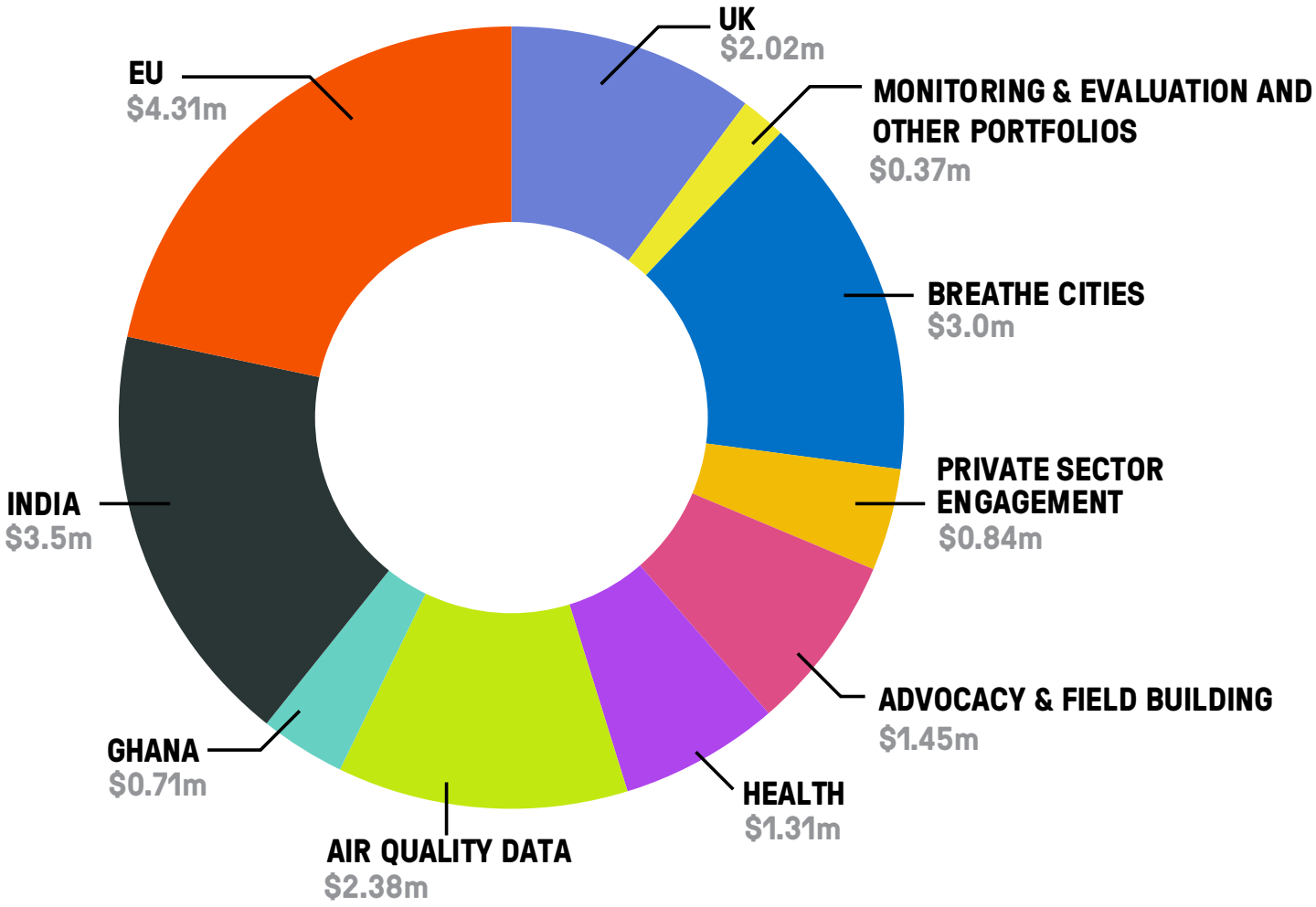
encourage at least 75 multinational companies to commit to ambitious plans to reduce their air pollution footprints across their value chains

catalyse a total of $250 million in funds for air quality programming

STRATEGIC REPORT

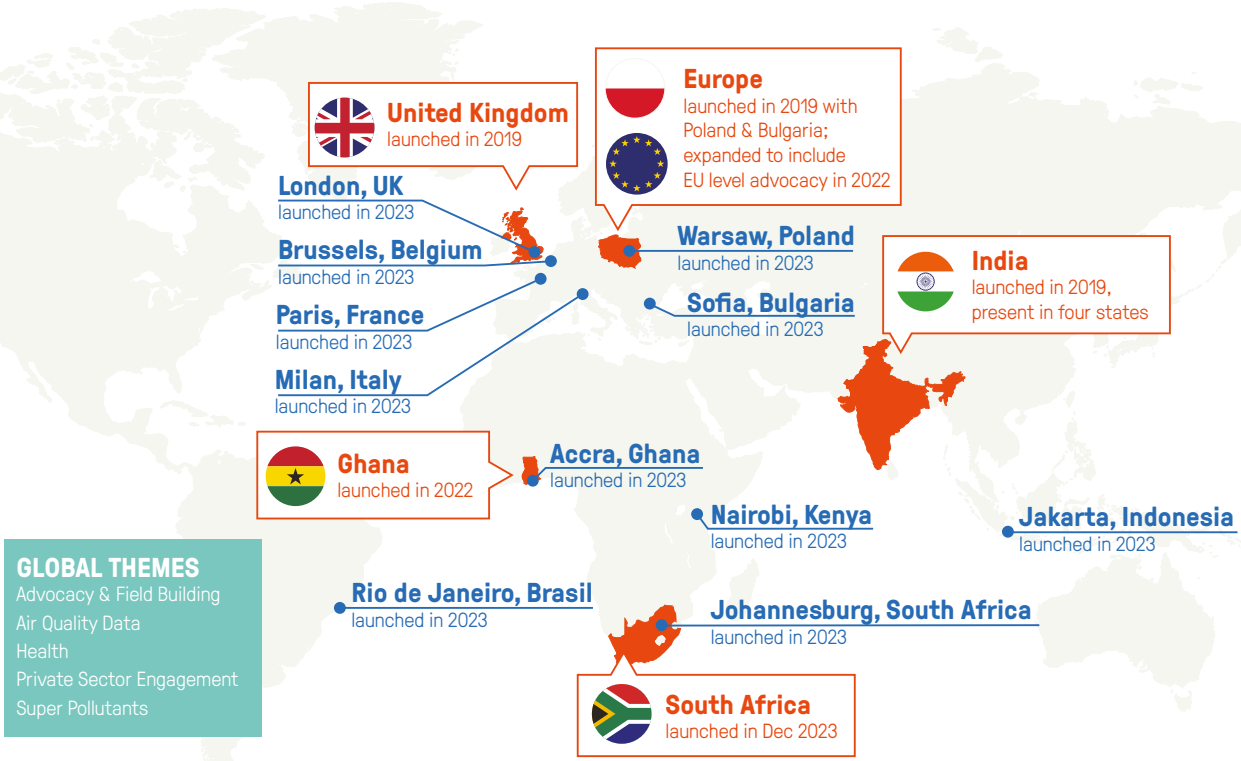
OVERVIEW

We increased the scale of our grant making and charitable projects significantly. With our partners, we managed a total of 150 projects, nearly double the previous year (77 in 2022). Annual expenditure on new and live projects totalled $19.9m, a $6.6m (50%) increase from $13.3m in 2022.



We also expanded the breadth of our work, increasing from 8 to 11 live portfolios, adding work in South Africa and one new cross-cutting Breathe Cities portfolio. We are currently working across:

- **5 geographic portfolios:** EU (incorporating our work at the European Commission level and in Poland), Ghana, India, South Africa and the UK;
- **5 global portfolios:** Advocacy & Field Building, Air Quality Data, Health, Private Sector Engagement and Super Pollutants (incorporating the Black Carbon project);
- **1 cross-cutting portfolio:** our Breathe Cities partnership with Bloomberg Philanthropies and C40 which aims to reduce the air pollution and climate emissions by 30% in partner cities within 10 years.



We also grew our team in size, expertise and global outlook. We expanded from 36 to 61 members of staff based in a more than a dozen countries, hired a team in South Africa and increased our expertise and resources in advocacy, Climate Science, Health and Monitoring Evaluation and Learning.

5 CLEAN AIR WINS IN 2023

Highlights from the last year:

1 AIR POLLUTION IN POLAND HAS REDUCED MEASURABLY

The Clean Air Fund's role was critical in supporting work towards the adoption of anti-smog resolutions, improved Low Emission Zone (LEZ) legislation, and roll of out of the National Clean Air Programme. The result: better air quality. Since 2019, the average concentration of PM 2.5 has dropped significantly (by 3 ug/m3, from 19 ug/m3 in 2019 to 16 ug/m3 in 2022, according to the European Clean Air Centre's calculations.

2 MULTINATIONAL COMPANIES PUBLISHED THEIR AIR POLLUTION EMISSIONS FOR THE FIRST TIME

Six members of our global Alliance for Clean Air (Biogen, Bloomberg, GoTo, IKEA, Maersk and Oracle) took the ground-breaking step of publishing their air pollution emission inventories across their value chain. A further four companies (Accenture, GEA Group, GSK and Haleon) are expected to follow suit. Not only does this show that integrated reporting of climate and air quality impact is possible, but it also raises standards for others.

3 THE INAUGURAL COP HEALTH DAY RAISED AIR POLLUTION UP THE AGENDA

Working alongside partners and grantees, we put health at the heart of climate negotiations with the first Health Day at the 28th Conference of the Parties (COP28) on the UN Framework Convention on Climate Change (UNFCCC). We collaborated with the UAE COP28 Presidency and others to shape its success and our CEO spoke at the opening plenary, highlighting the importance of tackling air pollution to advance action on health and climate.

4 AIR QUALITY FUNDING CONTINUES TO GROW

We raised $113m toward our new Clean Air for All Strategy and welcomed a new donor, Quadrature Climate Foundation to the pooled fund. This enabled us to grow our grant making significantly: in 2023 we managed 150 projects with over 130 partners and our annual expenditure on new and live projects increased by 50% on 2022, to $19.9m. We also influenced other funders to support air quality, through bilateral engagement. These donors contributed $11.3m of aligned funding during 2023. We continued to make the case for increased air quality funding through The State of Air Quality Funding report and targeted advocacy with the World Bank and other international development funders.

5 CLEAN AIR FUND PROGRAMMING SCALED UP SIGNIFICANTLY

We initiated two new substantive portfolios: Breathe Cities and Super Pollutants. In India, we began working in two new states; in Ghana we formalised our partnership with the Ministry of Environment, Science, Technology & Innovation and we initiated our work in South Africa. Across all our portfolios, our grants continue to scale up our activities and impact.

GLOBAL ACTION

ADVOCACY, HEALTH AND FIELD BUILDING

We supported the establishment of *Our Common Air*, an independent global Commission bringing together powerful voices to accelerate collective action on air pollution. The Commission is made up of high-level figures, health experts, academics and leading climate change specialists and is co-chaired by the former Prime Minister of New Zealand, Rt. Hon. Helen Clark, and the former Chief Scientist of WHO, Dr Soumya Swaminathan. The Commission went on to publish its findings and recommendations in 2024.

We elevated health and air quality at an international level with a particular focus on the 28th Conference of the Parties (COP28):

- In the lead-up, we produced an **open letter to the COP28 President** calling for a focus on air pollution and health co-benefits. Our grantees Global Climate and Health Alliance and Healthcare without Harm also coordinated an open letter calling for climate action to protect health.
- For the first time, a Health Day was part of the COP, responding to long-standing calls from civil society. Our CEO, Jane Burston, **played a prominent role in the opening plenary** for Health Day, speaking alongside high level delegates such as the UK Minister for International Development, Andrew Mitchell, and US Presidential Climate Envoy, John Kerry. The final intergovernmental health declaration from the COP, endorsed by 142 governments, will pave the way for a vital role for health and air quality in future COPs.
- We launched **The Case for Action on Black Carbon**, to outline how reducing black carbon emissions will help avoid climate tipping points, build resilience and deliver clean air.
- We ensured that voices from affected communities were heard at the COP28: enabling a youth advocate on air pollution from Nepal and their iconic 'Air Bear' to attend and the eye-catching 'Pollution Pods' installation we supported attracted high-profile visits and notable media coverage.

We highlighted air quality funding trends and gaps. Our fifth edition of **The State of Air Quality Funding report**, launched in September, revealed that only 1% of international development funding ($17.3 billion) and 2% of international public climate finance ($11.6 billion) was expressly committed to targeting air pollution over the previous six years. The report, the only one of its kind, received widespread press coverage and has been positively received by multilateral funding agencies such as the Asian development Bank.

We supported the field in different ways, including through a grant to Climate Outreach which enabled the production of compelling photographs that portray the causes of air pollution and how it affects communities. These photos, taken in Indonesia, Poland, South Africa and the UK, are now freely available.

PRIVATE SECTOR ENGAGEMENT

Several multinational companies from multiple sectors publicly disclosed their air pollution emissions for the first time. Biogen, Bloomberg, GoTo, IKEA, Maersk and Oracle took the ground-breaking step of publishing their air pollution emission inventories across their value chains. These companies are now working on developing emission reduction strategies.

The corporate Alliance for Clean Air grew to 17 members, galvanising further clean air action. As champions for air quality, Alliance members demonstrated how industry can respond to the biggest environmental and social challenges of our time. Alliance members made tangible progress on mitigating their climate impact. For example, A.P Moller-Maersk, launched the first of 19 planned green methanol ships, reducing Maersk's annual greenhouse gas emissions by approximately 450,000 tons CO2e per year on a fuel lifecycle basis.

The Confederation of Indian Industry (CII) CEO Forum for Clean Air grew to over 100 business leaders. Launched in 2019, the forum has grown and its members continue to actively engage with the Government of India, and industry peers on potential clean air measures. Several corporations have started to deploy Corporate Social Responsibility funds for the air quality cause.

AIR QUALITY DATA

More cities in the Global South are using air quality data to inform new clean air policies. In the last year, Clean Air Fund grants helped increase availability and actionability of air quality data in 21 Global South cities spanning Latin America, Africa and Asia. These cities advanced their air quality management, for example by learning how to deliver rapid analysis of city-level air quality, the associated health and economic burdens, and benefits from reducing air pollution via training provided by grantees including C40 Cities, AFRI-SET and the World Resources Institute.

A new knowledge platform for air quality managers will be created, based on the recommendations of a Clean Air Fund-sponsored study. A plethora of tools, training materials, and guidance have been developed in recent years that aim to support national and sub national governments to implement actions that improve air quality. In collaboration with the United Nations Environment Programme, we **commissioned a report** that surveyed the users of these materials across 119 countries, with the aim of better understanding how this guidance can be improved. As a result, the Climate and Clean Air Coalition will build a new knowledge management platform to collate and host this guidance. This platform will reduce duplication of efforts and better support air quality management practitioners worldwide.

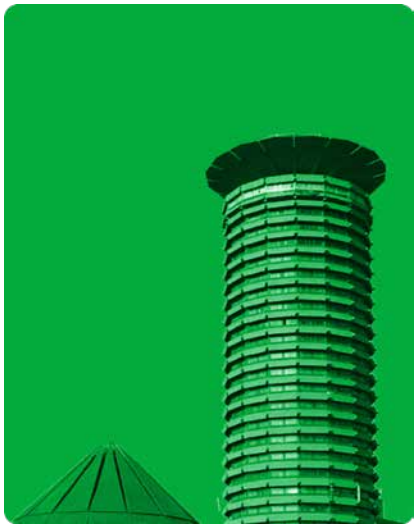
We enabled community-led use of air quality data in cities. We supported more than 29 local clean air campaigns and 1,000s of citizen scientists through our grants. For example, our partner UrbanBetter engaged youth in Accra and Lagos to push for more ambitious air quality action in their cities. Community leaders, supported through the UrbanBetter project, continue to use wearables to generate localised evidence and tell local stories, including at **the Lagos marathon**. We funded HabitatMap to provide communities with high quality and low cost air quality sensors. New grants with World Athletics and Global Alliance of Incinerator Alternatives will further refine how this new technology can be an effective tool for community engagement, storytelling and movement building. Our ongoing partnership with OpenAQ underpins these efforts by making more air quality data openly available and accessible in cities worldwide.

NATIONAL AND CITY-LEVEL ACTION

BREATHE CITIES

In June 2023, we officially launched **Breathe Cities**, an initiative in partnership with Bloomberg Philanthropies and C40 Cities, which built on a foundation of work supported by the Children's Investment Fund Foundation. This cross-cutting portfolio will accelerate city level progress on air quality, break down barriers to action and ensure communities around the world have access to clean air.

In December, the first cohort of Breathe cities was **announced at COP28**. These are: Accra, Brussels, Jakarta, Johannesburg, London, Milan, Nairobi, Paris, Rio de Janeiro, Sofia, and Warsaw. Half of these cities are in the Global South and we will be growing these numbers and deepening engagement as the programme develops. The city authorities have formally committed to Breathe Cities and we are developing city level strategies for air quality data, civil society engagement and policy making in tandem with C40 and these authorities.



AFRICA

We increased our engagement with key decisionmakers in Africa. During Africa Climate week, we participated in the Climate Adaptation Pillar working group. The Second Lady of Ghana, H.E Samira Bawumia, a recognised global ambassador and advocate for clean cooking, agreed to be an official Clean Air Fund ambassador and external champion on air quality.

We worked closely with the Africa Union Centre for Disease Control and Prevention (CDC) to release an updated edition of **From Pollution to Solution in Africa's Cities**, adding Nairobi and Yaoundé to the cities featured and ensuring that every African region is covered. We will be presenting this report to African finance, environment and health ministers at the next Ministerial Strategy and Technical Committee of the CDC, and putting on webinars for technical staff. This will provide an opportunity to influence at the ministerial level and bring together different ministries.

GHANA

We signed a partnership agreement with the Ministry of Environment, Science, Technology, and Innovation and will be supporting the Ghanaian Government with a scoping study of existing air quality management regulations and implementation systems and structures.

Through storytelling and civil society engagement we created demand for clean air in Ghana. There is increasing awareness and availability of air quality information: our Excellence in Clean Air Journalism programme highlighted air pollution and its effects, with 14 media articles published, two broadcast interviews and a presentation on air quality and health at the African Editors conference in Nairobi.

We increased capacity and started building a movement on air quality in Ghana. We supported a partnership between the Kwame Nkrumah University of Science and Technology and the University of Leeds to deliver a Summer School in Kumasi on Air Quality and Pollution Prevention, an intensive two-week training program providing 55 diverse participants from academia, industry and the media with training on key air quality topics, such as identifying air pollution sources, understanding health and other impacts and developing policies and regulations.

We strengthened capacity of Accra's local government authorities for air quality regulation and data collection. Through our partners, we trained more than 60 government officials in the environmental, transport and health offices across the capital. Our support also facilitated greater dialogue and engagement between Ghana's Environmental Protection Agency, local government officials and elected representatives. Some Local Assemblies in the capital are now reporting on air quality for the first time.

EUROPEAN UNION

The European Parliament adopted their opening negotiating position on the revised Ambient Air Quality Directive (AAQD) that aligned to the World Health Organization's updated air quality guidelines. This was an unprecedented win and a major milestone in our strategy. This strong opening position was critical to counterbalancing a much weaker position from the Council on the path to securing a final text. Though some negotiations and votes remain, we hope the final AAQD text will be agreed upon by the European Parliament and Council by the end of 2024.

Although Clean Air Fund is a relative newcomer to the EU policy field, our investment in building coalitions across the NGO, policy-maker, and private sector communities in Brussels paid off and we had the opportunity to engage regularly with the European Commission's Clean Air Unit in DG Environment which oversees the EU's Zero Pollution Strategy and the AAQD Revision.

POLAND

Air pollution in Poland reduced significantly. Our support enabled our grantees to play a critical role in the adoption of anti-smog resolutions, the uptake of improved Low Emission Zone (LEZ) legislation, and the roll out of the National Clean Air Programme. Research by our grantee, the European Clean Air Centre, shows that air pollution has reduced since 2019, with the average concentration of PM 2.5 dropping by 3 ug/m3 – from 19 ug/m3 in 2019 to 16 ug/m3 in 2022. This is significant progress, but there is some way to go to bring air quality in line with the WHO's guidelines.

Poland's new coalition government committed to improved air quality. Ahead of national elections in 2023, growing momentum for clean air was visible across the political spectrum. Thanks to the effort of Polish Smog Alert and other grantees, four major parties included commitments on tackling air pollution in their manifestos. After the election, the government **coalition agreement** incorporated a declaration on fighting smog and accelerating action on the replacement of polluting sources of domestic heating.

The heat sources replacement rate more than doubled, especially in our focus regions (Mazovia, Lower Poland, Silesia) where take-up grew from 10,000 a year to 22,000 a year on average. Several of our grantees worked closely with the National Fund for Environmental Protection – an agency managing the National Clean Air subsidy programme to secure a range of impactful changes including increasing financial rewards to municipalities for supporting resident applications and financing for energy efficiency improvements post-heat source replacement.

Polish Smog Alert became the first advocacy organisation to be a short-listed finalist for the Earthshot Prize - the world's most prestigious environmental prize. For over a decade, Polish Smog Alert has convened local organisations to secure unprecedented legislative changes in Poland, growing their reach and impact with our support.

INDIA

We supported the national government's activities to achieve their National Clean Air Programme targets by facilitating state-level collaboration, planning and implementation of clean air actions. We expanded into two new States of Rajasthan and Punjab, in addition to Delhi National Capital Region and Uttar Pradesh. One of our key strategic objectives for 2023 was to facilitate State level planning and implementation of clean air actions in our priority States, which are those worst affected by poor air quality. We achieved this with the establishment of Strategic and Policy Advisory Units in Delhi (with EPIC-India), Rajasthan (Centre for Science and Environment), Uttar Pradesh (TERI, with aligned funding from Bloomberg Philanthropies) and Punjab (CSTEP). All four States have confirmed their commitment to clean air action.

We drove efforts to build a stronger nationwide air quality monitoring ecosystem. We supported the International Centre of Excellence for air quality monitoring technologies at the Indian Institute of Technology, Kanpur (IIT-K). Backed by the Principal Scientific Advisor to the Government of India, the Centre is developing a local, low-cost sensor and cost-effective approach to mapping hyperlocal sources of pollution in a city for informed policy action. Widely covered in the media, the launch of the Centre highlighted the government's vision for the development of cutting-edge, indigenous technologies to bridge gaps in air quality monitoring across the country.

We supported India's health movement. The network of health professionals and health institutions established by Health Care Without Harm continues to thrive and is now working across 11 states with more than 90 senior doctors championing clean air and 21 partner medical associations representing over 250,00 doctors involved in awareness efforts. Significantly, the National Medical Council approved a new chapter on air pollution, climate change and health in the national medical curriculum which will be a force multiplier in spreading awareness among medical students.

UNITED KINGDOM

We encouraged the take-up of clean air policies by all major parties ahead of a forthcoming General Election. The innovative **Refresh Britain** campaign was designed to engage audiences in key constituencies. Messages and approaches were developed with and by these audiences and proved to be popular with candidates across the political spectrum. Evidence suggests the initiative contributed to a more positive public discussion on air quality – both in the target constituencies and in Parliament.

The Healthy Air Coalition continued to push for political air quality commitments. A collective of 30 leading health, environment and transport organisations with the shared vision of a UK free from toxic air, co-funded by Clean Air Fund and Impact on Urban Health, promoted clean air manifesto commitments.

The expansion in August of London's Ultra Low Emission Zone (ULEZ) delivered cleaner air to 5 million additional people living in and around London. The ULEZ expansion led to a 45% reduction in the number of the most polluting vehicles driven in London, taking almost 80,000 older cars off the roads in its first month. On an average day, 95% of vehicles driving in London now comply with ULEZ emissions standards, up from 39% in 2017.

The Birmingham Clean Air Zone (CAZ), which was introduced in 2021 with support from CAF grantees, has halved the number of 'non-compliant' vehicles entering the Zone. A progress report published by Birmingham City Council in 2023 showed that pollution levels in Birmingham's CAZ have been cut by almost 40%.

OUR STRUCTURE, GOVERNANCE AND MANAGEMENT

OVERVIEW

Clean Air Fund is a charitable company limited by guarantee (registered company number 11766712), constituted in 2019 and governed by its Memorandum and Articles of Association. Clean Air Fund is a charity registered in England and Wales (registration number 1183697) under the Charities Act 2011. The Charity had three subsidiary organisations at 31 December 2023:

- CAF - Trading Limited, a UK registered company (13318649), incorporated on 7 April 2021
- Clean AF Foundation India, an Indian s8 registered company (U85100DL2021NPL391210), registered on 14 December 2021
- Clean AF Services India, an Indian private limited company, (U74999DL2022FTC405832) registered on 13 October 2022

PUBLIC BENEFIT

As a charity, Clean Air Fund is a Public Benefit Entity. The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit including (PB2 Public Benefit: Running a Charity).

As a grant making organisation, we work through the organisations we fund, which include NGOs and research organisations. Our beneficiaries are people living in the countries and cities in which our partners are working to clean the air. Ultimately, the beneficiaries are much wider, as our aim is to improve air quality globally so that the lives of every individual in the geographies we work will benefit from these improvements. We coordinate a collective strategy for air pollution activity, provide grant funding to a multi-national portfolio of clean air programmes, funding for research and knowledge-building activities, and provide a means of knowledge sharing and networking between stakeholders.

THE BOARD OF TRUSTEES

The Board of Trustees is the governing body of the organisation and has legal, financial and managerial responsibility for the Charity. Clean Air Fund currently has four Trustees, of which one is a funder Trustee and three are independent Trustees. The Chair is one of the independent Trustees. All Trustees are also Members.

Trustees serve a four-year term from their date of appointment. Trustees are eligible to serve up to three full terms. Trustee appointment is confirmed at a meeting of the Board. During 2023 we had several trustees leave due to their four-year term ending, leaving their roles at our donors, and changes in their personal

circumstances preventing them from fulfilling the role. We have also appointed two new trustees as at the date of this report.

New Trustees are appointed following a selection process based on our needs, including considerations around diversity, and gaps in expertise of existing Board members. Potential new Trustees meet with the CEO and Chair of Trustees to assess their fit with the organisation. New Trustees receive an induction briefing from the CEO and the Senior Leadership Team and are provided with policy documents covering their legal and regulatory responsibilities and relevant information about Clean Air Fund.

The Board updated our Board skills matrix during 2023 and met quarterly with Board meetings focusing on strategy, impact, organisational policy, financial health, risk, people and culture.

KATHERINE GARRETT – COX CBE (CHAIR)
Re-appointed for a second term - 09 December 2022

GUNJAN SHAH
Appointed 02 November 2022

STYLIANOS KYRIAKAKIS
Appointed 08 August 2023

MILENA NIKOLOVA
Appointed 01 March 2024

In addition, we have individuals from our donors who attend and input into Board discussions, but do not have any voting rights. These are:

ANNA HAKOBYAN
Observer since 10 October 2023

PRIYA SHANKER
Observer since 10 October 2023

Board members served during reporting period:

TEJPREET SINGH CHOPRA
Term ended 15 January 2023

JUSTIN JOHNSON
Resigned 12 October 2023

IVAN VATCHKOV
Term ended 23 February 2024

BING HAO
Resigned 31 July 2023

LESLEY LOKKO
Appointed 02 May 2023, resigned 02 February 2024

SENIOR LEADERSHIP TEAM

The Senior Leadership Team of the Clean Air Fund compromises eight current members. Current members at the date the Annual Report and Financial Statements were approved:

Chief Executive Officer
JANE BURSTON

Chief Operating Officer
VENETIA BELL
Appointed July 2024

Director of Finance & Operations
MIKE SAXTON

Executive Director of Programmes
SHIRISH SINHA
Appointed January 2024

Executive Director of Strategic Partnerships & Communications
SEAN MAGUIRE

Executive Director, Breathe Cities
JAIME PUMAREJO
Appointed April 2024

Chief Impact Officer
SIETSKE VAN DER PLOEG

Interim Director of HR
JACQUIE KIRK
Appointed October 2023

Served during reporting period:

Director of Programmes
GILLIAN HOLMES
Served until March 2024

Director of HR
ELIZABETH BOONMAN-SALGADO
Served until August 2023

Interim Director of HR
JULIAN MCCARTHY
Served from August 2023 until October 2023

The Senior Leadership Team is responsible for setting Clean Air Fund strategy and driving its implementation. The Senior Leadership Team's responsibilities cover people and culture, strategy and impact, organisational processes and planning, risk and reputation.

The remuneration of the CEO and key management is reviewed annually and based on a combination of philanthropic and not-for-profit market rates. The CEO's remuneration is reviewed and agreed annually by the Trustees.

DECISION MAKING

The Trustees, together with the CEO and senior leadership team, make up the key management of the charity and are responsible for directing, controlling and running the charity on a day-to-day basis.

The Trustees have delegated certain decision-making responsibilities to the CEO and two sub-committees: the Finance, Audit and Risk Committee and the Grant and Charitable Activities Committee. Significant decisions of sub-committees are reported and monitored at each Board meeting.

Clean Air Fund Board has strategic and operational oversight of all Clean Air Fund activities, and decision making on strategy and major grants.

The Board has delegated grant making authority for smaller grants to both the Grant and Charitable Activities Committee and to the Chief Executive Officer.

FINANCE, AUDIT AND RISK COMMITTEE

The Finance, Audit and Risk Committee is a sub-committee of the Board. The Committee's membership includes designated Trustees and independent advisors with relevant technical expertise.

The Committee meets at least twice per year to consider budgeting and financial planning, financial reporting, risk management and audit, assurance, systems and controls.

The Committee meets prior to the Board meetings and a report from each meeting is taken to the Board.

GRANT AND CHARITABLE ACTIVITIES COMMITTEE

The Grant and Charitable Activities Committee is a sub-committee of the Board. The Committee's membership includes designated Trustees, independent advisors with relevant technical expertise, and donors that have contributed at least $500,000 per year to the pooled fund.

The Grant and Charitable Activities Committee meets at least three times per year to consider and approve portfolio strategies and approve potential grant awards, up to a value of $6m.

GRANT MAKING POLICY

Grant making within Clean Air Fund is guided by the Grant Making Policy, the key principles of which are outlined below:

Principles relating to Clean Air Fund's strategy

- Grants shall be aligned to at least one of the three drivers in our theory of change: data, demand, drive to action.
- Grants shall be aligned to our geographic and global strategies:
  - Grants should be in or for Clean Air Fund chosen geographies or on a global scale;
- Grants shall not be made directly in areas ruled out of our strategies, including:
  - **Litigation:** Clean Air Fund shall not make grants that are directly used to litigate; and
  - **Reducing exposure only:** we want to tackle both climate and health and thus focus on reducing emissions as well as exposure.

Principles relating to Clean Air Fund's values

- Grants shall align with Clean Air Fund's organisational values:
  - **Evidence-informed:** Informing, and being informed, by data and analysis to drive evidence-based decision making;
  - **Collaborative and inclusive:** Serving and engaging the most vulnerable and ensuring those most impacted by air pollution and climate change are most benefited by our actions. Cultivating an ecosystem of partners to deliver our mission;
  - **Dynamic:** Striving for systemic change through impact-focused grantmaking that delivers value for money.
- Grants shall have measurable and shareable results from which lessons can be learned by other organisations.

RISKS

The Trustees, in conjunction with the senior leadership team, are responsible for the management of the risks faced by Clean Air Fund. This is documented in Clean Air Fund's risk management policy which sets out our risk management principles and roles and responsibilities. The policy covers the major strategic, financial, legal and operational risks to which the charity may be exposed.

All major risks are documented within a risk register. The risk register grades the risks according to their importance by assessing the likelihood and level of impact of each risk both before and after any mitigating actions. The risk register is updated and reviewed on a quarterly basis by the senior leadership team, and is also reviewed by the Finance, Audit and Risk Committee every six months and by the Board once a year. Where necessary, Clean Air Fund also creates and maintains risk or incident response plans for specific topics

Clean Air Fund's risk appetite is determined by the Board. We are prepared to take programming and grant-making related risks within accepted limits, for instance supporting innovative programmes whose outcome is uncertain.

The principal risks identified by the Trustees are:

- **Fast organisational growth, especially international growth, creates the challenge of compliance with law and regulations in different jurisdictions.** This risk is mitigated by having senior staff with international management expertise, hiring high quality local advisors and having a strong set of organisational policies and processes.
- **The increased politicisation of some air quality policies reduces the scale of political ambition and leads to less impact.** This risk is mitigated by supporting work increase awareness and support for clean air policies and understanding the local operating context in working on policy goals.
- **The risk of a cyber security incident.** Due to the growth and additional visibility of the Clean Air Fund, there has been a significant growth in the number and sophistication of potential cyber security related incidents, including more phishing emails and attempts to imitate Clean Air Fund staff. This risk is mitigated by appointing an Operations and Security Manager, by upgrading our central IT systems and ensuring all staff are educated on cyber-risks and good practice.

The Trustees are satisfied that plans, systems, controls and policies are in place to mitigate and manage exposure to such major risks identified by the Trustees.

FINANCIAL REVIEW

Summary of Financial Position

Over the past four years our annual expenditure growth has been on average 34%. There has been growth across our grant making (which was four times more in 2023 compared to 2020) and in our team (with 61 staff at the end of 2023 compared to 8 at the end of 2019).

In 2023, income increased 124% year on year, and expenditure was 43% higher than 2022. We entered our second strategic period, 2023-2026, and were very successful in fundraising for the pooled fund and for large scale strategically aligned projects. Our team grew, both in size and geographic spread, and we continued to increase our grant making and charitable project spend.

Below is a table of our financial results over the past four years and a brief summary of our sources of income, areas of expenditure and overall financial results for 2023.

SUMMARY OF HISTORIC INCOME AND EXPENDITURE

USD $m	**2019**	**2020**	**2021**	**2022**	**2023**
Total Income	15.2	10.9	17.8	15.1	33.9
Total Expenditure	10.1	7.2	11.8	18.6	26.6
Total Grant and Charitable Project Spend	8.8	5.3	7.8	13.3	19.9
Net Movement in Funds	**5.1**	**3.7**	**6**	**(3.5)**	**7.3**
Fund balance	**5.1**	**8.8**	**14.9**	**11.4**	**18.7**
Restricted	0	0.4	0.9	0.9	8.0
Unrestricted: Core	5.1	8.4	14	3.3	9.5
Unrestricted: Designated	0	0	0	7.2	1.2

SUMMARY OF FINANCIAL KPIS

	2019	**2020**	**2021**	**2022**	**2023**
Average number of employees	4.2	12.3	22.9	26.9	48.3
Funds awarded to Partners ($m)	8.9	8.6	13	14.8	24.6
Grant disbursements ($m)	1.7	6.2	6.7	10.1	12.8

2023 Financial Statements Review

INCOME: $33.9M

The vast majority of income in 2023 came from large scale grants from philanthropic funders. Total income recognised during the year relating to these grants was $32.7m ($14.9m in 2022). There was also interest income and gifts in kind of $1.1m ($0.2m in 2022) within the total $33.9m income.

Total income in 2023 increased by $18.8m from $15.1m in 2022 (124% increase). The increase was due to a $12m increase in restricted income (where the funder has placed a geographic or project restriction on the use of funds) compared to 2022 (463% increase). Funding for two large scale restricted projects drove this shift; Breathe Cities ($8.5m) and Black Carbon ($2.0m). There was additionally an increase in our unrestricted funds of $6.8m compared to 2022 (54% increase), which is due to our existing funders renewing for the 2023-2026 period at a higher level than in the previous strategic period.

Clean Air Fund's funding composition therefore changed significantly due to the restricted income growth, with restricted funds comprising 43% of income in 2023 (2022: 17%).

Income is recognised in line with Clean Air Fund's accounting policy (when there is entitlement to funds, receipt is probable, and the amount is measurable) which means there is significant variation in annualised income depending upon our funders' profile of payments and mid-grant review processes across different financial periods.

EXPENDITURE: $26.6M

Total expenditure for 2023 was $26.6m. This was $8.0m (43%) higher than in 2022.

The most significant area of Clean Air Fund's expenditure relates to grants to third party organisations. We also deliver charitable activities through service contracts with non-charitable organisations (which we refer to as charitable service contracts), and on some occasions Clean Air Fund delivers charitable activities itself. Expenditure on grants and charitable projects grew by $7.2m, in accordance with Clean Air Fund's overall growth, expansion of new portfolios and commencement of Breathe Cities and Black Carbon programming.

Total charitable activities expenditure represents 99% of total expenditure. In 2023 this was $26.3m (2022 - $17.9m), an increase of $8.4m (47%). The primary driver of this increase is growth in our grant expenditure, particularly in our global portfolios towards our work on data, cities, health and global advocacy. Charitable expenditure is broken down into:

- $16.1m (2022 - $11.5m) grant expenditure;
- $4.4m (2022 - $1.8m) incurred by Clean Air Fund for charitable projects. These include projects undertaken directly through charitable service contracts, plus project related travel, consultants and communications costs;
- $2.6m (2022 - $1.3m) direct staff costs; and
- $3.2m (2022 - $3.4m) organisational and support costs.

The remaining 1% of expenditure $0.04m (2022- $0.5m, 3%) is related to fundraising and communications activity and consisted of staff time dedicated to finding new donors and communicating about the work of CAF and its grantees.

FINANCIAL RESULTS

Clean Air Fund's ended the year with a surplus of $7.3m (2022 – deficit of $3.5m). Unrestricted funds were broadly break even (very small surplus of $0.1m. On the restricted funds, there was a surplus of $7.2m, driven by income received from donors in advance of project spend which commenced in the last quarter of the year These overall results were expected and in line with our financial plans for 2023.

BALANCE SHEET

At the end of 2023, the majority of Clean Air Fund's assets were cash and cash equivalents of $33.3m (2022 - $24.4m), an increase of $8.9m. The increase was due to funds received from donors upfront (particularly on restricted projects, as explained above), which allows us to make multi-year grant commitments to our grantees and where the corresponding grant expenditure is staged in several tranches over the lifetime of the grant. This difference is reflected in the grant payable figure on the balance sheet. Given the higher interest rate environment, the majority of this cash balance was held in short term deposits, helping earn over $1m of additional income for Clean Air Fund during 2023 and helping diversify our cash.

Total liabilities at the end of 2023 were $15.4m (2022 –$14.4m), an increase of $1.0m. The two key drivers of changes in total liabilities are an increase in grants payable, and a decrease in deferred income:

- Grants payable: at the end of 2023, these totaled $11.4m (2022 - $8.1m), an increase of $3.3m.
- Deferred income: at the end of 2023, this totaled $2.8m (2022 - $5.6m), a decrease due to release of advance payments from funders received in 2022.

The closing position was total funds of $18.7m (2022 - $11.4m), of which $10.6m (2022 - $10.5m) were unrestricted and $8.0m (2022 - $0.9m) restricted.

RESERVES POLICY

The Trustees aim to maintain free reserves in unrestricted funds at a level which equates to between four to six months of unrestricted charitable expenditure. The Trustees consider that this level will provide sufficient funds to respond to applications for grants and ensure coverage of support and governance costs.

Currently our free reserves are $7.5m, which is above our policy requirement due to receiving funds from donors upfront.

During 2022, the Trustees created a designated reserve of $7.2m. This reserve represents the contingent liabilities to cover the costs of grant commitments made in the 2019-2022 strategic period where the expenditure is not yet accounted for (as grant commitments are contingent on future performance milestones and so are contingent liabilities). During 2023, $6.0m of this reserve was utilised as projects were implemented during 2023, leaving a balance of $1.2m.

The Trustees may, at their discretion, ring-fence further unrestricted funds for future essential spend or for a specific purpose.

The year-end total reserves were $18.7m. This is broken down as follows:

- Restricted reserves: $8.0m
- Core reserves: $1.9m
- Designated reserves for contingent grant commitments: $1.2m
- Free reserves: $7.5m

GOING CONCERN STATEMENT

Clean Air Fund's current financial position is strong. 31st December 2023 marked the end of the first year of our second strategic and funding period from 2023 to 2026. Key donor renewals have been secured, meaning we have multi-year funding contracts in place until 2026 providing a secure income base and supporting our healthy financial outlook.

Taking into account the current strong financial position of the organisation, our healthy reserves, cash-flow projections and our contracted grant income for the next 12 months, the Trustees and the Senior Leadership Team believe that Clean Air Fund has adequate financial resources to continue to operate and implement our plans. Accordingly, the financial statements have been prepared on the going concern basis.

KEY POLICIES

INVESTMENT POLICY

Clean Air Fund does not have an endowment and therefore investment is not a major part of the Fund's activities. Clean Air Fund's funds are held to support future grant expenditure. The aim of the investment policy is to minimise risk and protect capital security and therefore such assets are held as cash, invested to obtain a yield where possible. Driven by the high interest rate environment during 2023, we held the majority of our cash in short term, low risk, money market and liquidity funds over the year, which resulted in earning over $1.0m of income from the interest and dividends on the funds held in these accounts,

SAFEGUARDING AND CHILD PROTECTION

Clean Air Fund is committed to sector-wide best practice with regards to safeguarding and child protection. Clean Air Fund is committed to:

- Promoting good practice and work in a way that prevents harm, abuse and coercion occurring;
- Ensuring that any allegations of abuse or suspicions are investigated promptly and robustly. And where the allegation is proven it will be dealt with appropriately;
- Taking any action within our powers to stop abuse occurring and ensure the person who has experienced the abuse receives appropriate support; and
- Being transparent and open by reporting any cases of abuse to the appropriate authorities.

SUSTAINABILITY AND CARBON REPORTING

Clean Air Fund does not yet meet the size threshold for mandatory disclosure for carbon reporting, and therefore this is a voluntary disclosure. For this we have decided to disclose our main source of CO2 emissions, which for Clean Air Fund relates to international travel. CO2 emissions from international travel were 101,456Kg. International travel is a necessary part of Clean Air Funds' work and all trips are taken with the ultimate purpose of delivering our mission. Clean Air Fund also participates in a scheme to offset all emissions from international travel.

Clean Air Fund has a Sustainability Policy. We have a cross-cutting approach which looks to embed sustainability across each area of our activities. Key elements of the sustainability approach are:

- To prioritise train travel not air travel where possible;
- To default to vegetarian meals for Clean Air Fund events;
- To encourage suppliers and partners to implement their own sustainability policies;
- To offer an employee benefit package that prioritises sustainable benefits, such as cycle to work scheme in the UK and the default pension fund being an ESG scheme.

FUNDRAISING

Clean Air Fund does not undertake any public fundraising activities that meet the Charities (Protection and Social Investment) Act 2016.

REMUNERATION

None of the Trustees are remunerated for their services to the charity.

The remuneration of the CEO and key management are based on a combination of philanthropic and not-for-profit market rates and are reviewed annually. The CEO's remuneration is reviewed annually by the Trustees.

Staff salaries are based upon set pay scales which are set with reference to philanthropic and not-for-profit market rates. Any increments to staff salaries are proposed by the SLT and ratified by the Trustees.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors for the purposes for company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and regulations and United Kingdom generally accepted accounting practice (United Kingdom accounting standards) including FRS 102 (The Financial Reporting Standard) applicable in the UK and Republic of Ireland.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. This Trustees' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

So far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware. The Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees' Annual Report, including the Strategic Report, was approved and authorised for issue by the Board of Trustees on 07 August 2024 and signed on its behalf by

KATHERINE GARRETT-COX CBE,
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT

We have audited the financial statements of Clean Air Fund for the year ended 31 December 2023 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cash Flows 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 charitable company's affairs as at 31 December 2023 and of its 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 charitable company 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 trustees' 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 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 charitable company and its 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 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.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement set out on page 33 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.

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 members. 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 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. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS102) 2019. 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 ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud.

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 identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within grant income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, designing and performing audit procedures for grant income, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

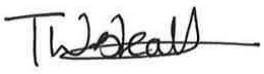
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance 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.

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.

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 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
Date: 09 August 2024

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2023

	NOTES	UNRESTRICTED FUNDS 2023 $	RESTRICTED FUNDS 2023	TOTAL FUNDS 2023	TOTAL FUNDS 2022
INCOME FROM:					
Donations	2	18,166,177	14,550,910	**32,717,087**	**14,941,547**
Investments	3	936,045	64,219	**1,000,264**	**103,179**
Other Income	4	147,324	_	**147,324**	**46,908**
TOTAL		**19,249,546**	**14,615,129**	**33,864,675**	**15,091,634**
EXPENDITURE ON:					
Raising funds	5	(321,518)	_	**(321,518)**	**(469,780)**
Charitable activities	5	(18,958,159)	(7,320,366)	**(26,278,525)**	**(17,926,371)**
TOTAL		**(19,279,677)**	**(7,320,366)**	**(26,600,043)**	**(18,396,151)**
Net income/(expenditure) before net gains & losses on investments		(30,131)	7,294,763	**7,264,632**	**(3,304,517)**
Foreign exchange losses		-	-	**-**	**(165,003)**
Net income/(expenditure) before transfers		(30,131)	7,294,763	**7,264,632**	**(3,469,520)**
Transfers		160,103	(160,103)	_	_
Net income/(expenditure) and net movement in funds	16/17	129,972	7,134,660	**7,264,632**	**(3,469,520)**
RECONCILIATION OF FUNDS:					
Fund balances brought forward at 1 January		10,508,664	905,714	**11,414,378**	**14,883,898**
Fund balances carried forward at 31 December		10,638,636	8,040,374	**18,679,010**	**11,414,378**

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2023

	NOTES	THE GROUP 2023 $	THE GROUP 2022 $	THE CHARITY 2023 $	THE CHARITY 2022 $
FIXED ASSETS:					
Investments	10	-	-	192,235	205,525
Tangible assets	11	3,807	-	-	-
		3,807	**-**	**192,235**	**205,525**
CURRENT ASSET:					
Debtors	12	813,981	1,364,886	766,247	1,364,886
Cash and Cash Equivalents[1]		33,245,325	24,401,891	33,173,892	24,196,366
		34,059,306	**25,766,777**	**33,940,139**	**25,561,252**
LIABILITIES FALLING DUE WITHIN ONE YEAR:					
Grants payable	15	(10,985,367)	(7,363,935)	(10,985,367)	(7,363,935)
Creditors	13	(3,974,564)	(6,245,137)	(4,103,015)	(6,245,137)
		(14,959,931)	**(13,609,072)**	**(15,088,382)**	**(13,609,072)**
NET CURRENT ASSETS		**19,099,375**	**12,157,705**	**18,851,757**	**11,952,180**
TOTAL ASSETS LESS CURRENT LIABILITIES		**19,103,182**	**12,157,705**	**19,043,992**	**12,157,705**
LIABILITIES FALLING DUE AFTER ONE YEAR:					
Grants payable	15	(424,172)	(743,327)	(424,172)	(743,327)
TOTAL NET ASSETS		**18,679,010**	**11,414,378**	**18,619,820**	**11,414,378**
FUNDS:					
UNRESTRICTED FUNDS:					
General funds		9,475,091	3,308,664	9,415,901	3,308,664
Designated funds		1,163,545	7,200,000	1,163,545	7,200,000
RESTRICTED FUNDS		8,040,374	905,714	8,040,374	905,714
TOTAL FUNDS	16	**18,679,010**	**11,414,378**	**18,619,820**	**11,414,378**

All of the charity's activities derived from continuing operations during the above financial period.

All recognised gains and losses are included in the above statement of financial activities.

These accounts have been prepared in accordance with the Companies Act 2006. (Company number 11766712)

Notes 1 – 21 form part of these financial statements. The financial statements were approved by the members of the Board of Trustees on 07 August 2024 and signed on their behalf by:

CHAIR: KATHERINE GARRETT-COX CBE

1. 2022 Short-term investments reclassified as a cash equivalent in line with accounting policy

CONSOLIDATED STATEMENT OF CASH FLOWS

AS AT 31 DECEMBER 2023

	Notes	2023 $	2022 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	A	**7,847,058**	6,010,622
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends and interest from investments		**1,000,264**	103,179
Purchase of fixed assets		**(3,888)**	-
Net cash provided by investing activities		**996,376**	103,179
CHANGE IN CASH AND CASH EQUIVALENTS IN THE PERIOD	B	**8,843,434**	6,113,841
CASH AND CASH EQUIVALENTS AT 1 JANUARY	B	**24,401,891**	18,288,050
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	B	**33,245,325**	24,401,891

NOTES TO THE STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2023

A. RECONCILIATION OF NET INCOME/(EXPENDITURE) AND NET MOVEMENT IN FUNDS TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	2023 $	2022 $
NET INCOME/(EXPENDITURE) AND NET MOVEMENT IN FUNDS (AS PER THE STATEMENT OF FINANCIAL ACTIVITIES)	**7,264,632**	**(3,469,520)**
ADJUSTMENTS:		
Dividends and interest from investments	**(1,000,264)**	(103,179)
Depreciation charges	**81**	-
Decrease in debtors	**550,905**	798,664
Increase in creditors falling due within one year	**1,350,859**	8,233,866
(Decrease)/increase in creditors falling due after one year	**(319,155)**	550,831
Net cash provided by operating activities	**7,847,058**	6,010,662

B. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 $	2022 $
TOTAL CASH AND CASH EQUIVALENTS		
Change in cash and cash equivalents in the year	**8,843,434**	6,113,841
Cash and cash equivalents at the beginning of the year	**24,401,891**	18,288,050
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**33,245,325**	24,401,891

REPRESENTED BY		
Cash and Cash Equivalents	**33,245,325**	24,401,891
	33,245,325	24,401,891

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

A BASIS OF PREPARATION

The Charity is a charitable company limited by guarantee (registered number 11766712), which is incorporated and domiciled in the UK and is a public benefit entity (registered address: 20 St Thomas Street, London, SE1 9RS). The Charity is registered in England and Wales (registered number 1183697). The Charity was incorporated on 15 January 2019. The Charity started trading on 1 May 2019. These financial statements cover the period from 1 January 2023 to 31 December 2023.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The financial statements have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011, and UK Generally Accepted Practice as it applies from 1 January 2019.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in US dollars and are rounded to the nearest dollar. US dollars is the currency of the primary economic environment in which the entity operates reflecting the currency of both the majority of income and grants awarded.

The consolidated financial statements include the results of Clean Air Fund and its subsidiary Clean Air Fund Services Private Limited (registered address: Unit 202 Crescent Building Lado Sarai, Mehrauli, New Delhi 110030). A subsidiary is an entity controlled by Clean Air Fund. Control exists where Clean Air Fund has the right to govern the operating and financial policies of that entity.

Details of Clean Air Fund's subsidiary is listed in notes 9 and 10 respectively. The results of the subsidiary are consolidated on a line by line basis. A separate Statement of Financial Activities and Balance Sheet has been presented for Clean Air Fund. No separate cash flow statement has been prepared for Clean Air Fund as permitted by the exemption in paragraph 1.12 of FRS 102.

B CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Preparation of the accounts requires the Board of Trustees and management to make significant judgements and estimates. The items in the accounts where these judgements and estimates have been made include:

Timing of entitlement of income as described in the income policy.

Timing of entitlement of grant expenditure as described in the expenditure policy.

C ASSESSMENT OF GOING CONCERN

Clean Air Fund's Board of Trustees have assessed whether the use of the going concern basis is appropriate and have considered feasible events or conditions that might cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. Specifically, the Trustees have considered Clean Air Fund's current financial position, our cash-flow projections and scenario planning forecasts and future funding streams.

Clean Air Fund's plans are based upon confirmed funder income. 31st December 2023 marked the end of the first year of Clean Air Fund's second strategic and funding period 2023-26. The majority of donor renewals for this period have been secured, meaning multi-year donor contracts over this period provide an assured income base and a strong financial position.

Taking into account the financial position, cash-flow projections and likelihood of renewal funding, the Trustees have concluded that they are happy with the assumptions and that there is a reasonable expectation that the Charity

has or will raise adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

D INCOME

Income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount can be measured reliably.

Donations received by the Charity, which are made up of grants, include those from donors that provide core funding, or are of a general nature. In the event that a grant is subject to conditions, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity, and it is probable that those conditions will be fulfilled, including those committed over multiple years.

Other income received by the charity is Gift-in-kind (GIK). GIK is a type of charitable giving in which contributions take the form of tangible goods or services or time given instead of money. Clean Air Fund's reported GIK were donated services, and they were valued at fair market value on receipt of the service.

Grants received with a restricted purpose are allocated on receipt directly into the correct fund and are not transferred between funds.

Income received in advance of the start of the grant agreement and with time-related conditions attached to the grants are deferred until the commencement date.

E EXPENDITURE

All expenditure is accounted for on an accrual basis and is recognised as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is stated inclusive of irrecoverable VAT.

Charitable activities comprise direct expenditure including grant expenditure and direct staff costs attributable to the activity.

Grants are made to institutions and are recognised where the beneficiary has been formally notified in writing of the award. This notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. In the case of an unconditional grant offer this is accrued once the recipient has been notified in writing of the grant award. Grant awards that are subject to the recipient fulfilling conditions are accrued when any remaining unfulfilled conditions attaching to that grant are outside of the control of the Charity.

The provision for a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the Charity that would permit the Charity to avoid making the future payment(s), settlement is probable and the effect of discounting is material. The majority of Clean Air Fund grants are accounted for on an annual basis due to an annual performance review within our grant agreements. The grantees performance is seen as being outside the control of the Charity.

Costs of raising funds include staff time incurred seeking new donations and additional funding for the Charity.

F ALLOCATION OF SUPPORT COSTS

Support costs, including general management, financial management, information systems and premises costs. Governance costs are those incurred in connection with the management of the Charity's assets, organisational administration and compliance with constitutional and statutory requirements. Support costs are allocated on the basis of total direct costs for each activity.

G DEBTORS

Debtors are recognised at their settlement amount, less any provision for non recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

H CASH AT BANK

Cash at bank represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

I CREDITORS

Creditors are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

J FUNDS STRUCTURE

General funds are unrestricted funds that are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity, and that have not been designated for other purposes. Designated funds are unrestricted funds earmarked for a particular purpose by the trustees. Designation does not legally restrict the trustees' discretion to apply the fund. During 2022, the Trustees created a designated reserves of $7.2m (carried forward balance of $1.2m at the end of 2023). This reserve represents the contingent liabilities to cover the costs of grant commitments made in 2022 where the expenditure is not yet accounted for (as grant commitments are contingent on future performance milestones and so are contingent liabilities). Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors.

All income and expenditure of Clean Air Fund has been included in the Consolidated Statement of Financial Activities.

K PENSION COSTS

Contributions payable to defined contribution pension schemes and/or personal pension plans are accounted for in the year in which they are payable.

L FOREIGN CURRENCY TRANSLATION

Monetary assets and liabilities denominated in a foreign currency are translated into USD at the exchange rate ruling on the Balance Sheet date. Transactions in foreign currencies are recorded at the average rate of exchange for the month the transaction was incurred.

All exchange differences are taken to the statement of financial activities.

M FINANCIAL INSTRUMENTS

The Charity 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 present value of the future cash flows unless the effect of discounting would be immaterial. Financial assets comprise cash at bank and in hand and debtors, including accrued income. Financial liabilities comprise grants payable, other creditors and accrued expenditure.

N TAXATION

Clean Air Fund is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

O LEASES

Rentals payable under operating leases are charged to the Consolidated Statement of Financial Activities on a straight-line basis over the term of the lease. Rent-free periods and other lease incentives are accounted for as a reduction to the lease expense over the lease term on a straight-line basis. Clean Air Fund does not have any finance leases.

2 INCOME FROM DONATIONS

	UNRESTRICTED 2023 $	RESTRICTED 2023 $	YEAR TO 31 DECEMBER 2023 $	YEAR TO 31 DECEMBER 2022$
Grant ncome	18,166,177	14,550,910	32,717,087	14,941,547
TOTAL	**18,166,177**	**14,550,910**	**32,717,087**	**14,941,547**

3 INCOME FROM INVESTMENTS

	UNRESTRICTED 2023 $	RESTRICTED 2023 $	YEAR TO 31 DECEMBER 2023 $	YEAR TO 31 DECEMBER 2022$
Band nterest and ividends	936,045	64,219	1,000,264	103,179
TOTAL	**936,045**	**64,219**	**1,000,264**	**103,179**

4 OTHER INCOME

	UNRESTRICTED 2023 $	RESTRICTED 2023 $	YEAR TO 31 DECEMBER 2023 $	YEAR TO 31 DECEMBER 2022$
Gifts in ind	147,324	_	147,324	46,908
TOTAL	**147,324**	**_**	**147,324**	**46,908**

5 EXPENDITURE

A Charitable expenditure

	DIRECT COSTS				
	GRANTS (NOTE 6) $	STAFF COSTS $	OTHER COSTS $	SUPPORT AND GOVERNANCE COSTS $	YEAR TO 31 DECEMBER 2023 $
CHARITABLE ACTIVITIES					
UK	1,794,087	272,222	1,335,399	467,260	3,868,968
India	2,888,916	297,966	135,922	456,422	3,779,226
Europe	3,597,871	390,749	1,122,466	702,061	5,813,147
Africa	1,426,586	215,322	45,559	231,791	1,919,258
Global	6,408,814	1,434,484	1,738,472	1,316,156	10,897,926
TOTAL CHARITABLE ACTIVITIES	**16,116,274**	**2,610,743**	**4,377,818**	**3,173,690**	**26,278,525**
RAISING FUNDS	**-**	**282,688**	**-**	**38,830**	**321,518**
TOTAL CHARITABLE EXPENDITURE	**16,116,274**	**2,893,431**	**4,377,818**	**3,212,520**	**26,600,043**

PRIOR YEAR

	DIRECT COSTS				
	GRANTS (NOTE 6) $	STAFF COSTS $	OTHER COSTS $	SUPPORT AND GOVERNANCE COSTS $	YEAR TO 31 DECEMBER 2022 $
CHARITABLE ACTIVITIES					
UK	1,209,861	238,666	545,934	462,998	2,457,459
India	1,020,020	63,284	87,899	271,885	1,443,088
Europe	2,876,263	271,482	391,283	821,555	4,360,583
Africa	580,042	55,838	115,202	174,357	925,439
Global	5,800,880	642,598	649,703	1,646,621	8,739,802
TOTAL CHARITABLE ACTIVITIES	**11,487,066**	**1,271,868**	**1,790,021**	**3,377,416**	**17,926,371**
RAISING FUNDS	**-**	**381,271**	**-**	**88,509**	**469,780**
TOTAL CHARITABLE EXPENDITURE	**11,487,066**	**1,653,139**	**1,790,021**	**3,465,925**	**18,396,151**

B Support and governance costs

	YEAR TO 31 DECEMBER 2023	YEAR TO 31 DECEMBER 2022
SUPPORT COSTS		
Staff costs	1,556,727	1,047,925
Other staff related costs	598,550	660,944
Communications and events	185,876	150,823
Legal and professional services	218,673	176,500
Consultant costs	216,956	211,384
Office and IT	316,256	353,701
Travel	257,446	173,428
Foreign exchange	(208,317)	660,361
TOTAL SUPPORT	**3,142,167**	**3,435,066**
GOVERNANCE COSTS		
Auditors' remuneration	32,516	25,491
Accountancy	6,070	5,368
Trustee and committee costs	28,777	-
Consultant costs	2,990	-
TOTAL GOVERNANCE	**70,353**	**30,859**
TOTAL SUPPORT AND GOVERNANCE	**3,212,520**	**3,465,925**

6 GRANTS

	UK $	INDIA $	EUROPEAN UNION $	AFRICA $	GLOBAL AND OTHER $	YEAR TO 31 DECEMBER 2023 $
Air for Health	-	-	25,000	-	-	**25,000**
AirBG.info	-	-	25,000	-	-	**25,000**
Asthma + Lung UK	348,830	-	-	-	-	**348,830**
Bruegel	-	-	81,284	-	-	**81,284**
C40 Cities Climate Leadership Group, Inc.	-	-	-	-	2,288,849	**2,288,849**
Center for Study of Science, Technology and Policy (CSTEP)	-	283,053	-	-	-	**283,053**
Center for the Study of Democracy	-	-	28,199	-	-	**28,199**
Centre for Science and Environment	-	383,492	-	-	-	**383,492**
Climate Outreach Information Network	-	-	-	-	108,784	**108,784**
Columbia University	-	-	-	270,512	-	**270,512**
Confederation of Indian Industry (CII)	-	232,263	-	-	-	**232,263**
Conservation Law Foundation	-	-	-	-	154,024	**154,024**
Conservative Environment Network	59,286	-	-	-	-	**59,286**
Environmental Defense Fund (EDF)	-	-	-	-	305,000	**305,000**
Ella Roberta Family Foundation	196,808	-	-	-	-	**196,808**
EnEffect	-	-	79,315	-	-	**79,315**
Energy Policy Institute at the University of Chicago (EPIC India)	-	678,916	-	-	-	**678,916**
European Clean Air Center (ECAC)	-	-	99,553	-	-	**99,553**
European Environmental Bureau (EEB)	-	-	576,937	-	-	**576,937**
European Lung Foundation	-	-	86,528	-	-	**86,528**
Forum Energii	-	-	143,455	-	-	**143,455**
Forum for the future	47,359	-	-	-	-	**47,359**
Fundacja Promocji Pojazdów Elektrycznych	-	-	223,298	-	-	**223,298**
Global Alliance for Incinerator Alternatives	-	-	-	-	249,990	**249,990**
German Alliance on Climate Change and Health (KLUG)	-	-	144,262	-	-	**144,262**
GhanaThink	-	-	-	64,715	-	**64,715**
Gujarat Mahila Housing Sewa Trust	-	250,000	-	-	-	**250,000**
HabitatMap	-	-	-	-	82,000	**82,000**
Health & Environment Alliance (HEAL)	-	-	223,319		-	**223,319**

	UK $	INDIA $	EUROPEAN UNION $	AFRICA $	GLOBAL AND OTHER $	YEAR TO 31 DECEMBER 2023 $
Health Effects Institute	-	-	-	-	289,854	**289,854**
Health Care Without Harm (HCWH)	-	353,925	-	-	-	**353,925**
Health Policy Watch	-	-	-	-	75,985	**75,985**
IIT Delhi	-	138,801	-	-	-	**138,801**
IIT KANPUR	-	690,913	-	-	-	**690,913**
Impact Amplifier Pty	-	-	-	216,993	-	**216,993**
Imperial College London	408,821	-	-	-	-	**408,821**
Institute for European Environmental Policy	-	-	65,396	-	-	**65,396**
Instytut Zdrowia i Demokracji (IZID)	-	-	84,933	-	-	**84,933**
International Council on Clean Transportation (ICCT)	-	-	88,506	-	50,000	**138,506**
Invisible Dust	65,874	-	-	-	-	**65,874**
Kigali Collaborative Research Centre	-	-	-	235,896	-	**235,896**
Krakow Smog Alert	-	-	256,887	-	-	**256,887**
Kwame Nkrumah University of Science and Technology	-	-	-	69,947	-	**69,947**
Lab AIR	-	-	21,991	-	-	**21,991**
Labour Climate and Environment Forum	119,753	-	-	-	-	**119,753**
Lewiatan	-	-	152,003	-	-	**152,003**
Mums for Lungs	76,382	-	-	-	-	**76,382**
New Narratives	-	-	-	196,892	-	**196,892**
Open AQ	-	-	-	-	475,000	**475,000**
Pan American Health Organisation (PAHO)	-	-	-	-	50,000	**50,000**
Polityka Insight	-	-	228,140	-	-	**228,140**
Polskie Stowarzyszenie Paliw Alternatywnych	-	-	247,651	-	-	**247,651**
Road Safety Partnership	-	-	107,510	-	-	**107,510**
Rockefeller Philanthropy Advisors	-	-	-	150,000	-	**150,000**
Royal College of Paediatrics and Child Health (RCPCH)	151,731	-	-	-	-	**151,731**
Salud por Derecho	-	-	49,558	-	-	**49,558**
ShareAction	102,209	-	-	-	-	**102,209**
Social Good Fund	-	-	-	-	143,485	**143,485**
Stockholm Environment Institute	-	-	147,025	-	-	**147,025**
The Energy Resources Institute (TERI)	-	144,827	-	-	-	**144,827**

	UK $	INDIA $	EUROPEAN UNION $	AFRICA $	GLOBAL AND OTHER $	YEAR TO 31 DECEMBER 2023 $
Transport & Environment	194,352	-	191,031	-	-	**385,383**
UK Community Foundation	5,341	-	-	-	-	**5,341**
Union for International Cancer Control (UICC)	-	-	-	-	78,602	**78,602**
United Charitable	-	-	-	-	148,000	**148,000**
United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP)	-	-	-	-	136,951	**136,951**
University of California, Davis, Air Quality Research Center	-	-	-	-	50,000	**50,000**
University of Cape Coast	-	-	-	223,691	-	**223,691**
University of Birmingham (UoB)	15,488	-	-	-	-	**15,488**
Vital Strategies	-	-	-	-	79,895	**79,895**
Washington University in St Louis	-	-	-	-	145,000	**145,000**
WattTime	-	-	-	-	75,000	**75,000**
World Economic Forum	-	-	-	-	506,000	**506,000**
World Athletics	-	-	-	-	162,737	**162,737**
World Heart Federation (WHF)	-	-	-	-	111,947	**111,947**
World Resources Institute (WRI)	-	-	-	-	490,271	**490,271**
Youth Environment Europe (YEE)	-	-	163,238	-	-	**163,238**
Za Zemiata	-	-	54,078	-	-	**54,078**
Other grants, FX variances and write backs on prior year grants	1,853	(267,274)	3,774	(2,060)	151,440	**(112,267)**
TOTAL	**1,794,087**	**2,888,916**	**3,597,871**	**1,426,586**	**6,408,814**	**16,116,274**

PRIOR YEAR

	UK $	INDIA $	EUROPEAN UNION $	AFRICA $	GLOBAL AND OTHER $	YEAR TO 31 DECEMBER 2022 $
Air for Health	-	-	38,230	-	-	**38,230**
Air Parif	-	-	-	-	160,017	**160,017**
Asthma + Lung UK	168,031	-	-	-	-	**168,031**
Brown University	-	-	-	-	294,678	**294,678**
C40 Cities	-	-	-	-	2,814,619	**2,814,619**
Council on Energy, Environment and Water (CEEW)	-	329,786	-	-	-	**329,786**
Conservative Environment Network (CEN)	51,166	-	-	-	-	**51,166**
Center for the Study of Democracy	-	-	41,800	-	-	**41,800**
Centre for Policy Studies	91,157	-	-	-	-	**91,157**
Chintan	-	99,913	-	-	-	**99,913**
ECF (Write back)	-	-	(62,436)	-	-	**(62,436)**
Ella Roberta Family Foundation	181,346	-	-	-	-	**181,346**
European Clean Air Center (ECAC)	-	-	320,697	-	-	**320,697**
European Environmental Bureau (EEB)	-	-	356,694	-	-	**356,694**
European Policy Centre (EPC)	-	-	81,810	-	-	**81,810**
Forum Energii	-	-	386,560	-	-	**386,560**
Fundacja Promocji Pojazdów Elektrycznych FPPE)	-	-	241,633	-	-	**241,633**
HabitatMap	-	-	-	-	178,000	**178,000**
Health Effects Institute	-	-	110,157	-	639,561	**749,718**
ICLEI	-	95,994	-	-	-	**95,994**
IIT-Kanpur	-	313,491	-	-	-	**313,491**
Instytut Zdrowia i Demokracji (IZID)	-	-	79,921	-	-	**79,921**
International Council on Clean Transportation (ICCT)	-	58,561	57,512	-	-	**116,073**
Institute for Public Policy Research (IPPR)	50,979	-	-	-	-	**50,979**
Kigali Collaborative Research Centre	-	-	-	238,109	-	**238,109**
Krakow Smog Alert	-	-	246,066	-	-	**246,066**
Lewiatan	-	-	163,466	-	-	**163,466**
Open AQ	-	-	-	-	475,000	**475,000**
Polityka Insight	-	-	140,306	-	-	**140,306**
Pravah	-	5,441	-	-	-	**5,441**

	UK $	INDIA $	EUROPEAN UNION $	AFRICA $	GLOBAL AND OTHER $	YEAR TO 31 DECEMBER 2022 $
Polskie Stowarzyszenie Paliw Alternatywnych	-	-	205,431	-	-	**205,431**
Purpose Foundation	-	-	97,425	-	-	**97,425**
Road Safety Partnership	-	-	139,518	-	-	**139,518**
Sesame Workshop India Trust	-	116,749	-	-	-	**116,749**
Social Change Nest	-	-	-	-	268,080	**268,080**
Social Good Fund	-	-	-	-	145,976	**145,976**
Transport & Environment	120,545	-	195,265	-	-	**315,809**
Trust for Social Action Foundation	-	-	50,836	-	-	**50,836**
UK 100 (Write back)	(20,367)	-	-	-	-	**(20,367)**
UK Community Foundation	303,231	-	-	-	-	**303,231**
United Charitable	-	-	-	-	70,000	**70,000**
University of California, Davis, Air Quality Research Center	-	-	-	-	40,000	**40,000**
University of Cape Coast	-	-	-	201,454	-	**201,454**
University of Pretoria	-	-	-	142,969	-	**142,969**
University of Birmingham (UoB)	283,163	-	-	-	-	**283,163**
Washington University in St Louis	-	-	-	-	75,000	**75,000**
World Economic Forum	-	-	-	-	647,500	**647,500**
FX Variance on prior year grants	(19,390)	85	(14,628)	(2,490)	(7,551)	**(43,974)**
University of Pretoria				142,969		**142,969**
Washington University in St Louis					75,000	**75,000**
World Economic Forum (WEF)					125,000	**125,000**
World Economic Forum (WEF)					522,500	**522,500**
FX Variance on prior year grants	(19,390)	85	(14,628)	(2,490)	(7,551)	**(43,974)**
Total	**1,209,861**	**1,020,020**	**2,876,263**	**580,042**	**5,800,880**	**11,487,066**

7 NET (EXPENDITURE) INCOME BEFORE TRANSFERS

This is stated after charging:

	TOTAL FUNDS 2023 $	TOTAL FUNDS 2022 $
Depreciation	81	-
Audit fees (excl VAT)	29,968	21,243

8 STAFF COSTS

	THE GROUP		THE CHARITY	
	2023 $	2022 $	2023 $	2022 $
Wages and salaries	3,633,948	2,226,552	3,322,468	2,226,552
Social security costs	424,322	268,097	424,322	268,097
Pension costs	391,888	206,415	391,888	206,415
TOTAL	**4,450,158**	**2,701,064**	**4,138,678**	**2,701,064**

The average number of employees has been analysed over a 12 month period, (by head count), analysed by function, was as follows:

	2023 NO.	2022 NO.
Fundraising	1.9	3.2
Charitable Activities	29.9	13.8
Support	16.5	9.9
TOTAL	**48.3**	**26.9**

By 31 December 2023 Clean Air Fund had 61 employees (2022:32).

There were 17 employees (2022:11) who earned $74,000 (£60,000) per annum or more (excluding benefits) during the year, based on the average exchange rate for the year.

	YEAR TO 31 DECEMBER 2023	YEAR TO 31 DECEMBER 2022
$74k to $86k (£60k to £70k)	4	0
$87k to $99k (£71k to £80k)	4	5
$100k to $111k (£81k to £90k)	4	1
$112k to $123k (£91k to £100k)	1	2
$124k to $136k (£101k to £110k)	1	0
$137K to $148k (£111k to £120k)	1	1
$149K TO $161K £121K TO £130K)	1	1
$224K TO $235K (£181K TO £190K)	0	1
$249K TO $260K (£211K TO £220K)	1	0
TOTAL	**17**	**11**

The key management personnel of Clean Air Fund has been defined as the CEO and the Senior Leadership Team. The total employee benefits including employer's pension contributions of the key management personnel were $1,179,709 (2022:$960,659).

The Trustees did not receive any remuneration for their services during the period. Five Trustees were reimbursed expenses for travel and subsistence in the year for a total of $28,777 (2022: six trustees were reimbursed $6,277)

9 SUBSIDIARY UNDERTAKINGS

Clean Air Fund has a wholly-owned trading subsidiary undertaking, Clean Air Fund India Private Limited (CAFIPL), a company incorporated and registered in India (registered no U74999DL2022FTC405832). There is no 2022 comparative as the company commenced trading on 1 January 2023. The principal activities of this company are to provide grant research and management services to Clean Air Fund. All of its profits are retained by the entity. The charity owns the entire issued share capital of 1,600,000 equity shares of INR1,600,000 equity shares of INR 10 each.

PROFIT AND LOSS ACCOUNT	**2023 $**	**2022 $**
Turnover	476,109	-
Cost of sales	(416,919)	-
Gross profit	59,190	-
Administration expenses	-	-
Profit on ordinary activities	**59,190**	**-**

Clean Air Fund India Private Limited (CAFIPL)

BALANCE SHEET	**2023 $**	**2022 $**
Intangible fixed assets	3,807	-
Current assets	268,331	-
Creditors: amounts falling due within one year	(20,713)	-
Total assets less current liabilities	**251,425**	**-**
Called up share capital	192,235	-
Retained profit and loss account	59,190	-
Shareholders' funds	**251,425**	**-**

10 FIXED ASSET INVESTMENTS

	THE GROUP		**THE CHARITY**	
INVESTMENTS HELD IN SUBSIDIARY	**2023 $**	**2022 $**	**2023 $**	**2022 $**
Clean Air Fund India Private Limited (CAFIPL)	-	-	192,235	205,525
TOTAL INVESTMENTS	**-**	**-**	**192,235**	**205,525**

11 TANGIBLE FIXED ASSETS

THE GROUP AND CHARITY	COMPUTER EQUIPMENT	TOTAL
Cost		
As at 1 January 2023	-	-
Additions in year	3,888	3,888
AS AT 31 DECEMBER 2023	**3,888**	**3,888**
DEPRECIATION		
As at 1 January 2023	**-**	**-**
Charge for the year	**81**	**81**
AS AT 31 DECEMBER 2023	**81**	**81**
NET BOOK VALUE		
As at 1 January 2023	-	-
As at 31 December 2023	3,807	3,807

12 DEBTORS

	THE GROUP		THE CHARITY	
	2023 $	2022 $	2023 $	2022 $
Trade Debtors	-	10,981	-	10,981
Accrued income	390,246	1,261,549	390,246	1,261,549
Prepayments	182,179	92,356	178,413	92,356
Other debtors	241,556	-	197,588	-
TOTAL	**813,981**	**1,364,886**	**766,247**	**1,364,886**

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	THE GROUP		THE CHARITY	
	2023 $	**2022 $**	**2023 $**	**2022 $**
Trade creditors	437,655	198,928	419,792	198,928
Social security costs	113,322	79,358	113,322	79,358
Accruals	510,636	354,047	508,094	354,047
Deferred income (note 14)	2,830,000	5,610,142	2,830,000	5,610,142
Other creditors	82,951	2,662	82,642	2,662
Intercompany	-	-	149,165	-
TOTAL	**3,974,564**	**6,245,137**	**4,103,015**	**6,245,137**

14 MOVEMENT IN DEFERRED INCOME

	THE GROUP		THE CHARITY	
	2023 $	**2022 $**	**2023 $**	**2022 $**
As at 01 January 2023	5,610,142	-	5,610,142	-
Released in year	(5,610,142)	-	(5,610,142)	-
Deferred in year	2,830,000	5,610,142	2,830,000	5,610,142
AS AT 31 DECEMBER 2023	**2,830,000**	**5,610,142**	**2,830,000**	**5,610,142**

Deferred income comprises grant funds which the charity has received but is not yet entitled, due to time-related conditions attached to the terms of the grants.

15 GRANTS PAYABLE

	YEAR TO 31 DECEMBER 2023 $	YEAR TO 31 DECEMBER 2022 $
GRANT COMMITMENTS AT 1 JANUARY	**8,107,262**	**4,777,121**
Grants awarded in the year	16,484,625	11,487,066
Grants written back in the year	(368,351)	(126,776)
Grants paid in the year	(12,813,997)	(8,030,149)
Grant repayment owed	-	-
GRANT COMMITMENTS AT 31 DECEMBER	**11,409,539**	**8,107,262**
Payable within one year	10,985,367	7,363,935
Payable after one year	424,172	743,327

16 MOVEMENT IN FUNDS

THE GROUP	AT 1 JANUARY 2023 $	INCOME $	EXPENDITURE $	TRANSFERS $	AT 31 DECEMBER 2023 $
UNRESTRICTED FUNDS					
General funds	3,308,664	19,249,546	(13,243,222)	160,103	9,475,091
Designated funds	7,200,000	-	(6,036,455)	-	1,163,545
Total unrestricted funds	**10,508,664**	**19,249,546**	**(19,279,677)**	**160,103**	**10,638,636**
RESTRICTED FUNDS					
Breathe Cities	-	8,556,890	(3,826,020)	-	4,730,870
Black Carbon	-	1,985,000	(306,169)	-	1,678,831
Clean Air Fund in India	-	2,830,000	(2,415,459)	-	414,541
Breathe Providence	412,111	-	(140,496)	-	271,615
Breathe Warsaw	193,603	350,000	(166,740)	-	376,863
Technical Centres of Excellence in India	300,000	300,000	(300,000)	-	300,000
Project Clean Air EU	-	154,363	(149,994)	-	4,369
Clean Air Fellowships	-	211,807	(15,488)	(160,103)	36,216
Birmingham Clean Air Project	-	227,069	-	-	227,069
Total restricted	**905,714**	**14,615,129**	**(7,320,366)**	**(160,103)**	**8,040,374**
TOTAL FUNDS	**11,414,378**	**33,864,675**	**(26,600,043)**	**-**	**18,679,010**

General funds are unrestricted funds that are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity, and that have not been designated for other purposes. We transferred $160,103 from the Clean Air Fellowships programme and unrestricted fund in relation to funds covered on the programme by our unrestricted funds in 2022, where there was a shortfall due to timing of income received on the project.

Designated funds are unrestricted funds earmarked for a particular purpose by the trustees. Designation does not legally restrict the trustees' discretion to apply the fund. The $1.2m designated funds represents the contingent liabilities to cover the costs of grant commitments made in 2022 where the expenditure is not yet accounted for (as grant commitments are contingent on future performance milestones and so are contingent liabilities).

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors. All income and expenditure of Clean Air Fund has been included in the Statement of Financial Activities. A summary of the material restricted funds held are:

- 'Breathe Cities' is a partnership delivered by Clean Air Fund, C40 Cities and Bloomberg Philanthropies that support cities around the world to cut their air pollution and climate emissions. This programme will include our current focus geographies and new ones too, with a focus on the Global South.
- 'Black Carbon' a new programme, including a mix of grant making and direct delivery to galvanise action against black carbon and reduce the considerable health harms of this component of particulate matter, and secure faster climate mitigation.
- 'Clean Air Fund in India' is funding towards Clean Air Funds pooled fund restricted to be spent in India only

THE CHARITY	AT 1 JANUARY 2023 $	INCOME $	EXPENDITURE $	TRANSFERS $	AT 31 DECEMBER 2023 $
UNRESTRICTED FUNDS					
General fund	3,308,664	19,249,546	(13,302,412)	160,103	9,415,901
Designated funds	7,200,000	-	(6,036,455)	-	1,163,545
Total unrestricted funds	**10,508,664**	**19,249,546**	**(19,338,867)**	**160,103**	**10,579,446**
RESTRICTED FUNDS					
Breathe Cities	-	8,556,890	(3,826,020)	-	4,730,870
Black Carbon	-	1,985,000	(306,169)	-	1,678,831
Clean Air Fund in India	-	2,830,000	(2,415,459)	-	414,541
Breathe Providence	412,111	-	(140,496)	-	271,615
Breathe Warsaw	193,603	350,000	(166,740)	-	376,863
Technical Centres of Excellence in India	300,000	300,000	(300,000)	-	300,000
Project Clean Air EU	-	154,363	(149,994)	-	4,369
Clean Air Fellowships	-	211,807	(15,488)	(160,103)	36,216
Birmingham Clean Air Project	-	227,069	-	-	227,069
Total restricted	**905,714**	**14,615,129**	**(7,320,366)**	**(160,103)**	**8,040,374**
TOTAL FUNDS	**11,414,378**	**33,864,675**	**(26,659,233)**	**-**	**18,619,820**

PRIOR YEAR

THE CHARITY AND GROUP	AT 1 JANUARY 2022 $	INCOME $	EXPENDITURE $	TRANSFERS AND FX LOSSES $	AT 31 DECEMBER 2022 $
UNRESTRICTED FUNDS					
General funds	14,001,087	12,493,840	(15,661,157)	(7,525,106)	3,308,664
Designated funds	-	-	-	7,200,000	7,200,000
Total unrestricted funds	**14,001,087**	**12,493,840**	**(15,661,157)**	**(325,106)**	**10,508,664**
RESTRICTED FUNDS					
Pooled Fund – UK and Africa	292	808,999	(809,291)	-	-
Clean Air Fund UK pooled Fund	175,730	1,015,735	(1,191,465)	-	-
Breathe Warsaw	-	350,000	(156,397)	-	193,603
Technical Centres of Excellence in India	-	300,000	-	-	300,000
McCall MacBain – Clean Air Fellowships	-	123,060	(283,163)	160,103	-
Breathe Providence	706,789	-	(294,678)	-	412,111
Total restricted	**882,811**	**2,597,794**	**(2,734,994)**	**160,103**	**905,714**
TOTAL FUNDS	**14,883,898**	**15,091,634**	**(18,396,151)**	**(165,003)**	**11,414,378**

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

THE CHARITY	GENERAL FUND $	DESIGNATED FUNDS $	RESTRICTED FUNDS $	TOTAL 2023 $
FUND BALANCES AT 31 DECEMBER 2023 ARE REPRESENTED BY:				
Fixed Assets	192,235	-	-	192,235
Current Assets	20,679,205	1,163,545	12,097,389	33,940,139
Current Liabilities	(11,110,670)	-	(3,977,712)	(15,088,382)
Non-Current Liabilities	(344,869)	-	(79,303)	(424,172)
TOTAL NET ASSETS	**9,415,901**	**1,163,545**	**8,040,374**	**18,619,820**

THE GROUP	GENERAL FUND $	DESIGNATED FUNDS $	RESTRICTED FUNDS $	TOTAL 2023 $
FUND BALANCES AT 31 DECEMBER 2023 ARE REPRESENTED BY:				
Fixed Assets	3,807	-	-	3,807
Current Assets	20,798,372	1,163,545	12,097,389	34,059,306
Current Liabilities	(10,982,219)	-	(3,977,712)	(14,959,931)
Non-Current Liabilities	(344,869)	-	(79,303)	(424,172)
TOTAL NET ASSETS	**9,475,091**	**1,163,545**	**8,040,374**	**18,679,010**

PRIOR YEAR

THE CHARITY	GENERAL FUND $	DESIGNATED FUNDS $	RESTRICTED FUNDS $	TOTAL 2022 $
FUND BALANCES AT 31 DECEMBER 2022 ARE REPRESENTED BY:				
Investments	205,525	-	-	205,525
Current Assets	16,251,683	7,200,000	2,109,569	25,561,222
Current Liabilities	(12,495,676)	-	(1,113,396)	(13,609,072)
Non-Current Liabilities	(625,868)	-	(90,459)	(743,297)
TOTAL NET ASSETS	**3,308,664**	**7,200,000**	**905,714**	**11,414,378**

THE GROUP	GENERAL FUND $	DESIGNATED FUNDS $	RESTRICTED FUNDS $	TOTAL 2022 $
FUND BALANCES AT 31 DECEMBER 2022 ARE REPRESENTED BY:				
Investments	-	-	-	-
Current Assets	16,457,208	7,200,000	2,109,569	25,766,747
Current Liabilities	(12,495,676)	-	(1,113,396)	(13,609,072)
Non-Current Liabilities	(625,868)	-	(90,459)	(743,297)
TOTAL NET ASSETS	**3,308,664**	**7,200,000**	**905,714**	**11,414,378**

18 TRANSACTIONS WITH RELATED PARTIES

No related parties transactions have taken place with senior management. Clean Air Fund's Conflict of Interest policy is for Board or Grant Committee members who have an interest in any grant awarding decisions do not take part in that decision and disclose any interest.

Justin Johnson (Trustee, resigned 12 October 2023) held the position of Climate Director at The Children's Investment Fund Foundation (CIFF) and was a member of the Global Board of directors of C40 Cities Climate Leadership Group Inc (C40 Inc) during 2023. During the year CAF received $9,395,516 from CIFF in respect of three separate grants. In the year C40 Inc was awarded grants totalling $2,288,850 of which $1,358,264 was paid in year. He received no remuneration in his capacity as a Trustee.

Stelios Kyriakakis (Trustee, appointed 08 August 2023) holds the position of Chief Operating Officer at IKEA Foundation, and Bing Hao (Trustee, resigned 31 July 2023) held the position of Head of Project Control at IKEA Foundation. During the year CAF received $10,000,000 from the IKEA Foundation in respect of a grant awarded in 2022. Neither trustee received remuneration in their capacity as a Trustees.

In respect of Clean Air Fund's subsidiary, Clean Air Fund India Private Limited (CAFIPL), intercompany transactions totalling $476,109 were incurred. As at 31 December 2023 Clean Air Fund held $149,165 of intercompany creditors in respect of amounts owed to the subsidiary.

19 OPERATING LEASES COMMITMENTS

	YEAR TO 31 DECEMBER 2023 $	YEAR TO 31 DECEMBER 2022 $
Less than one year	506,891	-
Two – five years	-	-

20 CHARITY STATEMENT OF FINANCIAL ACTIVITIES

The Charity Statement of Financial Activities reflects the results of the Clean Air Fund charity only, excluding the results of the trading subsidiary undertaking, Clean Air Fund India Private Limited (CAFIPL).

	NOTES	UNRESTRICTED FUNDS 2023 $	RESTRICTED FUNDS 2023	TOTAL FUNDS 2023	TOTAL FUNDS 2022
INCOME FROM:					
Donations	2	18,166,177	14,550,910	**32,717,087**	**14,941,547**
Investments	3	936,045	64,219	**1,000,264**	**103,179**
Other income	4	147,324	_	**147,324**	**46,908**
TOTAL		**19,249,546**	**14,615,129**	**33,864,675**	**15,091,634**
EXPENDITURE ON:					
Raising funds	5	(321,518)	_	**(321,518)**	**(469,780)**
Charitable activities	5	(19,017,349)	(7,320,366)	**(26,337,715)**	**(17,926,371)**
TOTAL		**(19,338,867)**	**(7,320,366)**	**(26,659,233)**	**(18,396,151)**
Net income/(expenditure) before net gains & losses on investments		(89,321)	7,294,763	**7,205,442**	**(3,304,517)**
Foreign exchange losses		-	-	**-**	**(165,003)**
Net Income/(Expenditure) before transfers		(89,321)	7,294,763	**7,205,442**	**(3,469,520)**
Transfers		160,103	(160,103)	_	_
Net expenditure/income and net movement in funds	16/17	70,782	7,134,660	**7,205,442**	**(3,469,520)**
RECONCILIATION OF FUNDS:					
Fund balances brought forward at 1 January		10,508,664	905,714	**11,414,378**	**14,883,898**
Fund balances carried forward at 31 December		10,579,446	8,040,374	**18,619,820**	**11,414,378**

REFERENCE AND ADMINISTRATIVE DETAILS

REGISTERED NAME	**Clean Air Fund**
DATE OF INCORPORATION	15th January 2019
COMPANY NUMBER	11766712
REGISTERED CHARITY NUMBER	1183697
TRUSTEES	Katherine Garrett-Cox CBE Gunjan Shah [Appointed 02 November 2022] Stylianos Kyriakakis [Appointed 08 August 2023] Milena Nikolova [Appointed 01 March 2024]
CHIEF EXECUTIVE OFFICER	Helen Jane Burston
COMPANY SECRETARY	Mike Saxton
REGISTERED OFFICE CLEAN AIR FUND	20 St Thomas Street London SE1 9RS
REGISTERED OFFICE CLEAN AF SERVICES INDIA	Unit No.202 The Crescent Building Lado Sarai Mehrauli New Delhi-110030 India
BANKERS	HSBC Bank Plc 69 Pall Mall St James London SW1Y 5EY
SOLICITORS	Mills & Reeve 24 King William Street London EC4R 9AT
AUDITORS	Crowe U.K. LLP Fourth Floor St James House St James' Square Cheltenham GL50 3PR

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CLEAN AIR FUND

The Clean Air Fund (UK) is registered in England with company number 11766712 and charity number 118369.

Registered address: 20 St Thomas Street, London, SE1 9RS.

info@cleanairfund.org
www.cleanairfund.org
@cleanairfund

CLEAN AIR FUND

England & Wales - Charity number 1183697

Accounts

CLEAN AIR FUND

2022

Annual report and accounts

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LETTER FROM OUR CHAIR AND EXECUTIVE DIRECTOR

The clean air movement has grown in strength and ambition over the last 12 months.

From Climate Week in New York to COP27 in Sharm El-Sheikh, the lifting of Covid travel restrictions brought new opportunities to make the case for clean air in global forums and to convene the clean air movement. Campaigners, businesses, funders and policy makers alike were able to forge connections like never before and strengthen the vision we share of a future where everyone breathes clean air.

The rapidly changing context brought challenges too, with Russia's invasion of Ukraine driving up energy costs and inflation, and political instability in many countries adding to the complexities of advocating for action on air pollution. The focus on cutting energy bills and boosting national self-sufficiency highlighted an ongoing reliance on fossil fuels and fed a growing recognition of the role of renewables.

Against that background, we succeeded in expanding the scale and influence of our grant making and our cross-cutting research, advocacy and strategic communications.

We committed funding to 58 new projects, worth a total of almost $15 million. We grew our annual expenditure on new and live projects by 70%, from $7.8m in 2021 to $13.3 in 2022. We developed our portfolios, making our first grants in Ghana and at an EU level, and building our private sector work. Activities we deliver ourselves, such as our flagship research publications and accompanying advocacy and outreach efforts, reinforced our grant making and enabled us to draw on our unique perspective as the largest philanthropic initiative dedicating to cleaning the air.

The year marked the completion of our first strategic period (2019-2022) and the beginning of our new Clean Air For All strategy (2023-2026). Our ambitious plan sets out how we will build on our collective achievements to date and catalyse change at all levels — from grassroots to government and from boardroom to global stage.

In our new strategic period, we will work to drastically reduce air pollution and greenhouse gas emissions, and to increase political recognition of air pollution as a global health priority. With air pollution disproportionately affecting the most marginalized people, we will work with local communities to ensure that the benefits of clean air are equitably secured for all. Our exciting new Breathe Cities programme will bring additional attention and resources to create tangible change at a city level.

We are grateful to all of our funders who have supported us on our journey so far. Thank you too to our grantees, our trustees and our staff whose expertise, passion and commitment enables everything we do.

JANE BURSTON
Executive Director

KATHERINE GARRETT-COX CBE
Chair of the Board of Trustees

RZE 63821

TRUSTEES' REPORT

Clean Air Fund is a global philanthropic organisation that brings together and supports governments, campaigners, research, funders and businesses to create a world where everyone breathes clean air.

OUR YEAR AT A GLANCE

$14.8m

committed to clean air

58 new air quality projects

8 grant making portfolios

3.3m on air quality data projects

2.2m on UK projects

2.2m on projects to campaigns and corporate engagement

1.2m on health projects

0.4m on Africa projects

0.3m on India projects

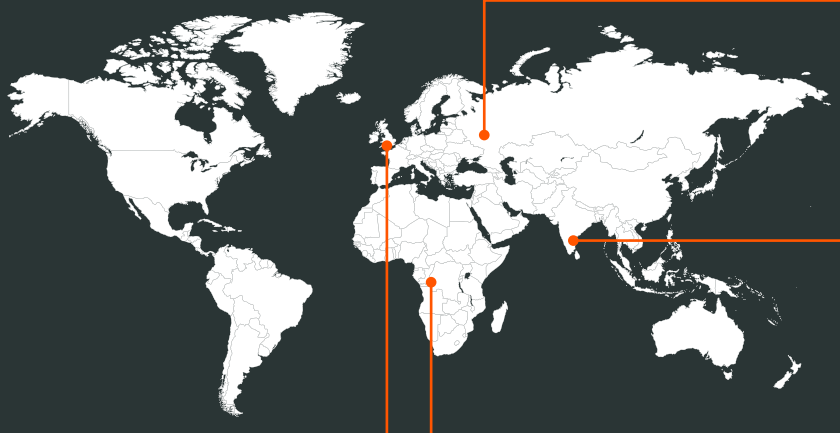
Global

$59m raised for grants

$76m catalysed for the air quality field

16 members of the corporate Clean Air Alliance

34,000 video views of flagship air quality funding report



EU

$22 bn allocated to Poland's National Clean Air programme

India

50,000 female construction workers educated on air pollution

92 members of corporate CEO Forum for Clean Air

UK

180,000 responses to public consultation on air quality targets

20-44% NO2 concentrations cut since 2021 London ULEZ expansion

Africa

10 African cities joined C40's Clean Air Accelerator

65 low-cost sensors and 7 reference grade monitors delivered to Accra

WHY CLEAN AIR?

Air pollution is everywhere. Invisible particles penetrate cells and organs in our bodies: our lungs, heart, blood and brain. Dirty air is a leading cause of heart attacks, stroke and many other diseases.

In addition to harming our health, air pollution is linked to climate change. Some health harming pollutants, like black carbon or soot, have a very high global warming potential. The sources of air pollutants and greenhouse gas emissions are often the same – burning fossil fuels for energy, transport, industry or agriculture.

MORE THAN 90%
of the world's population breathes harmful, dirty air

7 MILLION PEOPLE
die each year as a result of air pollution

X 2
more people die from air pollution than malaria + tuberculosis + HIV/AIDS

45%
of current global temperature rises are caused by short-lived climate pollutants including air pollutants like black carbon

IT DOESN'T HAVE TO BE THIS WAY.

OUR APPROACH

We accelerate action on clean air through:

DATA

Putting compelling evidence in the right hands

DEMAND

Growing public awareness and political will

DRIVE

Influencing decision-makers to commit to ambitious clean air measures

TOGETHER, WE CAN DELIVER CLEAN AIR FOR ALL.

OUR MISSION

Working together for clean air will create a healthier, fairer, more prosperous future for everyone. The Clean Air Fund aims to accelerate the movement for clean air by:

Funding and partnering with organisations across the globe that promote data, build public demand for clean air and drive action;

Influencing and supporting decision-makers to act on clean air, bringing together funders, researchers, policy makers, businesses, and campaigners to build & strengthen the air quality cause; and

Working with communities disproportionately affected by air pollution.

WHERE WE WORK

We work where both the need and potential for impact is greatest. We also run a global programme to raise air pollution up the agenda and encourage decision makers to take action.

CLEAN AIR FOR ALL STRATEGY: Accelerating action (2023-2026)

In 2022, with pro bono support from Bain, we developed an ambitious new strategy setting out how we will catalyse progress on air pollution. We will work to make a significant impact on air pollution and greenhouse gas emissions, especially in the cities in which we work, as well as securing political recognition of air pollution as a global health priority.

OVER THE NEXT FOUR YEARS WE AIM TO:

Catalyse a total of $250 million in funds for air quality programming

Drive significant progress on reducing air pollution in at least 8 countries and 55 cities

Encourage at least 75 multinational companies to commit to ambitious plans to reduce their air pollution footprints across their value chains

Bring together leaders at all levels to agree international action on air pollution.

STRATEGIC REPORT

SPOTLIGHT ON IMPACT: WE CATALYSED $135M IN NEW FUNDING TO TURN THE TIDE ON AIR POLLUTION

- Today the Clean Air Fund is the single biggest philanthropic donor dedicated to cleaning our air, having raised $59m of direct funding to our pooled fund in our first strategic period. Crucially, we secured a pioneering funding partnership across climate, health, early childhood development and sustainable mobility funders. Three of our funders tell us that air quality is “the first environmental issue” they have funded.

- We also catalysed an additional $76m of new funding into the wider air quality field. This includes investment we have leveraged through co-funding and influenced through dialogue with other funders.

- With more funds, and more partnerships built across sectors and issues, the movement can start to turn the tide on air pollution.

OVERVIEW

INCREASED SCALE OF GRANT MAKING

In the last 12 months, we committed funding to 58 new projects, worth $14.8m in multi-year value and a $1.8m (14%) increase on $13.0m in 2021. With our partners, we managed a total of 77 projects. Annual expenditure on new and live projects totalled $13.3m, a $5.5m (70%) increase from $7.8m in 2021.

EXPANDED REACH AND INFLUENCE ACROSS GEOGRAPHIES AND THEMATIC AREAS

In 2022, we made our first grants in Ghana and at an EU level. We increased to eight live portfolios, with another (South Africa) under development, and built our private sector work into a full portfolio with its own team, strategy and grantees. Our geographic portfolios are: EU (including Poland), Ghana, India and UK. Our thematic portfolios are: Advocacy & Campaigns, Data, Health and Private Sector Engagement.

CROSS-CUTTING ACTIVITIES TO COMPLEMENT GRANTS

We carry out some work ourselves at global level to reinforce our grant making. This includes research, advocacy and strategic communication projects. They enable us to make the most of our unique position as the largest philanthropic initiative dedicated to cleaning the air. In the last year, these projects have included another attention-grabbing edition of The State of Global Air Quality Funding report, among other publications, and direct engagement with decision makers, most notably at the COP27 conference in Egypt in November.

ORGANISATIONAL PROGRESS

In 2022, we focused on delivering against our initial strategic objectives (2019-2022) and preparing our new strategy (2023-2026).

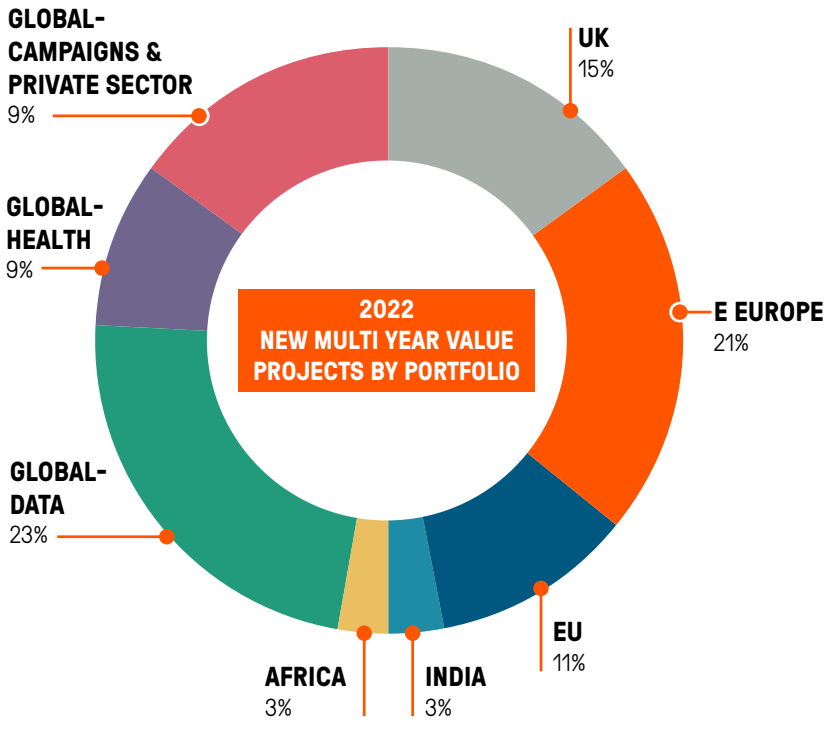
We grew the team from 27 to 36[1], adding expertise in Monitoring Evaluation and Learning, health and digital communications, by hiring our first Chief Impact Officer, Head of Health and Digital Communications Manager.

We also expanded our capacity to operate internationally, setting up a new legal entity in India to employ our team there. We hired team members in Ghana, Switzerland and Brussels.[2] In the UK, we moved to a bigger and better office to accommodate the team's growth.

We have developed our approach to equity in our programming, governance and team, creating an organisational self-assessment tool in preparation for producing a cross-organisational equity vision, strategy and action plan in 2023. We also broadened and enhanced our recruitment practices as part of a concerted effort to increase the diversity of our team.

1. 28 UK (Nov payroll incorporating maternity cover) plus 2 to join in Jan, 4 India, 1 Ghana, 1 Switzerland

2. Through an Employer of Record partnership with a specialist provider.



ACCELERATING CHANGE AT A GLOBAL LEVEL

Setting the agenda: Research, campaigns, advocacy and strategic communications

HIGHLIGHTING AIR QUALITY FUNDING TRENDS AND GAPS

We launched our fourth The State of Air Quality Funding report on UN International Day of Clean Air for blue skies in September. This flagship annual report provides the only global snapshot of clean air funding from donor governments and philanthropic foundation.

This year, we highlighted the fact that air quality funding still receives just 0.5% of total international development funding and less than 0.1% of philanthropic foundation funding. We focussed our analysis and recommendations on Africa, ahead of the 'Africa COP' in Egypt. We demonstrated the drastic underfunding of air quality on the continent with a headline statistic that 36 times more funding was committed by international development funders to fossil fuel-prolonging projects ($14.6 billion) than air quality projects ($403.6 million) in Africa (between 2015 and 2020). The report was covered widely, including by AFP in English and French (Fossil fuel investment in Africa dwarfs clean air funding). We generated record levels of engagement about the research on social media, including over 3.4k video views on Twitter and a post by climate activist Vanessa Nakate to her 242k followers.

SPOTLIGHT ON IMPACT: WITH OUR BACKING, MORE GRASSROOTS CAMPAIGNERS ARE INSPIRING CHANGE

From Accra to Cairo and Delhi to Warsaw, our support has helped mobilise community campaigners and influential advocates. Around two-thirds of our grants go to grassroots organisations. We have:

- Funded youth and parent advocates to attend COP26 in Glasgow and COP27 in Egypt and put the health impacts of air pollution on children in the spotlight;
- Backed activists in Accra, Egypt, Lagos and Cape Town to map air pollution through wearable sensors, to develop campaigns and bring these to COP27;
- Supported female construction workers in Delhi to understand the health impacts of air pollution on their children and themselves, to support clean air action by reporting regulatory violations, and to access increased livelihood protections;
- Funded local Polish Smog Alert groups which have successfully campaigned for dirty coal heating stoves to be replaced;
- Capitalised a Fund in Bulgaria to provide small grants to women's groups and groups representing marginalised communities who will train community leaders on air pollution;
- Supported Choked Up, a group of black and brown teens, to mount attention-grabbing stunts in the most polluted parts of London.

MOVING AIR POLLUTION UP THE GLOBAL AGENDA

At COP27, our focus was to raise air pollution up the political agenda, insert it into climate and health narratives and position the Clean Air Fund to build its influence and mobilise funding.

- From Pollution to Solutions in Africa's Cities, released on the eve of COP27, attracted media and positioned the Clean Air Fund delegation to speak powerfully on the need for more funding to tackle air pollution in Africa and more attention and action from governments. The report examined the potential benefits of tackling air pollution and climate change together in the four cities of Accra, Cairo, Johannesburg and Lagos.
- At this year's COP, the air quality field organised an unprecedented number of clean air events. We spoke on several panels organised by grantees, including the World Economic Forum and the World Health Organization and, with our partners, played a role in advancing the importance of health to the climate agenda.

SUPPORTING CAMPAIGNS FOR CHANGE

At a global level, we supported organisations like Campaign Collective and Our Kids Climate to enable advocates to make the case for clean air at international forums such as COP27 and UN Climate week. Our grantee, Campaign Collective provided key strategic support to air quality campaigners globally, working behind the scenes to share key messaging and enable campaigners like Dr Kumar of Health Care Without Harm to take the global stage. We supported Our Kids' Climate to bring four parent campaigners from across Africa and India to COP27, where the delegation framed air pollution within the context of children's rights, pushing to the fore the need to tackle air pollution.

ENGAGING THE PRIVATE SECTOR

Corporate engagement on air quality is gathering pace. The trailblazing corporate Alliance for Clean Air, which we established in partnership with our grantee, the World Economic Forum, has welcomed six new multinational companies, bringing the Alliance membership total to 16. New joiners include pharmaceutical and software giants, GSK, Haleon, Moderna and Oracle, and engineering firm GEA Group. All Alliance members have committed to measuring their air pollution footprint with a view to including air pollution in their corporate sustainability reports. To advance this work, the Alliance launched a ground-breaking guide on how to measure air pollution across value chains and produced a business case toolkit to encourage other companies to follow suit.

We also supported national level activities with businesses. Through a grant to the Confederation Lewiatan business coalition in Poland, we secured commitments from over 20 companies to collaborate on reducing air pollution in their operations. In India, our work with the Confederation of Indian Industry has built support among close to 100 CEOs and developed an interactive website with case studies showcasing best practice.

AIR QUALITY DATA

INCREASING DATA CAPACITY IN AFRICA

There is an urgent need to increase capacity in Africa on air quality data: only 8 out of 54 countries on the continent currently provide air quality data, according to the WHO air quality database. And only 6% of children on the continent live near a reliable ground-level real-time air quality monitor, compared to 72% of children in Europe and North America, according to UNICEF.

To address this, our grantee C40 secured the commitment of 10 African cities to its Clean Air Accelerator programme, up from just one in 2021. This aligns city ambition to WHO guidelines, recognizes clean air as a human right, and commits cities to implementing clean air actions and publicly reporting on progress. C40 also launched their African Cities for Clean Air Programme, providing a first-of-its-kind forum for regional city-to-city cooperation on air quality management.

Another grantee, World Resources Institute, has been generating new information on air quality and its sources in four African cities through their CanAIRy Alert Programme. Using data from local, low-cost sensor networks alongside air quality forecasting and pollution insights tools, the programme enables local air quality managers to forecast pollution episodes and identify and address pollution sources. Its community of practice has brought together academics and government officials in Ethiopia, Ghana, Kenya, Rwanda and Senegal to draw from experiences of Colombia and Mexico.

We also initiated an ambition city-wide data project in Accra, Ghana. The project will provide fully open data from 65 low-cost sensors and seven reference grade monitors, and training workshops for government officials on how to use the data and to effectively implement Accra's AQ management plan. This will transform the availability of data in Ghana and provide a blueprint for other Breathe cities.

EQUIPPING COMMUNITY ORGANISATIONS WITH AIR QUALITY DATA

The UrbanBetter initiative engaged a diverse group of campaigners in key cities in Ghana, Nigeria and South Africa in an innovative campaign centered around youth and running. Some 10 youth activists led runs with wearable sensors to map their exposure to air quality and their experience of the built environment. In Cape Town, the Mayor joined one of the runs; in Lagos, the Commissioner of Health of Nigeria engaged with the project; and in Accra, local civil society organisations got involved. The project was covered by local press and broadcasters and Africa.com. Follow-up workshops with local campaigners used the data to shape advocacy plans tailored for each city to highlight air pollution with local and national government leaders and the media. The data was also showcased at COP27 through talks, an exhibition and another run. This campaign was effective in drawing attention to the issue and can be easily scaled up or replicated.

HabitatMap's toolkit, which provides a step-by-step guide for community-based organisations, schools and citizen scientists to map and campaign on their local air quality, enabled the UrbanBetter campaigns as well as other community-level action in 2022. The toolkit launched this year has already been accessed by 22 countries from 6 continents, with the deepest engagement to date from US-based school districts and library networks.

BUILDING PARTNERSHIPS WITH KEY GLOBAL INSTITUTIONS

We signed a memorandum of understanding with the US Environmental Protection Agency, one of the world leaders in measuring and tackling air pollution, and supported a collaborative project to improve international data management systems. In addition, we worked closely with UNEP, co-funding projects and convening a cross-UN agency working group, to lay the foundation for better coordination and more impactful guidance materials for the air quality field.

SPOTLIGHT ON IMPACT: TWICE AS MANY COUNTRIES HAVE PUBLICLY AVAILABLE AIR QUALITY DATA

- Our continued support to the OpenAQ platform has facilitated access to interoperable air quality data from more than 43,000 reference, research and low-cost monitors. More than 23 billion data points have been aggregated from 150 countries, representing 390% more stations and double the countries since 2019.

- In 2022, six new low-cost sensor partnerships were added to the platform, new user tools developed, and several community events and webinars held. OpenAQ is seeing significant growth in user numbers (now 18 million downloads per month), facilitating potential applications in academic research, data services, public outreach initiatives, modelling and policymaking tools.

- Also within our air quality data portfolio, we supported the World Health Organization to update its air quality database for the first time since 2018. Launched on World Health Day, this provided member-state ratified annual average data for 6,000 cities in 117 countries for PM10, PM2.5 and, for the first time, NO2.

HEALTH

INCREASING THE REACH OF HEALTH DATA AND RESEARCH ON AIR POLLUTION

With our support, the WHO's Air Quality and Health Unit released an updated database of air quality data covering over 6,000 cities and conurbations. This database is a critical benchmark for national, regional and global analysis of air pollution challenges in different cities and regions.

We grew our partnership with Health Effects Institute (HEI) , combining forces on media outreach to publicise their State of Air Quality and Health Impacts in Africa and our own From Pollution to Solutions in Africa's Cities report - released just ahead of COP27. Both featured in international media, reaching health policy makers and donors before, during and after COP.

Other HEI research addressed important knowledge gaps, supporting evidence-led policy making and action. For example, their Air Quality and Health in Cities report provided comprehensive analysis of air pollution and global health impacts for more than 7,000 cities and focussed on the most harmful pollutants including PM2.5 and, for the first time, nitrogen dioxide (NO2). It showed striking differences in global patterns of exposure to these two key air pollutants. Exposures to PM2.5 pollution tend to be higher in cities in low- and middle-income countries (LMICs), but exposure to NO2 poses a serious danger to public health across high-income cities as well as LMICs.

AIR POLLUTION AND EARLY CHILDHOOD DEVELOPMENT

Early Childhood Development is the central focus of our new health strategy. We aim to increase attention from global health actors and donors on air pollution as a major threat to child health. We will also fill evidence gaps on the cognitive and physical impacts from air pollution on the youngest children, especially in LMICs. Highlights from the last year:

- HEI's Special Report on Air Quality and Health in Africa underscored the impacts of air pollution on newborns and young children. 14% of all deaths in children under 5 in Africa in 2019 were linked to air pollution and some 236,000 newborns die in their first month from air pollution exposure.
- We supported health advocates focused on children and youth to engage in global decision-making processes at COP27 and speak at air pollution focused events. These included delegates from parents' groups, African youth advocates from UrbanBetter and health professionals in collaboration with Healthcare without Harm. As noted in international media at the time, the mobilisation and engagement of the health sector was stronger than ever in Sharm El-Sheikh.
- We coordinated two letters to The Lancet calling for the inclusion of air pollution in the Lancet Series on Child and Adolescent Health: one co-authored by Clean Air Fund with health advocates from India, Ghana and the UK and another from global health researchers.
- We launched a 'Cleaning Our Children's Air' webinar series to raise awareness and hear from thought leaders and campaigners in the field of child health.

ACCELERATING CHANGE AT A NATIONAL AND CITY LEVEL

GHANA

LAYING THE FOUNDATIONS FOR BETTER AIR

We are supporting the delivery of action on clean air through a new data initiative in the capital. Clean Air Fund has convened the 13 municipalities across Accra and developed relationships with the Ministry of Environment, Science, Technology and Innovation and Ghana's Environmental Protection Agency (EPA). The project is deploying 65 low-cost sensors and 7 reference grade monitors across the city and providing training to support municipal staff to use and interpret the data. This will significantly bolster local understanding of air quality, helping to support the implementation of effective policy.

STRENGTHENING DEMAND FOR ACTION ON CLEAN AIR

We are developing new grants to fund youth engagement, train media houses and journalists to better report on air pollution, and accelerate activities to promote pollution-free play for young children attending nursery schools.

FILLING A RESEARCH GAP ON HEALTH IMPACTS

We are partnering with the Gates Foundation through a grant with Columbia University, Kintampo Health Research Centre and Mount Sinai Medical School to conduct a longitudinal study on the short-term and lifelong health impacts of early life air pollution exposures. The grantees will investigate the impacts of prenatal and early childhood exposure to air pollution on children's health outcomes and the risk of lifelong impacts of noncommunicable diseases.

EUROPEAN UNION

We are building our presence in Brussels to influence the European Commission and EU member states. In 2022, the European Commission put forward a draft Ambient Air Quality Directive (AAQD) which sets a target for all 27 Member States to meet the WHO's interim targets for PM2.5 and NO2 by 2030. This high level of ambition was achieved thanks to an internal drive within the Commission, alongside pressure from civil society which we reinforced in meetings with EU representatives. The draft Directives will now be considered by the European Parliament and negotiated in the EU Council, where Member States will vote on its adoption.

BULGARIA

BREATHE SOFIA LAUNCHED

The Mayor of Sofia launched a new Breathe Sofia initiative last year, setting out ambitions for air quality standards and committing to address gaps in the city's capacity. Our grantee, TRUE Initiative, modelled the impact of a low emission zone in Sofia which helped to convince the city to approve the introduction of a pilot LEZ for transport and for heating.

ZA ZEMIATA MOVEMENT GROWS

Our grantee, Za Zemiata, is building momentum, with new local clean air activist groups launched across Bulgaria and now pressing local authorities to take action on cleaning the air. For example, in Dimitrovgrad, a small town in the centre of the country, a newly formed group engaged with local authorities and the Ministry for the Environment and Water secured the closure of a polluting power plant.

SPOTLIGHT ON IMPACT: LAW-MAKERS IN POLAND, THE UK AND THE EU ARE NOW ADOPTING HIGHER STANDARDS

Although many challenges remain, we have seen growing national and regional political commitment and legislative progress across geographies.

- In Poland, our grantees convinced the Mazovia regional government to adopt a law requiring Warsaw to phase out coal in household heating by 2023.
- In the UK, we pushed the government to consult on two targets for PM2.5, resulting in over 180,000 responses. We increased pressure by proving that the WHO-10 air quality target is affordable and achievable by 2030 and by coordinating a letter from leading Mayors across the UK calling on the Prime Minister to adopt the WHO guidelines as targets.
- In the EU, we joined our voice with many others that persuaded the European Commission to propose an air quality target of WHO-10 levels by 2030 .

POLAND

A BREAKTHROUGH IN THE MAZOVIA REGION

The central region of Mazovia is the country's most polluted area and home to 14% of Poland's 38 million population. Mazovia's biggest city, Warsaw, ranks as one of the most polluted cities in Poland with domestic heating as a major pollution source. In 2019, urban Warsaw recorded an annual average PM2.5 level of 21 µg/m3 – more than 4 times the WHO's guideline level for healthy air.

In April 2022, the Regional Council voted to ban coal-fired household heating in Warsaw by Q3 2023 and in the rest of the region by 2028. This decision will have a major positive impact, as home heating is still dominated by solid fuels, and these 'low-stack' emissions are a major contributor to Poland's unhealthy air, leading to 6,000 premature deaths in Mazovia each year. Moving from coal to zero emission alternatives will cut CO2 emissions by an estimated 3.6 megatonnes per year, the equivalent of 775,000 cars being taken of the roads.

We made strategic grants to support this decision. This included support to Polish Smog Alert and the European Clean Air Centre for everything from briefing legislators and supporting policy drafts to a media campaign to share facts and address misinformation.

BREATHE WARSAW GETS UNDERWAY

The city launched Breathe Warsaw in mid-2022, an ambitious partnership with Clean Air Fund and Bloomberg Philanthropies to improve air quality in Poland's capital. With 859 cars per 1,000 residents, Warsaw has one of the highest vehicle ownership rates in Europe. Cleaner air will improve public health and economic productivity across the city. If and when Warsaw meets WHO air quality guidelines, an estimated 1,500 deaths could be prevented each year.

Warsaw's network of air quality sensors across 165 locations is the largest in Europe. Breathe Warsaw will leverage this network to develop a comprehensive air quality database, allowing officials to better understand pollution sources. The initiative will also provide technical assistance and policy research to:

- Design an ambitious low-emission zone in the capital by 2024
- Advance cleaner heating systems and support the phase-out of coal heating.
- Connect local leaders and organisations to share best practice across the region
- Mobilise local partners around clean air campaigns.

INDIA

Health professionals are galvanising action

Last year, thoracic surgeon and well-known campaigner, Dr Arvind Kumar, launched the Medanta Institute of Research and Advocacy for Clean Air and Health under the umbrella of our Health Care Without Harm grant. One of the largest private hospital groups in India, Medanta, is now promoting awareness of the health effects of air pollution with health staff and patients, and through the Confederation of Indian Industry's CEO Forum, with companies too. This new institute will further support healthcare professionals to push for change on air pollution.

Health Care Without Harm released a manual for communities impacted by pollution - Tools for Community Environment and Health Monitoring – and helped organise the second virtual 'Doctors for Clean Air Conclave 2022' alongside the Ministry of Health & Family Welfare and 10 international and national medical associations.

Dr Kumar has also brought his perspective from India to several global forums, including the Stockholm+50 Pre-Summit on the Global Just Transition from Fossil Fuels, COP27 and a webinar on 'Cleaning our Children's Air' convened by Clean Air Fund.

TARGETED SUPPORT IS PROTECTING THOSE MOST AFFECTED BY AIR POLLUTION

Informal workers, particularly those who work in construction or street trading, are particularly vulnerable to air pollution. Grantees Mahila Housing Trust (MHT) and Purpose conducted training sessions with 60 female construction workers and community leaders on air quality. The training focused on the impact of air pollution on their health and lives and how to protect themselves. MHT has also partnered with a construction workers' union, enabling outreach to 50,000 construction workers to educate them on the impacts of air pollution. This work concluded with a roundtable event with Government of Delhi officials, researchers, practitioners, doctors, and women from the community. The project catalysed dialogue between affected communities and the government which resulted in the Government of Delhi committing to provide health camps for construction workers, and to ensure that these workers can access existing Government compensation schemes when construction is suspended due to very high air pollution levels.

BUILDING CAPACITY BY WORKING CLOSELY WITH REGIONAL GOVERNMENTS

Technical support funded by Clean Air Fund has been welcomed by State Governments and regulatory authorities in Uttar Pradesh and the Delhi National Capital Region. For example, our grantee the Indian Institute of Technology at Kanpur developed a technical Decision Support System dashboard, working closely with the Department of Environment, Government of Uttar Pradesh, the Uttar Pradesh State Pollution Control Board (Control Board) and the Lucknow Municipal Corporation in the process. The dashboard tool, which was formally handed over to the Control Board following a training workshop, will inform day-to-day decision-making and future policies on air pollution.

Another grantee, ICLEI SA, has worked with the city authorities of Delhi, Meerut and Gurgaon in the National Capital Region of India to help identify key priorities from the detailed Air Quality Management Plans mandated under the National Clean Air Programme. ICLEI is now supporting them to implement the actions identified. In addition, following requests for support, ICLEI facilitated expert training to build the capacity of city officials on air pollution mitigation strategies.

UNITED KINGDOM

SUPPORTING LOCAL AUTHORITIES TO ROLL OUT OR EXPAND CLEAN AIR ZONES

In November, London's Mayor Sadiq Khan announced a further expansion of the Ultra Low Emission Zone (ULEZ) to cover all of Greater London from August 2023. This is expected to reduce emissions of dangerous nitrogen oxides from cars and vans by around 10% while reducing CO2 emission by up to 150,000 tonnes in outer London. We will be supporting the successful launch of the ULEZ expansion throughout 2023.

In 2022 we supported progress on clean air in cities across the UK:

- Bradford launched its Class C Clean Air Zone. Media coverage of the launch highlighted the work of Clean Air Fund grantee Asthma + Lung UK, which formed a new clean air campaigner network in Bradford earlier this year.
- Bristol's Class D Clean Air Zone was launched in November along with £42m in funding to support the most deprived households.
- Sheffield, Newcastle and Gateshead announced plans to launch their Class C CAZs in early 2023.
- Oxford implemented the UK's first Zero Emission Zone (ZEZ). Drivers of all petrol and diesel vehicles, including hybrids, will be charged for driving in the zone between 07:00 and 19:00. Only drivers of zero-emission vehicles are exempt. A wider ZEZ covering the rest of the city centre will follow next year, subject to further public consultation.
- Our grantees coordinated responses to Mayor Burnham in Manchester on changes to the timeline and approach to achieving compliance with legal targets from nitrogen dioxide, following the cancellation of the Clean Air Zone, which had been scheduled to launch in May.

SECURING GOVERNMENT SUPPORT FOR A PM2.5 TARGET BASED ON THE WORLD HEALTH ORGANIZATION GUIDELINE LIMITS

With the Government legally required to present a new target for particulate matter (PM2.5) to Parliament before the end of October 2022, we provided the evidence to support a campaign from across the clean air field, calling on the government to adopt the World Health Organization's 2021 interim target for PM2.5, WHO-10, by 2030 rather than their proposed target of WHO-10 by 2040 and a 35% reduction in population exposure to PM2.5 by 2040. This evidence was presented in a ground-breaking report, The Pathway to Healthy Air in the UK. Based on analysis by Imperial College, the publication showed that the UK could meet the WHO-10 by 2030 with existing and anticipated policies.

We worked closely with the field to galvanise a strong public response to the eight-week public consultation by funding the development and roll-out of a consultation tool. As a result, over 5,000 supportive responses were submitted, a joint letter was published by 16 Local and Combined Authorities pledging their commitment to meeting the WHO-10 target by 2030, and regular media coverage was secured, including two pieces in The Times. The team and field also engaged directly with the Environment Minister, Jo Churchill. At the end of the year, the Government confirmed that it was sticking with their proposed target. This decision continues to be challenged, most recently via 'Ella's Law' which proposes the target of WHO-10 by 2030.

UNDERSTANDING PUBLIC ATTITUDES TO AIR POLLUTION

We commissioned Stonehaven, a political consultancy, to interrogate public attitudes to air pollution and identify messages that will mobilise swing voters in polluted areas ahead of the next General Election.

Stonehaven used focus groups, surveys and modelling and found that, while health messaging works for some sections of the public, framing the issue in terms of the benefits of clean air for the local community generates additional support.

Dulwich Library
12
53
LTZ 1453

10 LEARNINGS AND INSIGHTS FROM 2022

We are continually learning about the barriers to change and the opportunities to increase our impact. Here are some of the insights and lessons learned in the last 12 months.

1 **THE LACK OF LOCAL EVIDENCE ON THE HEALTH IMPACTS OF AIR POLLUTION HINDERS ACTION IN LOW- AND MIDDLE-INCOME COUNTRIES.** Because there is less evidence of the adverse impact of air pollution on people's health in LMICs compared with high-income countries, air pollution is often not recognized by policy makers as an urgent issue to tackle. To address this, the Clean Air Fund will be investing in high quality research in these areas in the year ahead.

2 **CITY LEADERS ARE STEPPING UP TO THE 'STRETCH' TARGET OF WHO'S UPDATED GUIDELINES.** Tougher World Health Organization (WHO) air quality guidelines introduced in September 2021, which effectively halve the recommended safe annual levels of PM2.5 and tighten the limit for NO2 by a factor of four, appear to be driving commitments. At a city level, 48 mayors signed up to C40's Clean Air Cities Declaration which commits cities to work towards these global standards. At a national and regional levels, the guidelines provide a helpful benchmark for advocacy.

3 **AIR POLLUTION ACTION THAT DELIBERATELY TARGETS CLIMATE CHANGE MITIGATION CAN UNLOCK ACTION AND FUNDING.** Supporting action on black carbon — soot — which is both a short-lived climate pollutant and an important component of particular matter, can inspire both action and funding.

4 **AS A GLOBAL FUNDER, WE CAN OPEN DOORS WITH SENIOR POLICY MAKERS FOR LOCAL PARTNERS.** As an international funder we are sometimes well placed to broker support for action and bring senior decision makers to the table with local partners.

5 **CHANGE HAPPENS WHEN EVIDENCE OF THE IMPACT OF AIR POLLUTION GOES HAND-IN-HAND WITH COMPELLING POLICY RECOMMENDATIONS.** As part of the clean air movement, we need to offer policy solutions — or support the development of these solutions — and demonstrate the benefits they bring.

6 **ANTICIPATING AND ADDRESSING UNINTENDED CONSEQUENCES IS VITAL.** For example, when India's Supreme Court imposed a temporary ban on construction activities to address air pollution in Delhi, there was a chance that construction workers could lose out on pay. Our grantee, Mahila Housing Trust, raised awareness about the compensation fund the government had set up so that the workers did not lose out.

7 **WE NEED TO EMBED CONTINUOUS REFLECTION, LEARNING AND ADAPTATION INTO OUR PROCESSES.** Working across uncertain environments and in fast-changing contexts means that similar programmes in different environments may generate widely different results. Flexible and exploratory approaches, such as Adaptive Management, can support continual learning, adaptation and development.

8 **TESTING WHICH MESSAGES GRAB PEOPLE'S ATTENTION IS VITAL.** When making the case for clean air with policy makers, we need to tap into local perspectives and concerns and not assume that 'off the peg' messages on public health or climate will resonate with all audiences.

9 **IT IS CRUCIAL TO GALVANISE GLOBAL HEALTH INSTITUTIONS TO ACT ON AIR POLLUTION.** Although air pollution was recognised by the UN General Assembly in 2018 as a major global risk factor for premature death and disability, political action hasn't followed. Air pollution has not been on the agenda of the annual meeting of Ministers of Health (World Health Assembly) since 2016. We will be looking to push air pollution up the agenda in the coming year.

10 **GROWING REGULATORY PRESSURE IS ENCOURAGING CORPORATE ACTION.** Regulatory pressure is coming, for example, draft EU corporate sustainability reporting standards include mandatory reporting on air pollution for all companies obliged to report. Companies that get ahead of the curve will be at an advantage, such as members of the Alliance for Clean Air.

OUR STRUCTURE, GOVERNANCE AND MANAGEMENT

OVERVIEW

Clean Air Fund is a charitable company limited by guarantee (registered company number 11766712), constituted in 2019 and governed by its Memorandum and Articles of Association. Clean Air Fund is a charity registered in England and Wales (registration number 1183697) under the Charities Act 2011. The Charity had three subsidiary organisations at 31 December 2022:

- CAF Trading Limited, a UK registered company (13318649), incorporated on 7 April 2021
- Clean AF Foundation India, an Indian s8 registered company (U85100DL2021NPL391210), registered on 14 December 2021
- Clean AF Services India, and Indn private limited company, (U74999DL2022FTC405832) registered on 13 October 2022

PUBLIC BENEFIT

As a charity, Clean Air Fund is a Public Benefit Entity. The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit including (PB2 Public Benefit: Running a Charity).

As a funding organisation, we work through the organisations we fund, which includes NGOs and research organisations. Our beneficiaries are people living in the countries and cities in which our partners are working to clean the air. Ultimately, the beneficiaries are much wider, as our aim is to improve air quality globally so that the lives of every individual in the geographies we work will benefit from these improvements. We coordinate a collective strategy for air pollution activity, provide grant funding to a multi-national portfolio of clean air programmes, grants funds to research and knowledge-building activities, and provides a means of knowledge sharing and networking between stakeholders.

THE BOARD OF TRUSTEES

The Board of Trustees is the governing body of the organisation and has legal, financial and managerial responsibility for the Charity. Clean Air Fund has five Trustees, of which two are funder Trustees and three are independent Trustees. The Chair is one of the independent Trustees. All Trustees are also Members.

Trustees serve a four-year term from their date of appointment. Trustees are eligible to serve up to three full terms. Trustee appointment is confirmed at an annual general meeting of the Board.

New Trustees are appointed following a selection process based on our needs, and gaps in expertise of existing Board members. Potential new Trustees meet with the Executive Director and Chair of Trustees to assess their fit with the organisation. New Trustees receive an induction briefing from the Executive Director and the senior leadership team and access to relevant policy documents covering their legal and regulatory responsibilities as well as relevant information about Clean Air Fund.

The Board of Trustees updated our Board skills matrix during 2022 and met quarterly with Board agenda meetings focusing on strategy, impact, people and culture.

KATHERINE GARRETT–COX CBE
(Chair)

TEJPREET SINGH CHOPRA
Resigned 15 January 2023

JUSTIN JOHNSON

IVAN VATCHKOV

BING HAO
Resigned 30 June 2023

GUNJAN SHAH
Appointed 02 November 2022

SENIOR LEADERSHIP TEAM

The senior leadership team (SLT) of the Clean Air Fund compromises six members, the Executive Director as well as the other directors of the organisation.

Executive Director
JANE BURSTON
May 2019

Director of Finance & Operations
MIKE SAXTON
April 2020

Director of Programmes
GILLIAN HOLMES
June 2020

Director of Strategic Partnerships & Communications
SEAN MAGUIRE
January 2021

Director of HR
LIZ BOONMAN-SALGADO
August 2021

Chief Impact Officer
SIETSKE VAN DER PLOEG
August 2022

The purpose of the SLT is to set Clean Air Fund strategy and drive its implementation, to help achieve clean air for all. It focuses on strategic issues and setting and reviewing organisational processes. The SLT's key responsibilities cover people and culture, strategy and impact, organisation and planning, and risk and reputation.

The remuneration of the Executive Director and key management are based on a combination of philanthropic and not-for-profit market rates and are reviewed annually. The Executive Director's remuneration is reviewed and agreed annually by the Trustees.

DECISION MAKING

The Trustees, together with the Executive Director and the SLT, make up the key management of the charity and are responsible for directing, controlling and running the charity on a day-to-day basis.

The Trustees have delegated certain decision making responsibilities to the Executive Director (on grant making and daily operations) and to the Grants and Charitable Activities Committee (on grant making and other charitable spending), the significant decisions of which are reported and monitored at each Board meeting.

- Clean Air Fund Board has strategic and operational oversight of all Clean Air Fund activities, and decision making on strategy and major grants;
- Detailed grant oversight and in-country strategies have been delegated in part to the Grant and Charitable Activities Committee; and
- The Board have delegated grant making authority for smaller grants to the Executive Director.

FINANCE, AUDIT AND RISK COMMITTEE

The Finance, Audit and Risk Committee is a sub-committee of the Board. The Committee's membership includes designated Trustees and independent advisors with relevant technical expertise.

The Committee meets at least twice per year to consider budgeting and financial planning, financial reporting, risk management and audit, assurance, systems and controls.

The Committee meets prior to the Board meetings and a report from each meeting is taken to the Board.

GRANT AND CHARITABLE ACTIVITIES COMMITTEE

The Grant and Charitable Activities Committee is a sub-committee of the Board. The Committee's membership includes designated Trustees, independent advisors with relevant technical expertise, and donors that have contributed at least $500,000 per year to the pooled fund.

The Grant and Charitable Activities Committee meets at least three times per year to consider in-country strategies and approve potential grant awards.

GRANT MAKING POLICY

Grant making within Clean Air Fund is guided by the Grant Making Policy, the key principles of which are outlined below:

Principles relating to Clean Air Fund's strategy

- Grants shall be aligned to at least one of the three drivers in our theory of change: data, demand, drive to action.
- Grants shall be aligned to our geographic strategy:
  - Grants should be in or for Clean Air Fund chosen geographies or on a global scale;
- Grants shall not be made directly in areas ruled out of our strategies, including:
  - **Litigation:** Clean Air Fund shall not make grants that are directly used to litigate; and
  - **Reducing exposure only:** we want to tackle both climate and health and thus focus on reducing emissions as well as exposure.

Principles relating to Clean Air Fund's values

- Grants shall align with Clean Air Fund's organisational values:
  - **Evidence-informed:** Informing, and being informed, by data and analysis to drive evidence-based decision making;
  - **Collaborative and inclusive:** Serving and engaging the most vulnerable and ensuring those most impacted by air pollution and climate change are most benefited by our actions. Cultivating an ecosystem of partners to deliver our mission;
  - **Dynamic:** Striving for systemic change through impact-focussed grant making that delivers value for money.
- Grants shall have measurable and shareable results from which lessons can be learned by other organisations.

RISKS

The Trustees, in conjunction with the SLT, are responsible for the management of the risks faced by Clean Air Fund. This is documented in Clean Air Fund's risk management policy which sets out our risk management principles and roles and responsibilities. The policy covers the major strategic, financial, legal and operational risks to which the charity may be exposed.

All major risks are documented within a risk register. The risk register grades the risks according to their importance by assessing the likelihood and level of impact of each risk both before and after any mitigating actions. The risk register is updated and reviewed on a quarterly basis by the SLT, and is also reviewed by the Finance, Audit and Risk Committee every six months and by the Board once a year. Where necessary, Clean Air Fund also creates and maintains risk response plans for specific topics; currently the only such plan is for funding renewals.

Clean Air Fund's risk appetite is determined by the Board. We are prepared to take programming and grant making related risks within accepted limits, for instance supporting innovative programmes whose outcome is uncertain.

The principal risks identified by the Trustees are:

- **Fast organisational growth, especially international growth creates the challenge of compliance with law and regulations in different jurisdictions.** This risk is mitigated by having senior staff with international management expertise, hiring high quality local advisors and having a strong set of organisational policies and processes.
- **Working in geographical locations where the sector is in early stages of development means partner organisations may not initially achieve high impact.** Clean Air Fund aims to achieve its goals working with and through partners. In several places the clean air sector is relatively under-developed and therefore there is a risk around their ability to create ae high impact quickly. This risk is mitigated by working on developing the movement and at a grantee level by having a thorough grant assessment and due diligence process prior to awarding individual grants.

The Trustees are satisfied that plans, systems, controls and policies are in place to mitigate and manage exposure to such major risks identified by the Trustees.

FINANCIAL REVIEW

Multi-year financial review

We had two key financial goals as part of our 2019-2022 four-year strategy;

1. Secure $100m of funding for the clean air movement, pooled through or aligned with Clean Air Fund.
2. Commit to the disbursement of the majority of funds raised to organisations working to achieve clean air for all, including signing at least $40m of grants from the first tranche of secured funding.

We have exceeded the income goal, with funding secured directly and through leveraged sources totalling $136m. In 2022, direct funding secured by CAF increased by $3m to $59m. In addition to the funding we raise directly, we have had a wider impact through 'leveraged funding' (i.e. co-funding or funding to scale up pilots made possible by CAF) and 'influenced funding' (i.e. new funding for air quality initiatives we have encouraged). To date we estimate that we have leveraged an estimated $22m and influenced around an additional $55m more.

During 2022 we achieved our disbursement goal, awarding $14.8m of new projects, taking the total multi-year project commitments to $41.8m since 2019.

Below is a table of our financial results over the past four years and a brief summary of our sources of income, areas of expenditure and overall financial results for 2022.

SUMMARY OF INCOME AND EXPENDITURE

USD $m	**2019**	**2020**	**2021**	**2022**
Total Income	15.2	10.9	17.8	15.1
Total Expenditure	10.1	7.2	11.8	18.6
Net Movement in Funds	**5.1**	**3.7**	**6.0**	**(3.5)**
Fund balance	**5.1**	**8.8**	**14.9**	**11.4**
Restricted	0.0	0.4	0.9	0.9
Unrestricted: Core	5.1	8.4	14.0	3.3
Unrestricted: Designated	0	0	0	7.2

SUMMARY OF FINANCIAL KPIS

	2019	**2020**	**2021**	**2022**
Average FTE	4.2	12.3	22.9	26.9
Funds awarded to Partners ($m)	8.9	8.6	13.0	14.8
Grant disbursements ($m)	1.7	6.2	6.7	10.1

2022 Financial Statements Review

INCOME: $15.1M

The vast majority of income in 2022 came from large scale grants from philanthropic funders. Total income recognised during the year relating to these grants was $14.9m ($17.8m in 2021). There was also a small amount of interest income and gifts in kind of $0.2m ($0 in 2021) within the total $15.1m income.

Income is recognised in line with Clean Air Fund's accounting policy (when there is entitlement to the funds, receipt is probable and the amount is measurable) which means there is significant variation in annualised income depending upon our funders' profile of payments and mid-grant review processes across different financial periods. This accounting timing difference is the primary reason for the 16% ($2.9m) decrease in income from 2021.

The majority of Clean Air Fund's 2022 income ($12.5m, 83%) relates to unrestricted funds and is received into the central pooled fund, which is allocated across projects in our portfolios and to support the organisation. A small percentage of income ($2.6m, 17%) is from restricted grants (where the funder has placed a geographic or project restriction on the use of funds).

EXPENDITURE: $18.6M

The most significant area of Clean Air Fund's expenditure relates to grants to third party organisations. We also deliver charitable activities through service contracts with non-charitable organisations (which we call Charitable Service Contracts or CSCs), and on some occasions Clean Air Fund delivers charitable activities itself.

Total charitable activities expenditure represents 97% of total expenditure. In 2021 this was $11.7m (2021 - $11.7m), an increase of $3.6m (51%). The primary driver of expenditure increase is growth in our Global grants towards our work on data, cities, health and international campaigns. Charitable expenditure is broken down into:

- $11.5m (2021 - $6.4m) grant expenditure;
- $1.8m (2021 - $1.8m) incurred by Clean Air Fund for charitable projects. These include projects undertaken directly through charitable service contracts, plus project related travel, consultants and communications costs;
- $1.6m (2021 - $1.2m) direct staff costs; and
- $3.4m (2021 - $2.2m) organisational and support costs.

The remaining 3% of expenditure $0.5m (2021 - $0.1m, 1%) is related to fundraising and communications activity and consisted of staff time dedicated to finding new donors and communicating about the work of CAF and its grantees.

FINANCIAL RESULTS

Clean Air Fund's net unrestricted fund result was a deficit of $3.5m (2021 – surplus of $6.0m). The deficit was planned and budgeted for as we utilised a proportion of our four year funding that had been received in the previous financial year.

BALANCE SHEET

At the end of 2022, the majority of Clean Air Fund's assets were cash and bank deposits of $24.2m (2021 - $18.3m), an increase of $5.9m. The increase was due to $5.6m of advance payments from our funders related to grants commencing in 2023. This balance is matched by a corresponding deferred income liability.

Total liabilities are $14.4m (2021 –$5.6m), an increase of $8.8m. The two drivers of the increase in total liabilities are:

- Grants payable. At the end of 2022, these totaled $8.1m (2021 - $4.8m), an increase of $3.3m as our volume of grant making expands.
- Deferred income $5.6m (2021 - $0), due to advance payments from our funders relating to grants commencing in 2023.

The closing position was total funds of $11.4m (2021 - $14.9m), of which $10.5m (2021 - $14.0m) were unrestricted and $0.9m (2021 - $0.9m) restricted.

RESERVES POLICY

The Trustees aim to maintain free reserves in unrestricted funds at a level which equates to between four to six months of unrestricted charitable expenditure. The Trustees consider that this level will provide sufficient funds to respond to applications for grants and ensure coverage of support and governance costs.

During 2022, the Trustees created a designated reserves of $7.2m. This reserve represents the contingent liabilities to cover the costs of grant commitments made in 2022 where the expenditure is not yet accounted for (as grant commitments are contingent on future performance milestones and so are contingent liabilities). The rationale for doing so this year was due to 2022 being the final year of CAF's first strategic period – to align funder income to the full costs of grants made during this period. The Trustees may, at their discretion, ring-fence further unrestricted funds for future essential spend or for a specific purpose.

The year-end total reserves were $11.4m. This is broken down as follows:

- Restricted reserves: $0.9m
- Core reserves: $1.3m
- Free reserves: $2.0m - These are planned to be utilised to support CAF's growth.
- Designated reserves for contingent grant commitments: $7.2m

GOING CONCERN STATEMENT

Clean Air Fund's current financial position is strong and during 2022 our major funders renewed their funding to CAF with multi-year commitments from 2023- 2026. Our 2023 plans are based upon this committed income and therefore we have a high degree of confidence that we will have sufficient funds to continue to operate as a going concern.

Taking into account the current strong financial position, our cash-flow projections and likelihood of renewal funding, the Trustees and the SLT believe that Clean Air Fund has adequate financial resources to continue to operate and implement our plans. Accordingly, the financial statements have been prepared on the going concern basis.

KEY POLICIES

INVESTMENT POLICY

Clean Air Fund does not have an endowment and therefore investment is not a major part of the Fund's activities. Clean Air Fund's funds are held to support future grant expenditure. The aim of the investment policy is to minimise risk and protect capital security and therefore such assets are held as cash, invested to obtain a yield where possible. We had a small amount investment income in 2022 on our USD and GBP deposits, which were placed in interest bearing bank accounts and very low risk money market funds.

SAFEGUARDING AND CHILD PROTECTION

Clean Air Fund is committed to sector-wide best practice with regards to safeguarding and child protection. Clean Air Fund is committed to:

- Promoting good practice and work in a way that prevents harm, abuse and coercion occurring;
- Ensuring that any allegations of abuse or suspicions are investigated promptly and robustly. And where the allegation is proven it will be dealt with appropriately;
- Taking any action within our powers to stop abuse occurring and ensure the person who has experienced the abuse receives appropriate support; and
- Being transparent and open by reporting any cases of abuse to the appropriate authorities.

In order to create a working environment that safeguards our beneficiaries and stakeholders Clean Air Fund will:

- Promote the rights of the people we work with to live free from abuse and coercion;
- Ensure the well-being of the people we work with;
- Manage our work in a way that promotes safety and prevents abuse.

FUNDRAISING

Clean Air Fund does not undertake any public fundraising activities that meet the Charities (Protection and Social Investment) Act 2016.

REMUNERATION

None of the Trustees are remunerated for their services to the charity.

The remuneration of the Executive Director and key management are based on a combination of philanthropic and not-for-profit market rates and are reviewed annually. The Executive Director's remuneration is reviewed annually by the Trustees.

Staff salaries are based upon set pay scales which are set with reference to philanthropic and not-for-profit market rates. Any increments to staff salaries are proposed by the SLT and ratified by the Trustees.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors for the purposes for company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and regulations and United Kingdom generally accepted accounting practice (United Kingdom accounting standards) including FRS 102 (The Financial Reporting Standard) applicable in the UK and Republic of Ireland.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

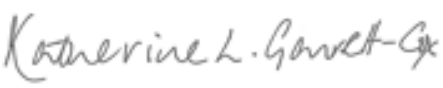
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. This Trustees' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

So far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware. The Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees' Annual Report, including the Strategic Report, was approved and authorised for issue by the Board of Trustees on 6 July 2023 and signed on its behalf by



KATHERINE GARRETT-COX CBE,
Chair

INDEPENDENT AUDITOR'S REPORT

We have audited the financial statements of Clean Air Fund for the year ended 31 December 2022 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cash Flows 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 charitable company's affairs as at 31 December 2022 and of its 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 charitable company 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 trustees' 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 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 charitable company and its 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 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.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement set out on page 37 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.

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 members. 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 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. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS102) 2019. 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 ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud.

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.

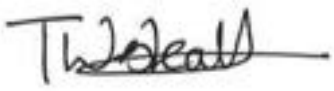
We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within grant income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, designing and performing audit procedures for grant income, 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.

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.

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 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
Date: 25 July 2023

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL ACTIVITIES

INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTES	UNRESTRICTED FUNDS 2022 $	RESTRICTED FUNDS 2022 $	TOTAL FUNDS 2022 $	TOTAL FUNDS 2021 $
INCOME FROM:					
Donations	2	12,343,753	2,597,794	**14,941,547**	**17,834,972**
INVESTMENTS	3	103,179	**-**	**103,179**	**-**
Other Income	4	46,908	-	**46,908**	**-**
TOTAL		**12,493,840**	**2,597,794**	**15,091,634**	**17,834,972**
EXPENDITURE ON:					
Raising funds	5	(469,780)	-	**(469,780)**	**(128,912)**
Charitable activities	5	(15,191,377)	(2,734,994)	**(17,926,371)**	**(11,674,642)**
TOTAL		**(15,661,157)**	**(2,734,994)**	**(18,396,151)**	**(11,803,554)**
Net (expenditure)/income before gains & losses on Investments		(3,167,317)	(137,200)	**(3,304,517)**	**-**
Foreign exchange losses		(165,003)	-	**(165,003)**	**-**
Net (Expenditure) /Income before transfers		(3,332,320)	(137,200)	**(3,469,520)**	**6,031,418**
Transfers		(160,103)	160,103	-	-
Net (Expenditure)/income and net movement in funds	15/16	(3,492,423)	22,903	**(3,469,520)**	**6,031,418**
RECONCILIATION OF FUNDS:					
Fund balances brought forward at 1 January		14,001,087	882,811	**14,883,898**	**8,852,480**
Fund balances carried forward at 31 December		**10,508,664**	**905,714**	**11,414,378**	**14,883,898**

BALANCE SHEET

AS AT 31 DECEMBER 2022

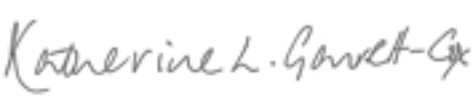
	NOTES	2022 $	2022 $	2021 $	2021 $
FIXED ASSETS:					
Investments	10		205,525		-
CURRENT ASSET:					
Debtors	11	1,364,886		2,163,550	
Cash at bank and in hand		5,608,600		18,288,050	
Investments - Cash deposits		18,587,766		-	
		25,561,252		20,451,600	
LIABILITIES FALLING DUE WITHIN ONE YEAR:					
Grants payable	12	(7,363,935)		(4,584,625)	
Creditors	13	(6,245,137)		(790,581)	
		(13,609,072)		(5,375,206)	
NET CURRENT ASSETS			**11,952,180**		**15,076,394**
LIABILITIES FALLING DUE AFTER ONE YEAR:					
Grants payable	12		(743,327)		(192,496)
TOTAL NET ASSETS			**11,414,378**		**14,883,898**
FUNDS:					
UNRESTRICTED FUNDS:					
General funds		3,308,664		14,001,087	
Designated funds		7,200,000		-	
RESTRICTED FUNDS		905,714		882,811	
TOTAL FUNDS	15		**11,414,378**		**14,883,898**

All of the charity's activities derived from continuing operations during the above financial period.

All recognised gains and losses are included in the above statement of financial activities.

These accounts have been prepared in accordance with the Companies Act 2006. (Company number 11766712).

Notes 1 – 18 form part of these financial statements. The financial statements were approved by the members of the Board of Trustees on 6 July 2023 and signed on their behalf by



CHAIR: KATHERINE GARRETT-COX CBE

STATEMENT OF CASH FLOWS

AS AT 31 DECEMBER 2022

	Notes	2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	A	**6,010,662**	**4,849,290**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends and interest from investments		103,179	-
Purchase of investments		(205,525)	-
Net cash (used in) investing activities		(102,346)	-
CHANGE IN CASH AND CASH EQUIVALENTS IN THE PERIOD	B	**5,908,316**	**4,849,290**
CASH AND CASH EQUIVALENTS AT 1 JANUARY	B	**18,288,050**	**13,438,760**
Cash and cash equivalents at 31 December	B	**24,196,366**	**18,288,050**

NOTES TO THE STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2022

A. RECONCILIATION OF NET (EXPENDITURE) INCOME AND NET MOVEMENT IN FUNDS TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES

	2022$	2021 $
NET (EXPENDITURE) INCOME AND NET MOVEMENT IN FUNDS (AS PER THE STATEMENT OF FINANCIAL ACTIVITIES)	**(3,469,520)**	**6,031,418**
ADJUSTMENTS:		
Dividends and interest from investments	**(103,179)**	-
Decrease / (increase) in debtors	**798,664**	(1,546,480)
Increase in creditors falling due within one year	**8,233,866**	787,956
Increase/(decrease) in creditors falling due after one year	**550,831**	(423,604)
Net cash provided by operating activities	**6,010,662**	4,849,290

B. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 $	2021 $
TOTAL CASH AND CASH EQUIVALENTS		
Change in Cash and cash equivalents in the year	**5,908,316**	4,849,290
Cash and cash equivalents at the beginning of the year	**18,288,050**	13,438,760
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**24,196,366**	18,288,050

REPRESENTED BY		
Cash at bank and in hand	**5,608,600**	18,288,050
Short term investments	**18,587,766**	-
	24,196,366	18,288,050

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

A BASIS OF PREPARATION

The Charity is a charitable company limited by guarantee (registered number 11766712), which is incorporated and domiciled in the UK and is a public benefit entity. The Charity is registered in England and Wales (registered number 1183697). The Charity was incorporated on 15 January 2019 and the year end date was changed from 31 January to 31 December. The Charity started trading on 1 May 2019. These financial statements cover the period from 1 January 2022 to 31 December 2022.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The subsidiary undertakings have been excluded from consolidation because inclusion is not material. Clean Air Fund at 31 December 2022 owned three subsidiaries: CAF Trading Limited now dormant, is a UK registered company (13318649), incorporated on 7 April 2021, Clean AF Foundation India, an Indian s8 registered company (U85100DL2021NPL391210), registered on 14 December 2021 also dormant, and Clean AF Services India, and Indian private limited company, (U74999DL2022FTC405832) registered on 13 October 2022.

The financial statements have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011, and UK Generally Accepted Practice as it applies from 1 January 2015.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in US dollars and are rounded to the nearest dollar. US dollars is the currency of the primary economic environment in which the entity operates reflecting the currency of both the majority of income and grants awarded.

B CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Preparation of the accounts requires the Board of Trustees and management to make significant judgements and estimates. The items in the accounts where these judgements and estimates have been made include:

Timing of entitlement of income as described in the income policy.

Timing of entitlement of grant expenditure as described in the expenditure policy

C ASSESSMENT OF GOING CONCERN

Clean Air Fund's Board of Trustees have assessed whether the use of the going concern basis is appropriate and have considered feasible events or conditions that might cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. Specifically, the Trustees have considered Clean Air Fund's current financial position, our cash-flow projections and scenario planning forecasts and future funding streams.

Clean Air Fund's plans are based upon confirmed funder income. 31st December 2022 marked the end of Clean Air Fund's first strategic and funding period, so the majority of the organisation's donor renewal decisions for 2023 and beyond have occurred, apart from two donors pending final decision, all funding agreements for the next four years have been signed.

Considering Clean Air Fund's financial position, cash-flow projections and the renewed funding agreements in place, the Trustees have concluded that they are happy with the assumptions and that there is a reasonable expectation that the Charity will continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

D INCOME

Income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount can be measured reliably.

Donations received by the Charity, which are made up of grants, include those from donors that provide core funding, or are of a general nature. In the event that a grant is subject to conditions, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity, and it is probable that those conditions will be fulfilled, including those committed over multiple years.

Other income received by the charity is Gift-in-kind (GIK). GIK is a type of charitable giving in which contributions take the form of tangible goods or services or time given instead of money. Clean Air Fund's reported GIK were donated services, and they were valued at fair market value on receipt of the service.

Grants received with a restricted purpose are allocated on receipt directly into the correct fund and are not transferred between funds.

Income received in advance of the start of the grant agreement and with time-related conditions attached to the grants are deferred until the commencement date.

E EXPENDITURE

All expenditure is accounted for on an accrual basis and is recognised as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is stated inclusive of irrecoverable VAT.

Charitable activities comprise direct expenditure including grant expenditure and direct staff costs attributable to the activity.

Grants are made to institutions and are recognised where the beneficiary has been formally notified in writing of the award.

This notification gives the recipient a reasonable expectation that they will receive the one- year or multi-year grant. In the case of an unconditional grant offer this is accrued once the recipient has been notified in writing of the grant award. Grant awards that are subject to the recipient fulfilling conditions are accrued when any remaining unfulfilled conditions attaching to that grant are outside of the control of the Charity.

The provision for a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the Charity that would permit the Charity to avoid making the future payment(s), settlement is probable and the effect of discounting is material. The majority of Clean Air Fund grants are accounted for on an annual basis due to an annual performance review within our grant agreements. The grantees performance is seen as being outside the control of the Charity.

Costs of raising funds include staff time incurred seeking new donations and additional funding for the Charity.

F ALLOCATION OF SUPPORT COSTS

Support costs, including general management, financial management, information systems and premises costs, have been allocated to activities based on the average staff time spent. Governance costs are those incurred in connection with the management of the Charity's assets, organisational administration and compliance with constitutional and statutory requirements. Support costs are allocated on the basis of total costs for each activity.

G DEBTORS

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

H CASH AT BANK

Cash at bank represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

I CREDITORS

Creditors are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

J FUNDS STRUCTURE

General funds are unrestricted funds that are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity, and that have not been designated for other purposes. Designated funds are unrestricted funds earmarked for a particular purpose by the trustees. Designation does not legally restrict the trustees' discretion to apply the fund. During 2022, the Trustees created a designated reserves of $7.2m. This reserve represents the contingent liabilities to cover the costs of grant commitments made in 2022 where the expenditure is not yet accounted for (as grant commitments are contingent on future performance milestones and so are contingent liabilities). Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors.

All income and expenditure of Clean Air Fund has been included in the Statement of Financial Activities.

K PENSION COSTS

Contributions payable to defined contribution pension schemes and/or personal pension plans are accounted for in the year in which they are payable.

L FOREIGN CURRENCY TRANSLATION

Monetary assets and liabilities denominated in a foreign currency are translated into USD at the exchange rate ruling on the Balance Sheet date. Transactions in foreign currencies are recorded at the average rate of exchange for the month the transaction was incurred.

All exchange differences are taken to the statement of financial activities.

M FINANCIAL INSTRUMENTS

The Charity 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 present value of the future cash flows unless the effect of discounting would be immaterial. Financial assets comprise cash at bank and in hand and debtors, including accrued income. Financial liabilities comprise grants payable, other creditors and accrued expenditure.

N TAXATION

Clean Air Fund is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

2 INCOME FROM DONATIONS

	UNRESTRICTED	RESTRICTED	YEAR TO 31 DECEMBER	YEAR TO 31 DECEMBER
	2022 $	2022 $	2022 $	2021 $
GRANTS	12,343,753	2,597,794	14,941,547	17,834,972
TOTAL	**12,343,753**	**2,597,794**	**14,941,547**	**17,834,972**

3 INCOME FROM INVESTMENTS

	UNRESTRICTED	RESTRICTED	YEAR TO 31 DECEMBER	YEAR TO 31 DECEMBER
	2022 $	2022 $	2022 $	2021 $
BANK INTEREST/DIVIDENDS	103,179	-	103,179	-
TOTAL	**103,179**	**-**	**103,179**	-

4 OTHER INCOME

	UNRESTRICTED	RESTRICTED	YEAR TO 31 DECEMBER	YEAR TO 31 DECEMBER
	2022 $	2022 $	2022 $	2021 $
GIFTS IN KIND	46,908	-	46,908	-
TOTAL	**46,908**	**-**	**46,908**	-

5 EXPENDITURE

A Charitable expenditure

	DIRECT COSTS				
	GRANTS (NOTE 6) $	STAFF COSTS $	OTHER COSTS $	SUPPORT AND GOVERNANCE COSTS $	YEAR TO 31 DECEMBER 2022 $
CHARITABLE ACTIVITIES					
UK	1,209,861	238,666	545,934	462,998	2,457,459
India	1,020,020	63,284	87,899	271,885	1,443,088
Europe	2,876,263	271,482	391,283	821,555	4,360,583
Global	5,800,880	642,598	649,703	1,646,621	8,739,802
Africa	580,042	55,838	115,202	174,357	925,439
TOTAL CHARITABLE ACTIVITIES	**11,487,066**	**1,271,868**	**1,790,021**	**3,377,416**	**17,926,371**
RAISING FUNDS	**-**	**381,271**	**-**	**88,509**	**469,780**
TOTAL CHARITABLE EXPENDITURE	**11,487,066**	**1,653,139**	**1,790,021**	**3,465,925**	**18,396,151**

PRIOR YEAR

	DIRECT COSTS				
	GRANTS (NOTE 6) $	STAFF COSTS $	OTHER COSTS $	SUPPORT AND GOVERNANCE COSTS $	YEAR TO 31 DECEMBER 2021 $
CHARITABLE ACTIVITIES					
UK	926,077	97,411	644,629	177,398	1,845,515
India	849,728	107,690	284,201	196,119	1,437,738
Europe	1,306,404	180,640	187,352	328,970	2,003,366
Global	3,359,752	820,086	650,669	1,493,490	6,323,997
Africa	138	1,447	59,805	2,636	64,026
TOTAL CHARITABLE ACTIVITIES	6,442,099	1,207,274	1,826,656	2,198,613	11,674,642
RAISING FUNDS	-	45,695	-	83,217	128,912
TOTAL CHARITABLE EXPENDITURE	6,442,099	1,252,969	1,826,656	2,281,830	11,803,554

B Support and governance costs

	YEAR TO 31 DECEMBER 2022	YEAR TO 31 DECEMBER 2021
SUPPORT COSTS		
Staff Costs	1,047,925	1,060,831
Other Staff related Costs	660,944	325,589
Communications & Events	150,823	117,906
Legal & Professional	176,500	376,834
Consultant Costs	211,384	56,272
Office & IT	353,701	238,604
Travel	173,428	1,872
Foreign Exchange	660,361	60,798
TOTAL SUPPORT	**3,435,066**	**2,238,706**
GOVERNANCE COSTS		
Auditors' remuneration	25,491	24,847
Accountancy	5,368	5,747
Consultant costs	-	12,530
TOTAL GOVERNANCE	**30,859**	**43,124**
TOTAL SUPPORT AND GOVERNANCE	**3,465,925**	**2,281,830**

6 GRANTS

	UK $	INDIA $	EUROPEAN UNION $	GLOBAL AND OTHER $	AFRICA $	YEAR TO 31 DECEMBER 2022 $
Air for Health			38,230			**38,230**
Air Parif				160,017		**160,017**
Asthma + Lung UK	44,898					**44,898**
Asthma + Lung UK	123,133					**123,133**
Brown University				294,678		**294,678**
C40 Cities				2,764,628		**2,764,628**
C40 Cities Climate Leadership Group, Inc.				49,991		**49,991**
Center for the Study of Democracy			41,800			**41,800**
Centre for Policy Studies	91,157					**91,157**
Chintan		99,913				**99,913**
Conservative Environment Network (CEN)	51,166					**51,166**
Council on Energy, Environment and Water (CEEW)		329,786				**329,786**
Ella Roberta Family Foundation	181,346					**181,346**
European Clean Air Center (ECAC)			320,697			**320,697**
European Climate Foundation (ECF) – Writeback			(62,436)			**(62,436)**
European Environmental Bureau (EEB)			356,694			**356,694**
European Policy Centre (EPC)			81,810			**81,810**
Forum Energii			386,560			**386,560**
Fundacja Promocji Pojazdów Elektrycznych (FPPE)			241,633			**241,633**
HabitatMap				178,000		**178,000**
Health Effects Institute (HEI)			110,157			**110,157**
Health Effects Institute (HEI)				639,561		**639,561**
ICLEI		95,994				**95,994**
IIT-Kanpur		313,491				**313,491**
Instytut Zdrowia i Demokracji (IZID)			79,921			**79,921**

	UK $	INDIA $	EUROPEAN UNION $	GLOBAL AND OTHER $	AFRICA $	YEAR TO 31 DECEMBER 2022 $
International Council on Clean Transportation (ICCT)		58,561				**58,561**
International Council on Clean Transportation (ICCT)			57,512			**57,512**
Institute for Public Policy Research (IPPR)	50,979					**50,979**
Kigali Collaborative Research Centre					238,109	**238,109**
Association Krakow Smog Alert (KSA)			246,066			**246,066**
Lewiatan			163,466			**163,466**
Open AQ				475,000		**475,000**
Polityka Insight			140,306			**140,306**
Pravah		5,441				**5,441**
Polskie Stowarzyszenie Paliw Alternatywnych (PSPA)			205,431			**205,431**
Purpose Foundation			97,425			**97,425**
Road Safety Partnership			139,518			**139,518**
Sesame Workshop India Trust		116,749				**116,749**
Social Change Nest				268,080		**268,080**
Social Good Fund				145,976		**145,976**
Transport & Environment			195,265			**195,265**
Transport and Environment	120,545					**120,545**
Trust for Social Action Foundation			50,836			**50,836**
UK 100 (Write back)	(20,367)					**(20,367)**
UK Community Foundation	303,231					**303,231**
United Charitable				70,000		**70,000**
University of Birmingham (UoB)	283,163					**283,163**
University of California, Davis, Air Quality Research Center				40,000		**40,000**
University of Cape Coast					201,454	**201,454**
University of Pretoria					142,969	**142,969**

	UK $	INDIA $	EUROPEAN UNION $	GLOBAL AND OTHER $	AFRICA $	YEAR TO 31 DECEMBER 2022 $
Washington University in St Louis				75,000		**75,000**
World Economic Forum (WEF)				125,000		**125,000**
World Economic Forum (WEF)				522,500		**522,500**
FX Variance on prior year grants	(19,390)	85	(14,628)	(7,551)	(2,490)	**(43,974)**
TOTAL	**1,209,861**	**1,020,020**	**2,876,263**	**5,800,880**	**580,042**	**11,487,066**

PRIOR YEAR

	UK $	INDIA $	EUROPEAN UNION $	GLOBAL AND OTHER $	AFRICA $	YEAR TO 31 DECEMBER 2021 $
Air for Health			43,690			43,690
Association Krakow Smog Alert			460,604			460,604
British Lung Foundation	267,854					267,854
Brown University				493,211		493,211
Bulgaria Fund for Women			48,751			48,751
C40 Cities				963,299		963,299
Clean Air Asia		128,916				128,916
Conservative Environment Network	56,715					56,715
Electric Vehicles Promotion Foundation			378,023			378,023
Ella Roberta Family Foundation	183,999					183,999
European Clean Air Center (ECAC)			50,000			50,000
Forum Energii			220,637			220,637
Great Ormond Street Hospital Foundation				133,173		133,173
Guy's and St Thomas' Foundation	322,128					322,128
Health Effects Institute				220,598		220,598
ICLEI		57,070				57,070
IIT-Kanpur		41,438				41,438
International Council on Clean Transportation (ICCT)		141,486				141,486
Jhatkaa		46,914				46,914

	UK $	INDIA $	EUROPEAN UNION $	GLOBAL AND OTHER $	AFRICA $	YEAR TO 31 DECEMBER 2021 $
Mahila Housing SEWA Trust		180,220				180,220
New Venture Fund				292,325		292,325
Open AQ				423,755		423,755
Pravah		71,377				71,377
Sesame Workshop India		110,870				110,870
Swaniti		87,600				87,600
UK 100	96,893					96,893
University of California, Davis, Air Quality Research Center				30,000		30,000
Washington University in St Louis				215,000		215,000
World Health Organisation (WHO)				300,000		300,000
World Resources Institute				291,626		291,626
Za Zemiata			114,699			114,699
BMJ Publishing Group Ltd (Write Back)	(4,010)					(4,010)
Centre for Ecology, Development and Research (Write Back)		(16,163)				(16,163)
FX Variance on prior year grants	2,498	(0)	(10,000)	(3,235)	138	(10,599)
TOTAL	**926,077**	**849,728**	**1,306,404**	**3,359,752**	**138**	**6,442,099**

7 NET (EXPENDITURE) INCOME BEFORE TRANSFERS

This is stated after charging:

	TOTAL FUNDS 2022 $	TOTAL FUNDS 2021 $
Audit Fees (excl VAT)	21,243	20,706

8 STAFF COSTS

	YEAR TO 31 DECEMBER 2022 $	YEAR TO 31 DECEMBER 2021 $
Wages and salaries	2,226,552	1,941,406
Social security costs	268,097	218,068
Pension costs	206,415	154,326
TOTAL	**2,701,064**	**2,313,800**

The average number of employees has been analysed over a 12 month period, (by head count), analysed by function, was as follows:

	2022 NO.	2021 NO.
Fundraising	3.2	0.5
Charitable Activities	13.8	13.3
Support	9.9	9.1
TOTAL	**26.9**	**22.9**

By 31 December 2022 Clean Air Fund had 27 employees (2021:23).

There were 11 employees (2021:9) whose emoluments amounted to over $73,000 (£60,000) per annum or more (excluding benefits) during the year, based on the average exchange rate for the year.

	YEAR TO 31 DECEMBER 2022	YEAR TO 31 DECEMBER 2021
$73k to $84k (£60k to £70k)	0	3
$85k to $96k (£71k to £80k)	5	2
$97k to $108K (£81k to £90k)	1	1
$109k to $120k (£91k to £100k)	2	0
$121k to $132k (£101k to £110k)	0	2
$133k to $144k (£111k to £120k)	1	0
$145K TO $156K (£121K TO £130K)	1	0
$206K TO $217K (£171K TO £180K)	0	1
$218K TO $229K (£181K TO 190K)	1	0
TOTAL	**11**	**9**

The key management personnel of Clean Air Fund have been defined as the: Executive Director, Director of Finance and Operations, Director of Programmes, Director of Strategic Partnerships & Communications, Director of HR and Chief Impact Officer. The total employee benefits including employer's pension contributions of the key management personnel were $960,659 (2021: $893,661).

The Trustees did not receive any remuneration for their services during the period. 6 Trustees were reimbursed expenses for travel and subsistence in the year $6,277 (2021: No trustees reimbursed).

9 SUBSIDIARY UNDERTAKINGS

Clean Air Fund has a wholly-owned trading subsidiary undertaking, Clean Air Fund India Private Limited (CAFIPL), a company incorporated and registered in India (registered no U74999DL2022FTC405832). The principal activities of this company are to provide grant research and management services to Clean Air Fund. All of its profits are retained by the entity. The charity owns the entire issued share capital of 1,600,000 equity shares of INR1,600,000 equity shares of INR 10 each.

10 FIXED ASSET INVESTMENTS

	2022 $	2021 $
Investments held in subsidiary		
Clean Air Fund India Services Private Limited	205,525	-
TOTAL INVESTMENTS	**205,525**	

11 DEBTORS

	YEAR TO 31 DECEMBER 2022 $	YEAR TO 31 DECEMBER 2021 $
Trade Debtors	10,981	-
Accrued income	1,261,549	2,119,721
Prepayments	92,356	43,829
TOTAL	**1,364,886**	**2,163,550**

12 GRANTS PAYABLE

	YEAR TO 31 DECEMBER 2022 $	YEAR TO 31 DECEMBER 2021 $
GRANT COMMITMENTS AT 1 JANUARY	**4,777,121**	**4,689,826**
Grants awarded in the period	11,487,066	6,472,871
Grants written back in the period	(126,777)	(30,772)
Grants paid in the period	(8,030,149)	(6,729,205)
Grant repayment owed	-	374,401
GRANT COMMITMENTS AT 31 DECEMBER	**8,107,261**	**4,777,121**
Payable within one year	7,363,935	4,584,625
Payable after one year	743,327	192,496

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	YEAR TO 31 DECEMBER 2022 $	YEAR TO 31 DECEMBER 2021 $
Trade creditors	198,928	258,759
Social security costs	79,358	64,026
Accruals	354,047	467,796
Deferred income (note 14)	5,610,142	-
Other creditors	2,662	-
TOTAL	**6,245,137**	**790,581**

14 MOVEMENT IN DEFERRED INCOME

	YEAR TO 31 DECEMBER 2022	YEAR TO 31 DECEMBER 2021
As at 01 January 2022	-	-
Released in year	-	-
Deferred in year	5,610,142	_
AS AT 31 DECEMBER 2022	**5,610,142**	**-**

Deferred income comprises grant funds which the charity has received but is not yet entitled due to time-related conditions attached to the terms of the grants.

The $5.6m relates to payments in advance from two of CAF's funders for new grants commencing in 2023.

15 MOVEMENT IN FUNDS

	AT 1 JANUARY 2022 $	INCOME $	EXPENDITURE $	TRANSFERS AND FX LOSSES $	AT 31 DECEMBER 2022 $
UNRESTRICTED FUNDS					
General funds	14,001,087	12,493,840	(15,661,157)	(7,525,106)	3,308,664
Designated funds	-	-	-	7,200,000	7,200,000
Total unrestricted funds	**14,001,087**	**12,493,840**	**(15,661,157)**	**(325,106)**	**10,508,664**
RESTRICTED FUNDS					
Pooled Fund - UK and Africa	292	808,999	(809,291)	-	-
Clean Air Fund UK Pooled Fund	175,730	1,015,735	(1,191,465)	-	-
Bloomberg Philanthropies	-	650,000	(156,397)	-	493,603
McCall MacBain - Clean Air Fellowships	-	123,060	(283,163)	160,103	-
Breathe Providence	706,789	-	(294,678)		412,111
Total restricted	**882,811**	**2,597,794**	**(2,734,994)**	**160,103**	**905,714**
TOTAL FUNDS	**14,883,898**	**15,091,634**	**(18,396,151)**	**(165,003)**	**11,414,378**

General funds are unrestricted funds that are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity, and that have not been designated for other purposes.

Designated funds are unrestricted funds earmarked for a particular purpose by the trustees. Designation does not legally restrict the trustees' discretion to apply the fund. The $7.2m designated funds represents the contingent liabilities to cover the costs of grant commitments made in 2022 where the expenditure is not yet accounted for (as grant commitments are contingent on future performance milestones and so are contingent liabilities).

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors. All income and expenditure of Clean Air Fund has been included in the Statement of Financial Activities.

We have two funds that operate through the same mechanism as our pooled fund (unrestricted funding) does, however with a geographical focus creating restricted funds. In 2022 these funds were for:

- 'Pooled Fund – UK and Africa' – Funding from ELMA Philanthropies towards Clean Air Fund pooled fund restricted to be spent in the UK and Africa only.
- Clean Air Fund UK Pooled Fund' – Funding from Guy's and St Thomas Foundation towards Clean Air Fund pooled fund, restricted to be spent in the UK only.

The remaining restricted funds are restricted to specific projects or activities:

- 'Bloomberg Philanthropies' – Funding from Bloomberg Philanthropies which has two restricted elements; Breathe Warsaw, a partnership aiming to achieve substantial reductions in air pollution in Warsaw city; and India Project to fund a technical Centre of excellence in India.
- 'McCall MacBain' – Funding from the McCall MacBain Foundation to fund scholars at University of Birmingham
- 'Breathe Providence' – Funding from CH Foundation towards Breathe Providence, a project with Brown University. This project is expected to run until 2024.

PRIOR YEAR

	AT 1 JANUARY 2021 $	INCOME $	EXPENDITURE $	TRANSFERS AND FX LOSSES $	AT 31 DECEMBER 2021 $
UNRESTRICTED FUNDS					
General pooled fund	8,407,596	14,410,767	(8,817,276)	-	14,001,087
RESTRICTED FUNDS					
Pooled Fund - UK and Africa	368,146	911,019	(1,278,873)	-	292
Clean Air Fund UK Pooled Fund	2,210	1,048,850	(875,330)	-	175,730
Health Communication Research	74,528	-	(74,528)	-	-
Organisational Development funding	-	264,336	(264,336)	-	-
Breathe Providence	-	1,200,000	(493,211)	-	706,789
TOTAL	**444,884**	**3,424,205**	**(2,986,278)**	**-**	**882,811**
TOTAL FUNDS	**8,852,480**	**17,834,972**	**(11,803,554)**	**-**	**14,883,898**

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	GENERAL FUND $	DESIGNATED FUNDS $	RESTRICTED FUNDS $	TOTAL 2022 $
FUND BALANCES AT 31 DECEMBER 2022 ARE REPRESENTED BY:				
Investments	205,525	-	-	205,525
Current Assets	16,251,683	7,200,000	2,109,569	25,561,252
Current Liabilities	(12,495,676)	-	(1,113,396)	(13,609,072)
Non-Current Liabilities	(652,868)	-	(90,459)	(743,327)
TOTAL NET ASSETS	**3,308,664**	**7,200,000**	**905,714**	**11,414,378**

PRIOR YEAR

	GENERAL FUND $	RESTRICTED FUNDS $	TOTAL 2021 $
FUND BALANCES AT 31 DECEMBER 2021 ARE REPRESENTED BY:			
Current Assets	18,367,905	2,083,695	20,451,600
Current Liabilities	(4,261,810)	(1,113,396)	(5,375,206)
Non-Current Liabilities	(105,008)	(87,488)	(192,496)
TOTAL NET ASSETS	**14,001,087**	**882,811**	**14,883,898**

17 FX GAINS AND LOSSES

	YEAR TO 31 DECEMBER 2022 $	YEAR TO 31 DECEMBER 2021 $
FX losses for the period	660,361	60,798

FX losses are treated as support costs in the accounts.

18 TRANSACTIONS WITH RELATED PARTIES

No related parties transactions have taken place with senior management (2021: Nil). Clean Air Fund's Conflict of Interest policy is Board or Grant Committee members who have an interest in any grant awarding decisions do not take part in that decision and disclose any interest.

Justin Johnson (Trustee) currently holds the position of Climate Director at The Children's Investment Fund Foundation (CIFF) and is a member of the Global Board of directors of C40. During the year CAF received $2,787,789 from CIFF in respect to a grant awarded in 2022. In the year C40 Inc was awarded a new grant of $2,764,628 of which $1,220,321 was paid in year. He has received no remuneration in his capacity as a Trustee.

Bing Hao (Trustee) currently holds the position of Head of Project Control at IKEA Foundation. During the year CAF received $5,000,000 from the IKEA Foundation in respect of a grant awarded in 2022, and an additional $5,274,975 in deferred income relating to a grant awarded in 2022. She has received no remuneration in her capacity as a Trustee.

Clean Air Fund has a wholly-owned trading subsidiary undertaking, Clean Air Fund India Private Limited (CAFIPL), a company incorporated and registered in India (registered no U74999DL2022FTC405832). The charity owns the entire issued share capital of 1,600,000 equity shares of INR1,600,000 equity shares of INR 10 each. During 2022, there were no income and expenditure activities for CAFIPL.

There were no other transactions with any of the subsidiary entities.

REFERENCE AND ADMINISTRATIVE DETAILS

REGISTERED NAME	Clean Air Fund
DATE OF INCORPORATION	15th January 2019
COMPANY NUMBER	11766712
REGISTERED CHARITY NUMBER	1183697
TRUSTEES	Katherine Garrett-Cox CBE Tejpreet Singh Chopra [Resigned 15 January 2023] Justin Johnson Ivan Vatchkov Bing Hao [Resigned 30 June 2023] Gunjan Shah [Appointed 02 November 2022]
EXECUTIVE DIRECTOR	Helen Jane Burston
DIRECTOR OF FINANCE & OPERATIONS	Mike Saxton
DIRECTOR OF PROGRAMMES	Gillian Holmes
DIRECTOR OF STRATEGIC PARTNERSHIPS & COMMUNICATION	Andrew Sean Maguire
DIRECTOR OF HR	Elizabeth Boonman-Salgado
CHIEF IMPACT OFFICER	Sietske van der Ploeg
COMPANY SECRETARY	Mike Saxton
REGISTERED OFFICE	20 St Thomas Street London SE1 9RS
BANKERS	**HSBC Bank Plc** 69 Pall Mall St James London SW1Y 5EY
SOLICITORS	**Mills & Reeve** 24 King William Street London EC4R 9AT
AUDITORS	**Crowe U.K. LLP** Fourth Floor St James House St James' Square Cheltenham GL50 3PR

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p.25: Unsplash / Aron Van de Pol

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CLEAN AIR FUND

The Clean Air Fund (UK) is registered in England with company number 11766712 and charity number 118369.

Registered address: 20 St Thomas Street, London, SE1 9RS.

info@cleanairfund.org
www.cleanairfund.org
@cleanairfund

CLEAN AIR FUND

England & Wales - Charity number 1183697

Accounts

CLEAN AIR FUND

2021

Annual report and accounts

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LETTER FROM OUR CHAIR AND EXECUTIVE DIRECTOR

Air pollution is increasingly seen as a major public health concern and one of the most visible symptoms of the wider climate emergency.

Over the last two years, COVID-19 has brought attention to public health issues, and respiratory health in particular. In 2021, the World Health Organization highlighted clear evidence of the health damage inflicted by air pollution, even at low levels, and tightened their Air Quality Guidelines accordingly. A few months later, global leaders at COP26 underscored the risks that polluting, greenhouse gas-emitting fossil fuels pose to planetary health. In 2022, the war in Ukraine has highlighted again the harmful dependency of nation states on fossil fuels and kept energy security high on the political agenda.

We need to keep demonstrating how clean air measures can solve some of our greatest challenges. From climate change to sustainable development, early childhood development to equity, our collective efforts to deliver clean air can pay for themselves many times over. But we must be quick. In too many places, air quality is still deteriorating, and the numbers of people who suffer severe illness or die because of poor air quality grows every year.

During 2021, we increased significantly the reach and influence of our grant making. We committed funding to 45 new projects, worth $13 million on a multi-year basis, an increase of more than 50% on 2020. Our annual expenditure on new and live projects also grew by 50%, to $7.8m in 2021.

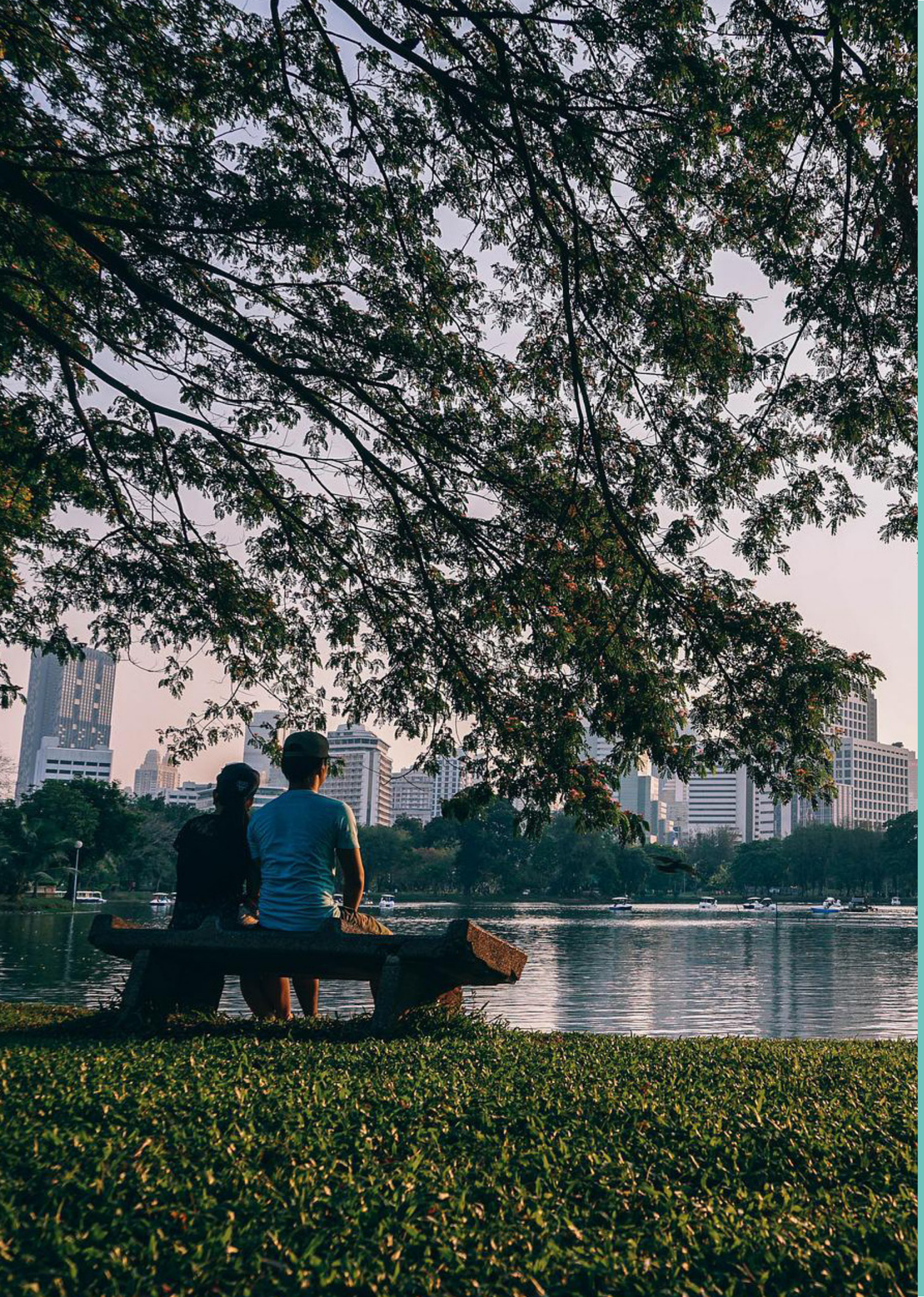
We brought new funders on board to fund our programme of work. We also stimulated, through co-funding for example, a further $17.5m of financial support to clean air projects globally.

This report outlines how our in-country partners and our work on cross-cutting themes are already creating an impact, such as laws and policies enabling the roll-out of clean air zones and the shift towards cleaner forms of domestic heating. Our strategic partnerships are making a difference too — from supporting the World Economic Forum to engage business leaders, to funding C40 to deliver action on air quality in more than 50 cities.

We are grateful for the support and engagement of our funders, grantees, partners, trustees and staff members. Thank you all for your adaptability, determination and hard work. We look forward to drawing lessons from our experiences of 2021 and building on these successes in 2022.

JANE BURSTON
Executive Director

KATHERINE GARRETT-COX
Chair of the Board of Trustees



TRUSTEES' REPORT

OUR YEAR AT A GLANCE

$13m
45 projects for clean air funded

$7.4m of projects awarded to **global work**

$2.9m of projects awarded in the **EU**

$1.6m of projects awarded in the **UK**

$1.1m of projects awarded in **India**

$0.05m of projects awarded in **Africa**

Global

$2m raised for our grants

$17.5m of clean air funding catalysed for the field

50 cities joined the C40 Air Quality Network

10 multinational companies committed to clean air action

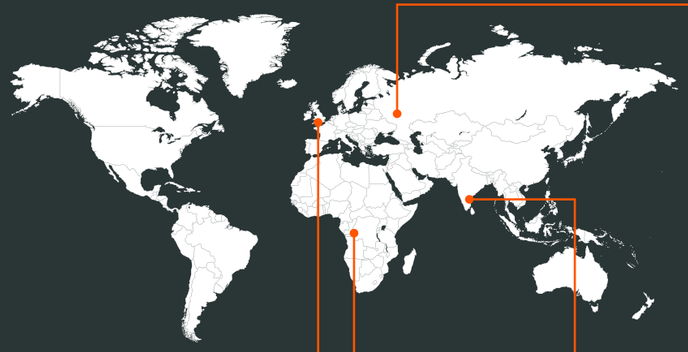
13 billion data points aggregated by OpenAQ

140 media articles on gaps in clean air funding

450 medical organisations demanded action from heads of state

500 parents groups mobilised against fossil fuel burning

1 million people reached by our digital campaign during COP26



EU

$250 million government investment won for electric Polish buses

12 Polish mayors committed to Low Emission Zones

€10billion committed to Polish Clean Air Programme

7 NGOs demanded ambitious action in Sofia

28 European NGOs advocated for WHO EU targets

UK

4 UK clean air zones expanded or implemented

3.8 million more people covered by London Ultra Low Emission Zone expansion

Africa

25 reference grade monitors shipped to the continent

India

1 Indian parliamentary group on air quality established

68 Indian businesses joined Forum for Clean Air

2000 Indian public health centres championing clean air

OUR MISSION AND APPROACH

We're working towards a world where everyone can breathe clean air.

Air pollution is one of the largest threats to human health, our climate and the environment. Working together for clean air will create a healthier, fairer, more prosperous future for everyone.

The Clean Air Fund aims to accelerate the movement for clean air by:

- funding and partnering with organisations across the globe that promote data, build public demand for clean air and drive action
- influencing and supporting decision-makers to act on clean air, bringing together funders, researchers, policy makers, businesses, and campaigners to build & strengthen the air quality cause.

THE CLEAN AIR FUND IS FUNDED BY:

IKEA Foundation

FIA FOUNDATION

CIFF CHILDREN'S INVESTMENT FUND FOUNDATION

Bernard van Leer FOUNDATION

OAK FOUNDATION

Bloomberg Philanthropies

the ELMA foundation

Impact on Urban Health

OUR OBJECTIVE: CLEAN AIR FOR ALL

We all need clean air to live, grow and thrive.

Yet 9 out of 10 people breathe harmful, dirty air, making air pollution one of our biggest health threats.

It's everywhere and it's getting worse. Invisible particles penetrate cells and organs in our bodies – our lungs, heart, blood and brain.

A HIDDEN EMERGENCY

This leaves millions suffering with acute and chronic diseases including asthma, strokes, heart attacks and dementia. Over 7 million people die each year as a result of air pollution – more than twice as many as from malaria, tuberculosis and HIV/AIDS combined.

The poorest communities living in the most congested, polluted areas are hit hardest. Babies, children and older people suffer most.

It doesn't have to be this way. By tackling air pollution together, we can save and improve many lives.

PROTECTING OUR PLANET

But it's far from only a health problem. Since both air pollution and climate change are mainly caused by burning fossil fuels, they share many of the same solutions.

So cleaning up our air is also one of the most immediate ways to protect the planet. In addition, it will help tackle inequality and build stronger economies.

Action on air pollution can address some of our biggest problems at the same time and will pay for itself many times over. That is why stronger laws on air pollution and better enforcement have the backing of two thirds of the public.

Together, we can make this happen.

The Clean Air Fund works around the world with governments, funders, businesses and campaigners to deliver clean air for all as fast as possible. We know the solutions exist. They need to be prioritised and introduced quickly and more widely.

THE MOVEMENT FOR CLEAN AIR

Momentum is growing.

The grassroots campaigning we support in the streets of cities like Delhi, London and Warsaw is gaining traction and inspiring others. We're raising pollution up the political agenda through partnerships with the World Economic Forum, the World Health Organization and the C40 Cities' global Mayors forum. Crucially, political leaders are starting to adopt the measures needed, like banning dirty coal stoves, introducing clean air zones and setting ambitious targets in line with international guidelines.

With more funds and more support, we can do so much more.

It is time to clean our air, to improve health, tackle climate change and build fairer societies and stronger economies.

OUR APPROACH

Clean Air Fund is a global philanthropic organisation that brings together governments, funders, businesses and campaigners to create a future where everyone breathes clean air.

Through grant-making and directly funded projects, we create change and accelerate action on clean air. We do this by supporting and building the clean air ecosystem across three areas:

- **Data:** putting compelling evidence on air quality - and health, climate and related impacts – in the right hands;
- **Demand:** heightening public pressure and the political will to create change;
- **Drive to action:** influencing decision makers to make clean air the expectation and the norm.

We build and strengthen the movement at local, national, regional and global levels through:

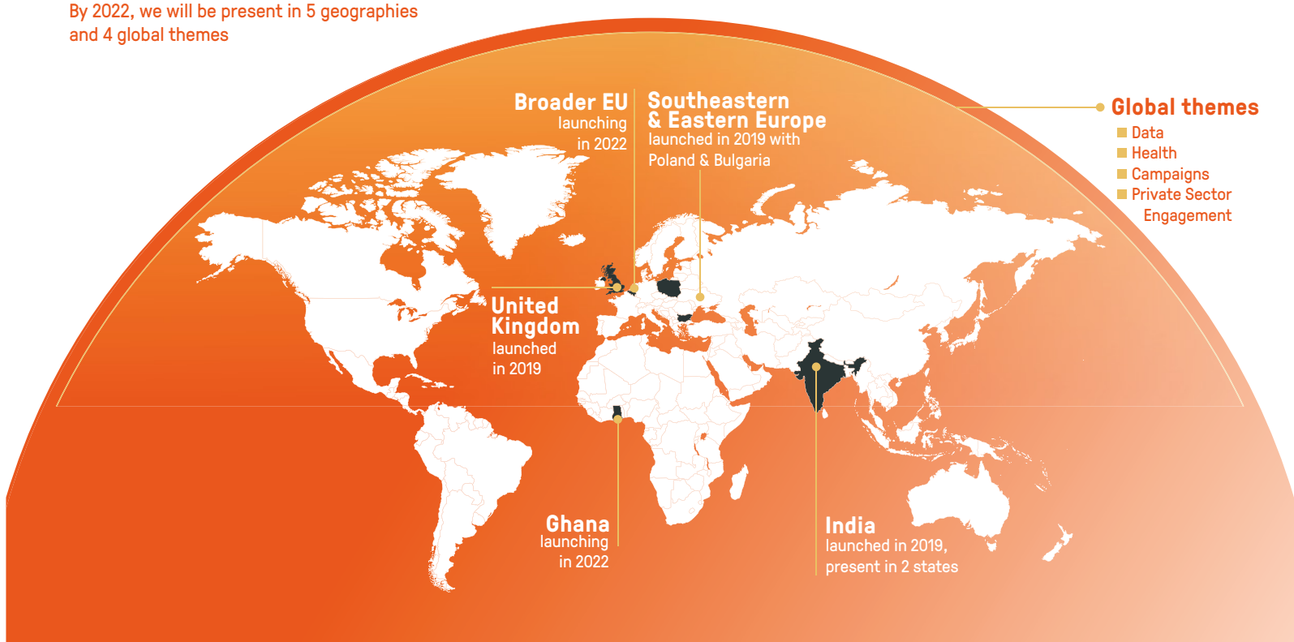
- **Funding & Partnering:** providing funding and other support to empower existing organisations and new actors to scale and accelerate their impact;
- **Connecting & Influencing:** strengthening the movement by bringing together like-minded players, mobilising additional funding, and sharing learnings;
- **Evaluating & Replicating:** Conducting rigorous impact evaluations to learn from successes & failures, codifying learnings, and sharing best practices to advance the field.

WHERE WE WORK

We achieve local action through our intensive work in lighthouse geographies and we influence decision makers across national boundaries to make clean air the expectation and the norm.

OUR PRESENCE

By 2022, we will be present in 5 geographies and 4 global themes



STRATEGIC REPORT

OVERVIEW OF OUR GRANT MAKING AND ORGANISATIONAL PROGRESS

CONTEXT

In 2021, the global COVID pandemic continued to prove a challenge and made aspects of our work slower or more difficult. Major events were re-scheduled, travel and face-to-face meetings with colleagues and partners remained hard and key legislative and policy decisions in our lighthouse geographies were delayed.

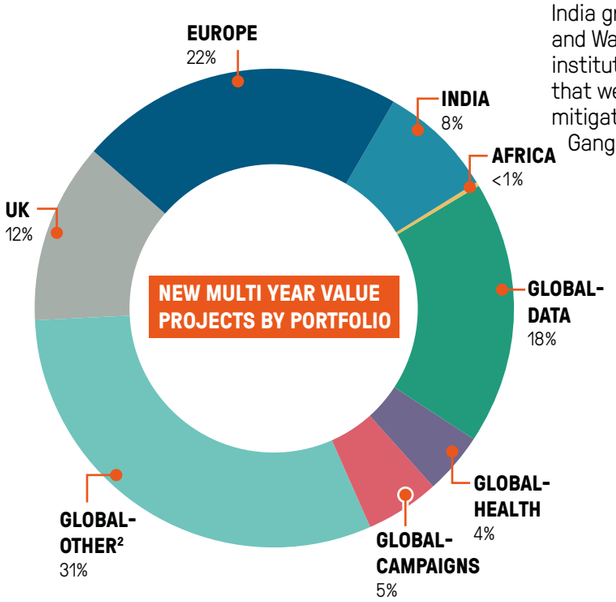
Despite the pandemic, work to clean up our air progressed. The updated WHO Air Quality Guidelines and COP26 focused the minds of policy makers on climate, and to an extent on air pollution.

Against this backdrop, the projects we instigated, campaigns we supported, partnerships we funded and research we commissioned produced results. These are some of the highlights.

GRANT MAKING

We increased our grant making reach and influence significantly across our geographies and thematic areas. We strengthened our strategic partnerships too. In the last financial year, we awarded funding to 45 new projects, worth $13.0m multi-year value[1], a $4.4m or 52% increase on the $8.6m we awarded in 2020. The growth is mostly due to an increase in the number of multi-year grants we gave, particularly in the UK and the European Union, having developed good relationships with grantees over our first two years of operations. This is allowing us to work with small NGOs and provide them with a longer-term, more secure funding base. This doubled our average grant size from $0.2m to $0.4m. In addition, we awarded our largest ever grant to C40 Cities (Global - Other)[2], worth $3.7m over 3 years. Annual Expenditure on new and live projects totalled $7.8m, a 50% increase from $5.2m in 2020.

We brought on board new funders, securing $500k from Bloomberg Philanthropies for our pooled fund, $1.2m from the CH Foundation for a low-cost sensor project in Providence, Rhode Island, to be delivered by Brown University and $365k from McCall McBain for UK-based clean air academic fellowships to start in 2022. Our India grantee Council on Energy, Environment and Water (CEEW) secured ~$15m of institutional funding to scale up a pilot project that we had funded, improving air pollution mitigation and reducing exposure in the Indo-Gangetic Plains.



1. Multi-year value is the total value of our grant commitments over the lifetime of the grant. These differ from the annual commitment in our accounts due to a legally binding clause (the annual performance review) that limits our legal commitment to just one year of the grant.

2. 'Global - Other' refers to the C40 Cities grant and some monitoring, evaluation and learning activity.

DIRECT DELIVERY

In instances where we were best placed to provide a service to the field, we delivered a number of projects ourselves. These include The State of Global Air Quality Funding 2021 report, our achievements at COP26, and the new global corporate Alliance for Clean Air in partnership with the World Economic Forum.

ORGANISATIONAL PROGRESS

2021 was a year of rapid expansion for the Clean Air Fund, as we built the organisation to manage multi-million dollar portfolios in each of our lighthouse geographies and thematic areas and to prepare for future growth. We continued to:

- **Grow the team.** We recruited 17 people, taking the total team size to 27, in particular expanding our expertise and capacity in the Strategic Partnerships & Communications, Human Resources and India teams. We now have an India team of four, all of whom are Indian nationals.
- **Develop the organisation.** We enhanced our grant making systems and processes, fully implementing grant management software, and gathering insights from grantees about our strengths and weaknesses as a grant maker and how we can improve. With additional financial support from Children's Investment Fund Foundation (CIFF), we built systems for staff development and management information, and a resource planning system.
- **Build our strategies.** The Grant and Charitable Activities Committee and Board approved our Private Sector Engagement strategy and our Ghana strategy. We developed our strategic thinking around health, movement building, equity and early childhood development. We secured pro-bono support from Bain to co-create our 2023-26 strategy.

GLOBAL: MOVEMENT BUILDING AND ENGAGEMENT

Our Strategic Partnerships and Communications team began work this year, extending Clean Air Fund's influence and impact. It focused on building alliances and coalitions to drive action on clean air, supporting campaigning and public mobilisation, and working with partners and grantees to communicate the impact of and solutions to air pollution.

We got the first global, corporate Alliance for Clean Air off the ground

In partnership with the World Economic Forum, we launched an Alliance with ten multinational companies who committed to measure and reduce their air pollution footprint, communicate with stakeholders about the impacts of air pollution and contribute their business assets to working towards clean air. The Alliance for Clean Air was launched at COP26 with Accenture, Biogen, Bloomberg, Google, GoTo, IKEA, Maersk, Mahindra Group, Siemens, and Wipro as founding members.

Using guidance developed by the Stockholm Environment Institute, the companies will measure their air pollution footprints, and publish baseline footprints and reduction targets within a year. This builds on the corporate engagement work in our lighthouse geographies. In 2022 we will expand the Alliance to include other major companies in diverse sectors.

10
multinational companies committed to clean air action

Our research and analysis on air quality funding secured significant interest and coverage

As part of coordinated global efforts for UN International Day of Clean Air for blue skies in September, we launched our third annual report on air quality funding. The powerful arguments in The State of Global Air Quality Funding 2021 were used by staff in the World Bank, USAID and other development agencies to argue air quality programmes need higher funding.

The report received notable news coverage (Funding needed to tackle life-shortening air pollution - report) in print and online (More global aid goes to fossil fuel projects than tackling dirty air - study) . BBC World Service interviewed Jane Burston and in total, our findings were covered in 140 media articles around the world, from Australia to Vietnam. The launch also had impact on social media, reaching over 72,000 people on the day it launched.

We brought together Official Donors to build alignment and support

We convened a working group of development agencies and multilateral lenders to build support for greater investment in clean air, the only regular gathering of official donors on air quality outside the Climate and Clean Air Coalition. We leveraged the State of Global Air Quality Funding report to build influence and connections that led to an invitation for Jane Burston to speak on a World Bank panel event during COP26. Despite this, as yet no significantly new and additional pledges have been made towards tackling air pollution by development agencies or banks. Building support for more funding to tackle air pollution as a priority for governments and donors will require high-level advocacy to shift policy, as well as a coordinated effort to address institutional barriers.

We pushed air pollution up the agenda at COP26 and joined the dots to climate change

Our focus at COP26 in Glasgow was to insert air pollution into climate and health narratives and position ourselves to build influence and mobilise funding.

Our report, Joined-Up Action on Air Pollution and Climate Change, outlined the benefits of addressing air pollution and climate change together, showing that an additional eight gigatonnes CO2e reduction could be secured. It provided the policy foundations, analysis and narrative on which we built our communications at COP26.

We funded installations of Michael Pinsky's iconic Pollution Pods in five UK cities. The Pollution Pods, a series of geodesic domes whose air quality, smell and temperature recreate the pollution of different locations on three continents, were accompanied by medical staff from six children's hospitals taking part in a Ride For Their Lives to Glasgow where they delivered a Healthy Climate Prescription Letter on behalf of 450 medical organisations across the globe. Thousands of members of the public visited the Pods and, together with the cycle ride, they garnered significant media coverage including in: BBC, The Evening Standard, and Forbes.

Jane Burston, spoke at key events in the 'blue zone' at COP, including panels hosted by the Wellcome Trust, the WHO and the World Bank.

We helped mobilise a delegation of parents to campaign on clean air

We supported our grantee, Campaign Collective, to launch a global 'Our Children's Air' campaign, bringing together parents to demand clean air for their children. Nearly 500 parents groups from 44 countries were mobilised and some sent representatives to Glasgow to share their powerful personal stories. An international delegation of mothers met UK President of COP26, Alok Sharma MP, to present a petition demanding action. This meeting and a subsequent panel discussion and press conference secured 'cut through' coverage in major international and UK titles.

GLOBAL: DATA

As The State of Global Air Quality Funding 2021 report shows, funding to data projects grew by 500% (albeit from a low base) between 2015 and 2020, outstripping any other project type we track. Despite this, the field remains relatively undeveloped. Our approach is focussed on co-developing projects with grantees to build capacity and expertise in data monitoring, and making existing data accessible to citizens who want to campaign, and governments that want to implement solutions.

In 2021 we developed several key partnerships. We are working with the United Nations Environment Programme (UNEP) on improving global coordination for air quality data and the US Environment Protection Agency (EPA) on a collaborative data management project.

Breathe London pilot inspired many other cities with its low-cost sensor deployment

The Breathe London monitoring project, piloted with Clean Air Fund and other philanthropic support in 2020, has now secured long-term funding from the Greater London Authority and Bloomberg Philanthropies. In 2021, a final city blueprint and detailed technical report were published, enabling others to draw on this approach of using low-cost sensors alongside reference-grade monitors. Examples include:

- Bangalore, Bogota, Buenos Aires, Glasgow, Jakarta, Mexico City and Sydney are looking to increase their air quality monitoring inspired by the Breathe London approach.
- With Clean Air Fund's support, a new 'Breathe Providence' project is getting off the ground in the USA and we are supporting or engaging with low-cost sensor deployments in Gurgaon (India) and Warsaw (Poland).
- The new chair of C40, London's Mayor Sadiq Khan, has announced the roll-out of Breathe London to 100 cities globally, in a project to be called Breathe Global.

We made wearable sensors more accessible to campaigners and citizen scientists

Our grant to HabitatMap, a non-profit community campaigning organisation, made their AirBeam wearable sensor more user-friendly through improved sensor design, an updated app available on iOS devices, and detailed user guidance. Developed with user input, these improvements will make it easier for community campaigners, educators and citizen scientists to monitor and share air pollution data and spur action.

41 new countries and 40,000 new stations were added to the OpenAQ platform

OpenAQ continues to expand its global air quality data platform, adding tens of thousands of new stations (including both reference-grade and low-cost sensor platforms) in 2021, particularly from the Global South. In total, OpenAQ now hosts about 13 billion data points from 136 countries, with 15 million user downloads each month, supporting the application and use of the data that would otherwise not be possible.

Dozens of cities took steps to improve air quality, starting where the need is greatest

With 37 signatory mayors supporting the C40 Clean Air Cities Declaration and membership of the C40 Air Quality network reaching 50 cities in 2021, there is now a solid foundation for influencing and supporting ambitious air quality action in the world's largest cities. With our support, C40 provided technical assistance to support cities where the capacity needs were highest including Ethiopia's Addis Ababa and Quezon City in the Philippines.

We boosted capacity for ambient air quality work at the WHO, laying the foundations for a long-term partnership

Our grant to WHO supported the update of a new official air quality database to include country-verified data on particulate matter and, for the first time also NO2. This will allow the calculation of updated global health statistics, which were last issued in 2018 based on 2016 data. Preliminary analysis shows that 2,000 more cities are in the revised database, a significant rise in the number of cities monitoring air quality.

Our grant enabled WHO to maintain a Global Air Pollution and Health Technical Advisory Group which brings together 80 experts from academia, government and NGO institutions to advise WHO and inject technical rigour to their air quality data work.

13 billion
data points aggregated by OpenAQ

“CLEANING UP OUR AIR CAN BE A SECRET WEAPON IN ADDRESSING SOME OF SOCIETY’S BIGGEST ISSUES”

AFRICA

We began supporting air pollution monitoring in African cities and commissioned the creation of a dedicated urban clean air network through our partnership with C40.

We bolstered monitoring capacity

Together with AfriqAir and the UK Centre for Ecology & Hydrology, we helped boost monitoring capacity in Africa. We funded 25 reference-grade PM2.5 monitors to be serviced and shipped from the UK to AfriqAir, a consortium of 15 global institutions dedicated to improving air quality in Africa. This is a first step in increasing reference-grade monitoring capacity in Africa, where only 7 out of 54 countries provide reliable, real-time air pollution monitoring, despite the region recording some of the highest fine particulate levels in the world. Without our support, the 25 monitors – valued at ~$1m if purchased new - would likely have been scrapped.

We initiated our clean air programme in Ghana

In 2021, we identified Ghana as our next lighthouse geography and developed a strategy focused on capacity building on data generation, analysis and communication, supporting key influencer groups to engage on clean air, and assisting with air quality management implementation planning.

25
reference grade monitors shipped to the continent

12 Polish mayors committed to **Low Emission Zones**

EUROPEAN UNION[3]

The European Commission initiated a revision of the EU's Air Quality Directives to align more closely with the revised WHO air quality guidelines. This provides an exciting opportunity to influence air pollution levels right across the 27 member states of the European Union. In Bulgaria, three rounds of national elections stymied progress on air pollution with policy makers.

We successfully influenced the process for the EU Air Quality Directive revision

In March, the European Parliament adopted a Resolution to revise the EU Air Quality Directive based on the new WHO guidelines. We funded a report by the European Environment Bureau revealing all but two EU Member States (Slovakia and Belgium) have National Air Pollution Control Programmes that are inadequate in terms of the National Emission Reduction Commitments Directive. These findings were included in the resolution.

With our support, Za Zemiata brought together 13 Polish NGOs and 15 Bulgarian NGOs to call for the revised Air Quality directive (which will be set in 2023) to be fully aligned with WHO guidelines, sending a strong message from two of the most polluted countries in the EU. Clean Air Fund echoed this call, submitting our own feedback as part of the public consultation.

3. Including Eastern and Southeastern Europe

We supported better designed LEZs that are based on real-world data

We are supporting The Real Urban Emissions (TRUE) Initiative to study real-world passenger vehicle emissions in Warsaw and Bulgaria, with the results providing scenarios for low emission zone implementation and its associated impacts on transport emissions. The research was shared with city officials in Sofia to inform the launch of a pilot LEZ in 2022. Political engagement in Warsaw continues, with the aim of ensuring maximum uptake of the results in 2022.

€10BN secured for Poland's National Clean Air Plan thanks to successful advocacy by grantees

Our grantee Polish Smog Alert, supported by other NGOs in Poland, successfully advocated for substantial funds to tackle air pollution in the National Recovery Plan of Poland (funded by the European Commission). This will primarily support the replacement of coal-fired boilers used for household heating, development of electric vehicle charging infrastructure and electrification of public transport fleets.

Revised legislation enabled LEZ implementation and won support of 12 mayors

A coalition of organisations we supported - including the Foundation for Electric Vehicles Promotion (FPPE), PSA and the European Clean Air Centre (ECAC) - worked closely with the Ministry of Climate, the Prime Minister's Plenipotentiary for Clean Air and MPs to adopt LEZ-friendly legislation. Our support for The Union of Polish Metropolis and the Polish Association of Alternative Fuels (PSPA) – through ECF – saw them sign a public declaration supporting the accelerated roll out of LEZs across the 12 member cities and beyond.

The Polish government allocated €250MLN to electrify the public bus fleets

After strong advocacy by our grantee FPPE, the Polish government has provided crucial financial support to cities to electrify their public bus fleets. FPPE worked with the government to run a public-facing webinar on the initiative. Thanks to the support received, around 1,500 zero-emission buses and trolleybuses will be introduced in Polish cities in the coming years, tripling the number of zero-emission buses.

Advocacy success: Sofia strengthened its air quality plan

Our grantee Za Zemiata coordinated 7 NGOs to jointly demand changes to Sofia's Air quality plan. In response, the city agreed to: commission additional studies to inform their plan, develop a programme to replace low-efficiency furnaces in private homes and bring in a LEZ in Sofia in mid-2022.

INDIA

Amid economic decline (compared to forecast growth pre-COVID), the Government of India is under pressure to prioritise the economy over environmental impact. Discussions around development of a national Clean Air Mission for India have progressed and could create new opportunities for our work.

The upcoming publication by the Government and UNEP (CCAC) of an annual air assessment report, funded by us, has received backing from the Ministry of Environment, Forest and Climate Change and the Central Pollution Control Board.

We identified hotspots and pushed for government action in Delhi and Uttar Pradesh (UP)

Delhi and Uttar Pradesh, our two focal States, have some of the worst polluted locations in India. The State Governments are adopting the 'pollution hotspot identification and management' based approach to fix the problem.

In UP, we are supporting the incubation of an integrated decision support system within the UP Pollution Control Board and the UP Environment Department. With our funding, CEEW is also working to identify hotspots across 17 cities within UP to catalyse both government and public action.

In Delhi National Capital Region, we are supporting an in-depth analysis of low-cost sensors to understand the opportunities and barriers to scaling up in India. Based on the recommendations, the Gurgaon Metropolitan Development Authority will decide what low-cost sensors to deploy to inform policy choices across Gurgaon and (potentially) Faridabad. We are also working with the city level government, South and East Delhi Municipal corporations, on management and control of air pollution in their jurisdiction. Our grantee, Local Governments for Sustainability together with Urban Local Bodies, are co-designing air quality management plans, capacity building initiatives, and providing implementation support.

We coordinated businesses to commit to action on air pollution

Almost 70 business leaders have joined the India CEO Forum for Clean Air and pledged to develop and scale up sustainable business models, exceeding our target of attracting 50 businesses. The Confederation of Indian Industry backed the report we commissioned from Dalberg consultancy: Air Pollution in India and the Impact on Business. This publication highlighted that toxic air costs Indian businesses $95 billion per year (or 3% of the country's GDP). Two Indian businesses, Mahindra and Wipro, joined the WEF Alliance for Clean Air which was launched at COP26.

A new Parliamentary forum got off the ground

Our grantee, Swaniti Initiative, supported the creation of a Parliamentarians Group for Clean Air, an alliance of MPs formed to raise awareness around air pollution. Swaniti are compiling briefings on various air quality issues to bring attention to those during upcoming Parliament sessions.

Health care professionals led public education on the health impacts of air pollution

2,000 public health centres in Chattisgarh state are now displaying posters on air pollution and health that were developed in collaboration with the State Health Resource Centre. Posters and communication toolkits on air pollution and its health effects in English, Hindi and five other regional languages have been pushed out on social media channels and have garnered a reach of 22,000 + individuals.

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Indian businesses joined Forum for Clean Air

UNITED KINGDOM

Following the inquest into Ella Adoo Kissi-Debrah's death, in April 2021 the Coroner's Prevention of Future Deaths report made several recommendations, including to national government, on reducing particulate matter and setting legally binding targets in line with WHO air quality guidelines. The Environment Bill became law, mandating the government to establish targets for PM2.5 by October 2022 and to produce a new National Air Quality Strategy within the year.

4
UK clean air zones expanded or implemented

Together with grantees, we provided eight cities with evidence of the benefits of Clean Air Zones

London's Ultra Low Emission Zone (ULEZ) was made 18 times larger, covering 3.8 million more people. Roadside nitrogen dioxide (NO2) pollution reduced by 36% in the zone in the first six months of the initial ULEZ according to City Hall. London also estimated that CO2 emissions fell by 4% within six months. Birmingham introduced a class D CAZ in June which reduced NO2 levels by up to 20% in the first three months of operation. Bath's new class C CAZ – the first in England outside London — contributed to a 14% reduction in NO2 in its first quarter. Portsmouth launched a Class-C CAZ in November. Six UK cities are planning to introduce CAZs in 2022.

We supported commitment to and implementation of these CAZs. With our support, Asthma + Lung UK mobilised a new generation of youth campaigners in Birmingham, Manchester and Liverpool and inspired a stream of positive media stories.

We also commissioned research from CBI Economics that demonstrated the economic benefits of CAZs. The findings indicated the CAZs could deliver an 18% (5 μ g/m3) reduction in NO2, prevent at least 1% of deaths and inject millions of pounds into city economies. They received widespread media coverage and have been used by Manchester and Birmingham's mayors to support the introduction of CAZs.

We made clean air a priority issue in the local and mayoral elections

We supported Asthma + Lung UK, Choked Up, the Conservative Environment Network, the Environmental Defence Fund Europe and Mums for Lungs to deliver impactful campaigns in the run-up to the 2021 local and mayoral elections. This contributed to the inclusion of clean air in leading candidates' election platforms in London, Birmingham, Manchester and Liverpool[4] and a clean air hustings that attracted significant engagement on social media, demonstrating public demand for action on air pollution.

The results were encouraging, with the Mayors of Birmingham, London and Manchester committing to, or introducing, CAZs once elected.

We supported civil society's demand for new national targets on PM2.5

We campaigned for the WHO target for PM2.5 to be in the Environment Bill and advocated hard for legislative ambition with a coalition of campaigners. We supported the members of the Healthy Air Campaign to shape two direct calls to the Prime Minister to bring PM2.5 targets in line with tighter WHO limits. Despite not getting the WHO target agreed, campaigning efforts laid the groundwork for the battle next year when the target for PM2.5 will be set.

4. Policies proposed by our grantees included the expansion of the London Ultra Low Emission Zone, cleaning up London's Red Routes, Zero emission buses, increasing charge-point provision, increasing bike usage by improving storage and cycle paths, improving connectivity through public transport and improving energy efficiency in homes and buildings. These positions were supported by media and digital engagement campaigns in London, Greater Manchester, Liverpool and the West Midlands.

2021: TEN THINGS WE LEARNED

We are continually learning about the barriers to change, the opportunities to achieve greater impact, and where we can improve.

1 **THE AIR QUALITY FIELD IS STILL MASSIVELY UNDERFUNDED.** Less than 1% of all aid and philanthropic funding goes to improving air quality. The volume and pace of funding doesn't match the 153% rise (in the last 30 years) of deaths caused by air pollution in low- and middle-income countries, especially in Africa and Latin America.

2 **THERE IS NO SAFE LEVEL OF AIR POLLUTION.** A new study by the Health Effects Institute (HEI) showed that even low level exposure to air pollution significantly increased the chances of becoming ill with cancers and respiratory illnesses. When the WHO published its updated Air Quality Guidelines, it estimated that six million early deaths would be avoided if current air pollution levels were reduced in line with their new, stricter limits.

3 **MANY CLIMATE DECISIONS IGNORE THE HEALTH, ECONOMIC AND SOCIAL CO-BENEFITS OF CLEANER AIR.** This is despite air pollution and climate change sharing a number of common causes. Our research found that if air quality benefits are considered, many climate change interventions flip from net-cost to net-benefit.

4 **LOCAL AIR QUALITY DATA IS A PRE-REQUISITE FOR EFFECTIVE ACTION ON AFRICA'S URGENT AIR POLLUTION PROBLEM.** However, only 7 out of 54 countries in Africa have reliable, real-time air quality monitoring.

5 **DISADVANTAGED GROUPS, OFTEN THE MOST AFFECTED, TEND TO BE THE LEAST INCLUDED IN CLEAN AIR WORK.** Analysis by our grantee EDF Europe showed that pollution is significantly higher around London schools with more students from deprived areas, or with a higher proportion of students with Black, Asian and minority ethnic backgrounds. It is therefore vital that action for clean air reaches disadvantaged groups and that their perspectives and experience are understood by policy makers.

6 **BUILDING LOCAL SUPPORT FOR CLEAN AIR MEASURES THROUGH CONSULTATION AND ENGAGEMENT IS VITAL.** Not only does it unlock political support, but it pre-empts potential pushback and enables measures like clean air zones to be implemented quickly and positively.

7 **AIR QUALITY DEBATES ARE BEING DRAGGED INTO THE CULTURE WARS.** We must become better equipped to respond to polarising arguments such as the idea that tackling air pollution is a 'war on motorists'. This calls for a deeper understanding of public attitudes to air pollution.

8 **ENGAGING WITH A FEW KEY CHAMPIONS IN THE HEALTH CARE SECTOR IS THE BEST STARTING POINT.** This is preferable to engaging with the health sector as a whole due to the ongoing focus on the pandemic. Some high profile champions have built platforms to influence policy during the pandemic, and many respiratory doctors are now on high-level advisory panels.

9 **BUSINESSES ARE RELATIVE NEWCOMERS TO THE ISSUE OF AIR POLLUTION.** First-movers have been drawn to the issue largely because air pollution affects everyone, the greater focus on the health impact of pollution might make it more relevant to their stakeholders and it is seen as offering an opportunity for a conversation about the human impact of climate.

10 **INTERNATIONAL NETWORKING OPPORTUNITIES ARE NEEDED FOR THE CLEAN AIR MOVEMENT.** The Clean Air Fund plays a role in cross-fertilising ideas. For example, we facilitated a workshop on CAZ/LEZ implementation to share insights from the UK with policy makers in Poland. We need to systematically identifying 'bright spots' of good practice and facilitate discussions among campaigners about what works.

OUR GOALS FOR 2022

Our current strategy covers 2019-22. Our goals for 2022 are summarised here.

FUNDING

We will continue to fundraise for air quality projects that we and others deliver. In addition to renewing and growing our grants with existing donors for 2023 at a level that allows us to grow our impact, we aim to raise $5-$10m in new income from foundation funders. We will also finalise our approach to corporate funding and build a pipeline of prospective corporate funders. We will highlight the low levels of air quality funding and continue to focus on increasing both the quantity and impact of funding.

GRANTMAKING

We will keep driving change through our geographic and thematic portfolios, awarding $13.7m worth of projects (multi-year or lifetime value) over the next 12 months. Ambitious targets developed for each portfolio include: strong new national laws and local regulations, major city-level clean air initiatives, packages of support to boost air pollution management, new air quality data to inform policy making, and a ground-breaking toolkit on measuring corporate air pollution. We will strengthen our strategic partnerships with C40, WHO, UNEP, the World Economic Forum, among others, driving political and corporate action and increasing our expertise and impact.

STRATEGY AND EVALUATION

We will finalise our next four year strategy for 2023 to 2026. Through our global advocacy strategy, we will set out how to secure global leadership and action on clean air. We will also define and agree the next phase of our health and global advocacy strategies, and select a third state for action in India. We will continue to demonstrate our impact and identify lessons to strengthen air pollution programme for Clean Air Fund and the wider field.

DEVELOPING THE MOVEMENT

We will drive clean air up the global policy-making agenda at key political moments, amplifying diverse voices, and maximising reach and engagement through flagship events and publications. We will deepen our focus on Africa through existing and new grants and also push for the inclusion of messages on air quality at the UN Climate Change Conference (COP27) in Egypt. By convening our grantees and other NGOs, we will facilitate capacity building and learning. We will also develop our field building approaches to support early childhood development efforts.

BUILDING THE ORGANISATION

We will continue to build and strengthen the organisation by recruiting two new Board members. Also, we will develop the legal frameworks and system to support our growing international operations in Ghana, India and the US.

OUR STRUCTURE, GOVERNANCE AND MANAGEMENT

OVERVIEW

Clean Air Fund is a charitable company limited by guarantee (registered company number 11766712), constituted in 2019 and governed by its Memorandum and Articles of Association. Clean Air Fund is a charity registered in England and Wales (registration number 1183697) under the Charities Act 2011. The Charity had two subsidiary organisations at 31 December 2021:

CAF Trading Limited, a UK registered company (13318649), incorporated on 7 April 2021

Clean AF Foundation India, an Indian registered company (U85100DL2021NPL391210), registered on 14 December 2021

PUBLIC BENEFIT

As a charity, Clean Air Fund is a Public Benefit Entity. The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit including (PB2 Public Benefit: Running a Charity).

As a funding organisation, we work through the organisations we fund, which includes NGOs and research organisations. Our beneficiaries are people living in the countries and cities in which our partners are working to clean the air. Ultimately, the beneficiaries are much wider, as our aim is to improve air quality globally so that the lives of every individual in the geographies we work will benefit from these improvements. We coordinate a collective strategy for air pollution activity, provide grant funding to a multi-national portfolio of clean air programmes, grants funds to research and knowledge-building activities, and provides a means of knowledge sharing and networking between stakeholders.

THE BOARD OF TRUSTEES

The Board of Trustees is the governing body of the organisation and has legal, financial and managerial responsibility for the Charity. Clean Air Fund has five Trustees of which two are funder Trustees and three are independent Trustees. The Chair is one of the independent Trustees. All Trustees are also Members.

Trustees serve a four-year term from their date of appointment. Trustees are eligible to serve up to three full terms. Trustee appointment is confirmed at an annual general meeting of the Board.

New Trustees are appointed following a selection process based on our needs, and gaps in expertise of existing Board members. Potential new Trustees meet with the Executive Director and Chair of Trustees to assess fit with the organisation. New Trustees receive an induction briefing from the Executive Director and the senior leadership team and access to relevant policy documents covering their legal and regulatory responsibilities as well as relevant information about Clean Air Fund.

The Board of Trustees updated our Board skills matrix and in December 2021 reviewed Board meeting agendas and concluded that the most important focus areas for future Board meetings are strategy, impact, people and culture.

TEJPREET SINGH CHOPRA
Appointed 15 January 2019

KATHERINE GARRETT – COX (CHAIR)
Appointed 5 February 2019

JUSTIN JOHNSON
Appointed 5 February 2019

IVAN VATCHKOV
Appointed 10 February 2020

BING HAO
Appointed 1 February 2022

PATRICIA ATKINSON
Resigned 6 November 2021

DOMINIC WAUGHRAY
Resigned 30 October 2021

SENIOR LEADERSHIP TEAM

The senior leadership team (SLT) of the Clean Air Fund compromises of 5 members, the Executive Director as well as the other directors of the organisation.

Executive Director
JANE BURSTON
May 2019

Director of Finance & Operations
MIKE SAXTON
April 2020

Director of Programmes
GILLIAN HOLMES
June 2020

Director of Strategic Partnerships & Communications
SEAN MAGUIRE
January 2021

Director of HR
LIZ BOONMAN-SALGADO
August 2021

The purpose of the SLT is to set Clean Air Fund strategy and drive its implementation, to help achieve clean air for all. It focuses on strategic issues and the setting and revision of organisational process. The SLT's key responsibilities cover people and culture, strategy and impact, organisation and planning, and risk and reputation. This is the first year the full SLT has been in place.

The remuneration of the Executive Director and key management are based on a combination of philanthropic and not-for-profit market rates. The Executive Director's remuneration is reviewed annually by the Trustees.

DECISION MAKING

The Trustees, together with the Executive Director and the SLT, comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

The Trustees have delegated certain authorities for decision making to the Executive Director (on grant making and daily operations) and to the Grants and Charitable Activities Committee (on grant making and other charitable spending), the significant decisions of which are reported and monitored at each Board meeting.

- Clean Air Fund Board has strategic and operational oversight of all Clean Air Fund activities, and decision making on strategy and major grants;
- Detailed grant oversight and in-country strategies have been delegated in part to the Grant and Charitable Activities Committee; and
- The Board have delegated grant making authority for smaller grants to the Executive Director.

FINANCE, AUDIT AND RISK COMMITTEE

The Finance, Audit and Risk Committee is a sub-committee of the Board. The Committee's membership includes designated Trustees and independent advisors with relevant technical expertise.

The Committee meets at least twice per year to consider budgeting and financial planning, financial reporting, risk management and audit, assurance, systems and controls.

The Committee meets prior to the Board meetings and a report from each meeting is taken to the Board.

GRANT AND CHARITABLE ACTIVITIES COMMITTEE

The Grant and Charitable Activities Committee is a sub-committee of the Board. The Committee's membership includes designated Trustees, independent advisors with relevant technical expertise, and donors that have contributed at least $500,000 per year to the pooled fund.

The Grant and Charitable Activities Committee meets at least three times per year to consider in-country strategies and potential grant awards.

GRANT MAKING POLICY

Grant making within Clean Air Fund is guided by the Grant Making Policy, the key principles of which are outlined below:

Principles relating to Clean Air Fund's strategy

- Grants shall be aligned to at least one of the three drivers in our theory of change: data, demand, drive to action.
- Grants shall be aligned to our geographic strategy:
  - Grants should be in or for Clean Air Fund 'lighthouse geographies' or on a global scale;
- Grants shall not be made directly in areas ruled out of our strategies, including:
  - **Litigation:** Clean Air Fund shall not make grants that are directly used to litigate; and
  - **Reducing exposure only:** we want to tackle both climate and health and thus focus on reducing emissions as well as exposure.

Principles relating to Clean Air Fund's values

- Grants shall align with Clean Air Fund's organisational values:
  - **Evidence-informed:** Informing, and being informed, by data and analysis to drive evidence-based decision making;
  - **Collaborative and inclusive:** Serving and engaging the most vulnerable and ensuring those most impacted by air pollution and climate change are most benefited by our actions. Cultivating an ecosystem of partners to deliver our mission;
  - **Dynamic:** Striving for systemic change through impact-focussed grantmaking that delivers value for money.
- Grants shall have measurable and shareable results from which lessons can be learned by other organisations.

RISKS

The Trustees in conjunction with the SLT are responsible for the management of the risks faced by Clean Air Fund. This is documented in Clean Air Fund's risk management policy which sets out our risk management principles and roles and responsibilities. The policy covers the major strategic, financial, legal and operational risks to which the charity may be exposed.

All major risks are documented within a risk register. The risk register grades the risks according to their importance by assessing the likelihood and level of impact of each risk both before and after any mitigating actions. The risk register is updated and reviewed on a quarterly basis by the SLT, and is also reviewed by the Finance, Audit and Risk Committee on a six monthly basis and by the Board on an annual basis. Where necessary, Clean Air Fund also creates and maintains risk response plans for specific topics; currently the only such plan is for funding renewals.

Clean Air Fund's risk appetite is determined by the Board. We are prepared to take programming and grant-making related risks within accepted limits, for instance supporting innovative programmes whose outcome is uncertain.

The principal risks identified by the Trustees are:

- **Funding renewal is due with the majority of donors at the end of 2022. Lower, or delayed funding would create the risk of our ability to operate at the current level.** This risk is mitigated by having strong donor relationships and ensuring strong performance on existing grants, and receiving assurances about the likelihood of continuation. The Executive Director and Director of Strategic Partnerships and Communications are proactively managing the process with each donor, with a high likelihood of renewal.
- **Fast organisational growth, especially international growth creates the challenge of compliance with law and regulations in different jurisdictions.** This risk is mitigated by having senior staff with international management expertise, hiring high quality local advisors and having a strong set of organisational policies and processes.
- **Working in geographical locations where the sector is in early development means partner organisations may not initially achieve high impact.** Clean Air Fund aims to achieve its goals working with and through partners. In several places the clean air sector is at early stages of development and therefore there is a risk around their ability to have high impact quickly. This risk is mitigated by working on developing the movement and at a grantee level by having a thorough grant assessment and due diligence process prior to awarding individual grants.

The Trustees are satisfied that plans, systems, controls and policies are in place to mitigate and manage exposure to such major risks identified by the Trustees.

FINANCIAL REVIEW

Multi-year financial review

We have two key financial goals as part of our four-year strategy;

1. Secure $100m of funding for the clean air movement, pooled through or aligned with Clean Air Fund.
2. Commit to the disbursement of the majority of funds raised to organisations working to achieve clean air for all, including signing at least $40m of grants from the first tranche of secured funding.

We have exceeded the income goal with total funding secured directly and leverage being over $130m. In 2021 direct funding secured by CAF increased by $2m to $56m. In addition to the funding we've raised directly ourselves, we have had a wider impact through 'leveraged funding' (i.e. co-funding or funding to scale up pilots made possible by CAF) and 'influenced funding' (i.e. new funding for air quality initiatives we have encouraged). To date we estimate that we have leveraged an estimated $20m and influenced around an additional $55m more.

During 2021 we made significant progress against our disbursement goal, awarding $13m of new projects. We signed $11.5m of new grant agreements, taking the total multi-year grant commitments to $27m since 2019. In addition, we signed $1.4m of contracts for direct charitable activity that is used to support and amplify our grant-making and our grantees. We are on track to achieve the $40m target by the end of 2022.

Below is a table of our financial results over the past 3 years and a brief summary of our sources of income, areas of expenditure and overall financial results for 2021.

SUMMARY OF INCOME AND EXPENDITURE

USD $m	2019	2020	2021
Total Income	15.2	10.9	17.8
Total Expenditure	10.1	7.2	11.8
Net Movement in Funds	**5.2**	**3.7**	**6.0**
Fund balance	**5.2**	**8.9**	**14.9**
Restricted	0.0	0.5	0.9
Unrestricted	5.2	8.4	14.0

SUMMARY OF FINANCIAL KPIS

	2019	2020	2021
Average FTE	4.2	12.3	22.9
Funds awarded to Partners ($m)	8.9	8.6	13.0
% Total Expenditure Awarded To Partners	87%	82%	77%
Grant disbursements ($m)	1.7	6.2	6.7

2021 Financial Statements Review

INCOME: $17.8M

Clean Air Fund's income in 2021 came from large scale grants from philanthropic funders. Total income recognised during the year relating to these grants was $17.8m ($10.8m in 2020). Income is recognised in line with Clean Air Fund's accounting policy (when there is entitlement to the funds, receipt is probable and the amount is measurable) which means there is significant variation in annualised income depending upon our funders' profile of payments and mid-grant review processes across different financial periods. This accounting difference is the primary reason for the 66% ($7.0m) increase from 2020, as well as some additional project related funding.

The majority of Clean Air Fund's 2021 income ($14.4m, 81%) relates to unrestricted funds and is received into the central pooled fund, allocated across projects in our portfolios and supporting the organisation. A small percentage of income ($3.4m, 19%) is from restricted grants (where the funder has placed a geographic or project restriction on the use of funds). This amount increased in year due to a $1.2m donation specifically towards our Breathe Providence project, as well as funds restricted to spending on Clean Air Fund organisational development.

EXPENDITURE: $11.8M

The most significant area of Clean Air Fund's expenditure relates to grants to third party organisations. We also deliver charitable activities through service contracts with non-charitable organisations (which we call Direct Charitable Activity or DCA), and on some occasions Clean Air Fund delivers charitable activities itself.

Total charitable activities expenditure represents 99% of total expenditure. In 2021 this was $11.7m (2020 - $7.1m), an increase of $3.6m (51%). The primary driver of expenditure increase is growth in our Global grants towards our work on data, cities, health and international campaigns. Charitable expenditure is broken down by:

- $6.4m (2020 - $4.1m) grant expenditure;
- $1.8m (2020 - $1.3m) incurred by Clean Air Fund for charitable projects. These include projects undertaken directly through charitable service contracts, plus project related travel, consultants and communications costs;
- $1.2m (2020 - $0.5m) direct staff costs; and
- $2.2m (2020 - $1.1m) support costs.
- The remaining 1% of expenditure $0.1m (2020 - $0.1m) related to fundraising activity, which consisted of staff time dedicated to finding new donors.

FINANCIAL RESULTS

Clean Air Fund's net income on our unrestricted fund at year end was $5.6m (2020 - $3.2m). This serves two purposes: firstly, to provide the initial free reserves for the charity and secondly to fund future grant commitments – including planned grant expenditure with partners pending formal grant agreements. There was also $0.4m of net income on our restricted funds at year end, which are expected to be utilised during 2022 and 2023.

BALANCE SHEET

At the end of 2021, the majority of Clean Air Fund's assets were cash and bank deposits of $18.3m (2020 - $13.4m).

The main liabilities of Clean Air Fund are grants payable. At the end of 2021, these totalled $4.8m (2020 - $4.7m), of which $4.6m are payable within 12 months of year end and $0.2m is payable in more than 12 months. Driven by the annual review clause we have seen a reduction in the fund's liabilities above 12 months.

The closing position was total funds of $14.9m (2020 - $8.8m), of which $14.0m (2020 - $8.4m) were unrestricted and $0.9m (2020 - $0.4m) restricted.

RESERVES POLICY

The Trustees aim to maintain free reserves in unrestricted funds at a level which equates to between four to six months of unrestricted charitable expenditure. The Trustees consider that this level will provide sufficient funds to respond to applications for grants and ensure coverage of support and governance costs.

The Trustees also consider contingent grant commitments (where grant commitments are contingent on future performance milestones) when considering the appropriate level of reserves. Trustees may decide to earmark unrestricted reserves as designated funds for these contingent liabilities. The Trustees may, at their discretion, ring-fence further unrestricted funds for future essential spend or for a specific purpose.

The end of 2022 represents the end of a strategic period for CAF. As CAF makes applications for grant renewals from its donors, the Trustees decided to hold funds from this first strategic period to cover the value of grants that have been made in the period, but for which funds have not yet been allocated.

Combined, this is $11.2m, of which $5.0m is funds that will be spent on our planned budget deficit in 2022 and $6.2m is funds for future years of grants we have awarded but not yet committed. The total reserves at year end were $14.9m. Total free (unrestricted) reserves were $14.0m, consisting of: the $11.2m planned deficit and future year grants; $1m core reserve - in line with our reserves policy; and $1.8m temporary unallocated reserves, which will be allocated during 2022.

GOING CONCERN STATEMENT

Clean Air Fund's current financial position is strong and 2022 plans are based upon confirmed funder income. As 2022 marks the end of Clean Air Fund's first strategic and funding period, the majority of the organisation's donor renewal decisions for 2023 onwards will be taken over the twelve month period from July 22 – June 23. There is therefore some temporary funding uncertainty for the 2023 financial year and beyond. Clean Air Fund has a strong relationship with all existing funders and expects renewal funding to be similar or higher than the current funding levels and therefore we have confidence that we will have sufficient funds to continue to operate as a going concern.

Taking into account the current strong financial position, our cash-flow projections and likelihood of renewal funding, the Trustees and the SLT believe that Clean Air Fund has adequate financial resources to continue to operate and implement our plans. Accordingly, the financial statements have been prepared on the going concern basis.

ADDITIONAL POLICIES

INVESTMENT POLICY

Clean Air Fund does not have an endowment and therefore investment is not a major part of the Fund's activities. Clean Air Fund's funds are held to support future grant expenditure. The aim of the investment policy is to minimise risk and protect capital security and therefore such assets are held as cash, invested to obtain a yield where possible. We had no investment income in year due to virtually zero interest rates on USD and GBP deposits. With some rises in interest rates expected during 2022 we will expect to obtain some investment income on cash deposits placed in line with our policy.

SAFEGUARDING AND CHILD PROTECTION

Clean Air Fund is committed to sector wide best practice with regards to safeguarding and child protection. Clean Air Fund is committed to:

- Promoting good practice and work in a way that prevents harm, abuse and coercion occurring;
- Ensuring that any allegations of abuse or suspicions are investigated promptly and robustly. And where the allegation is proven it will be dealt with appropriately;
- Taking any action within our powers to stop abuse occurring and ensure the person who has experienced the abuse receives appropriate support; and
- Being transparent and open by reporting any cases of abuse to the appropriate authorities.

In order to create a working environment that safeguards our beneficiaries and stakeholders Clean Air Fund will:

- Promote the rights of the people we work with to live free from abuse and coercion;
- Ensure the well-being of the people we work with;
- Manage our work in a way that promotes safety and prevents abuse.

FUNDRAISING

Clean Air Fund does not undertake any public fundraising activities that meets the Charities Act 2016.

REMUNERATION

None of the Trustees are remunerated for their services to the charity.

The remuneration of the Executive Director and key management are based on a combination of philanthropic and not-for-profit market rates. The Executive Director's remuneration is reviewed annually by the Trustees.

Staff salaries are based upon set pay scales which are set with reference to philanthropic and not-for-profit market rates. Any increments to staff salaries are proposed by the SLT and ratified by the Trustees.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors for the purposes for company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and regulations and United Kingdom generally accepted accounting practice (United Kingdom accounting standards) including FRS 102 (The Financial Reporting Standard) applicable in the UK and Republic of Ireland.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. This Trustees' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

So far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware. The Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees' Annual Report including the Strategic Report was approved was approved and authorised for issue by the Board of Trustees on 20 July 2022 and signed on its behalf by:

KATHERINE GARRETT-COX,
Chair

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CLEAN AIR FUND

OPINION

We have audited the financial statements of Clean Air Fund ('the charitable company') for the year ended 31 December 2021 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cash Flows 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 charitable company's affairs as at 31 December 2021 and of 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 charitable company 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 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 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 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.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement set out on page 39 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 members. 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 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. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS102) 2019. 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 ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud.

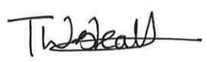
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within grant expenditure and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, designing and performing audit procedures for grant expenditure, 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 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
Date: 26 July 2022

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL ACTIVITIES

INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021

	NOTES	UNRESTRICTED FUNDS	RESTRICTED FUNDS	TOTAL FUNDS	TOTAL FUNDS
		2021 $	2021 $	2021 $	2020 $
INCOME FROM:					
Donations	2	14,410,767	3,424,205	**17,834,972**	**10,771,639**
Investments	3	_	_	_	**22,719**
Other Income	4	_	_	_	**56,146**
TOTAL		**14,410,767**	**3,424,205**	**17,834,972**	**10,850,504**
EXPENDITURE ON:					
Raising Funds	5	128,912	_	**128,912**	**86,005**
Charitable activities	5	8,688,364	2,986,278	**11,674,642**	**7,074,572**
TOTAL		**8,817,276**	**2,986,278**	**11,803,554**	**7,160,577**
Net income before transfers		5,593,491	437,927	**6,031,418**	**3,689,927**
Transfers		_	_	_	_
Net income and net movement in funds	12/13	5,593,491	437,927	**6,031,418**	**3,689,927**
RECONCILIATION OF FUNDS:					
Fund balances brought forward at 1 January 2021		8,407,596	444,884	**8,852,480**	**5,162,553**
Fund balances carried forward at 31 December 2021		14,001,087	882,811	**14,883,898**	**8,852,480**

All of the charity's activities derived from continuing operations during the above financial period.

All recognised gains and losses are included in the above statement of financial activities.

BALANCE SHEET

AS AT 31 DECEMBER 2021

	NOTES	2021 $	2021 $	2020 $	2020 $
CURRENT ASSETS					
Debtors	9	2,163,550		617,070	
Cash at bank and in hand		18,288,050		13,438,760	
		20,451,600		**14,055,830**	
LIABILITIES FALLING DUE WITHIN ONE YEAR					
Grants payable	10	(4,584,625)		(4,073,726)	
Creditors	11	(790,581)		(513,524)	
		(5,375,206)		**(4,587,250)**	
NET CURRENT ASSETS			**15,076,394**		**9,468,580**
LIABILITIES FALLING DUE AFTER ONE YEAR					
Grants payable	10		(192,496)		(616,100)
TOTAL NET ASSETS			**14,883,898**		**8,852,480**
FUNDS					
UNRESTRICTED FUNDS					
General funds		14,001,087			8,407,596
RESTRICTED FUNDS		882,811			444,884
TOTAL FUNDS			**14,883,898**		**8,852,480**

These accounts have been prepared in accordance with the Companies Act 2006. (Company number 11766712)

Notes 1 – 14 form part of these financial statements.

The financial statements were approved by the members of the Board of Trustees on 20 July 2022 and signed on their behalf by:

Katherine L. Garrett-Cox

CHAIR: KATHERINE GARRETT-COX

STATEMENT OF CASH FLOWS

AS AT 31 DECEMBER 2021

	Notes	2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	A	**4,849,290**	**1,886,182**
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		_	22,719
Net cash provided by investing activities		_	22,719
CASH FLOWS FROM FINANCING ACTIVITIES		_	_
Net cash provided by financing activities		_	_
CHANGE IN CASH AND CASH EQUIVALENTS IN THE PERIOD	B	**4,849,290**	**1,908,901**
CASH AND CASH EQUIVALENTS AT 1 JANUARY 2021	B	13,438,760	11,529,859
CASH AND CASH EQUIVALENTS AT 31 DECEMBER 2021	B	**18,288,050**	**13,438,760**

NOTES TO THE STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2021

A. RECONCILIATION OF NET (EXPENDITURE) INCOME AND NET MOVEMENT IN FUNDS TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES

	2021 $	2020 $
NET (EXPENDITURE) INCOME AND NET MOVEMENT IN FUNDS (AS PER THE STATEMENT OF FINANCIAL ACTIVITIES)	**6,031,418**	**3,689,927**
ADJUSTMENTS:		
Dividends and interest from investments	_	(22,719)
(Increase) / Decrease in debtors	(1,546,480)	24,244
Increase / (Decrease) in creditors falling due within one year	787,956	(617,764)
(Decrease) in creditors falling due after one year	(423,604)	(1,187,506)
Net cash provided by operating activities	**4,849,290**	**1,886,182**

B. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 $	2020 $
TOTAL CASH AND CASH EQUIVALENTS		
Changes in cash and cash equivalents in the year	4,849,290	1,908,901
Cash and cash equivalents at the beginning of the year	13,438,760	11,529,859
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**18,288,050**	**13,438,760**

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

A BASIS OF PREPARATION

The Charity is a charitable company limited by guarantee (registered number 11766712), which is incorporated and domiciled in the UK and is a public benefit entity. The Charity is registered in England and Wales (registered number 1183697). The Charity was incorporated on 15 January 2019 and the year end date was changed from 31 January to 31 December. The Charity started trading on 1 May 2019. These financial statements cover the period from 1 January 2021 to 31 December 2021.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The financial statements have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011, and UK Generally Accepted Practice as it applies from 1 January 2015.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in US dollars and are rounded to the nearest dollar. US dollars is the currency of the primary economic environment in which the entity operates reflecting the currency of both the majority of income and grants awarded.

B CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Preparation of the accounts requires the Board of Trustees and management to make significant judgements and estimates. The items in the accounts where these judgements and estimates have been made include:

- Timing of entitlement of income as described in the income policy.
- Timing of entitlement of grant expenditure as described in the expenditure policy

C ASSESSMENT OF GOING CONCERN

The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Trustees have considered Clean Air Fund's current financial position, cash-flow and scenario planning forecasts and future funding streams.

Clean Air Fund's current financial position is strong and 2022 plans are based upon confirmed funder income. 2022 marks the end of Clean Air Fund's first strategic and funding period, so the majority of the organisation's donor renewal decisions will be taken over the twelve month period from July 22 – June 23. Therefore, there is some temporary funding uncertainty for the 2023 financial year and beyond. Clean Air Fund is working closely with all existing funders and expects renewal funding to be similar or higher than the current funding levels.

Taking into account the financial position, cash-flow projections and likelihood of renewal funding, the Trustees have concluded that they are happy with the assumptions and that there is a reasonable expectation that the Charity has or will raise adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

D INCOME

Income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount can be measured reliably.

Donations received by the Charity, which are made up of grants, include those from donors that provide core funding, or are of a general nature. In the event that a grant is subject to conditions, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that those conditions will be fulfilled, including those committed over multiple years.

Grants received with a restricted purpose are allocated on receipt directly into the correct fund and are not transferred between funds.

E EXPENDITURE

All expenditure is accounted for on an accrual basis and is recognised as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is stated inclusive of irrecoverable VAT.

Charitable activities comprise direct expenditure including grant expenditure and direct staff costs attributable to the activity.

Grants are made to institutions and are recognised where the beneficiary has been formally notified in writing of the award. This notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. In the case of an unconditional grant offer this is accrued once the recipient has been notified in writing of the grant award. Grant awards that are subject to the recipient fulfilling conditions are accrued when any remaining unfulfilled conditions attaching to that grant are outside of the control of the Charity.

The provision for a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the Charity that would permit the Charity to avoid making the future payment(s), settlement is probable and the effect of discounting is material. The majority of Clean Air Fund grants are accounted for on an annual basis due to an annual performance review within our grant agreements. The grantees performance is seen as being outside the control of the Charity.

Costs of raising funds include staff time incurred seeking new donations and additional funding for the Charity.

F ALLOCATION OF SUPPORT COSTS

Support costs, including general management, financial management, information systems and premises costs, have been allocated to activities based on the average staff time spent. Governance costs are those incurred in connection with the management of the Charity's assets, organisational administration and compliance with constitutional and statutory requirements. Support costs are allocated on the basis of direct staff costs for each activity.

G DEBTORS

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

H CASH AT BANK

Cash at bank represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

I CREDITORS

Creditors are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

J FUNDS STRUCTURE

General funds are unrestricted funds that are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity, and that have not been designated for other purposes. Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors.

All income and expenditure of Clean Air Fund has been included in the Statement of Financial Activities.

K PENSION COSTS

Contributions payable to defined contribution pension schemes and/or personal pension plans are accounted for in the year in which they are payable.

L FOREIGN CURRENCY TRANSLATION

Monetary assets and liabilities denominated in a foreign currency are translated into USD at the exchange rate ruling on the Balance Sheet date. Transactions in foreign currencies are recorded at the average rate of exchange for the month the transaction was incurred.

All exchange differences are taken to the statement of financial activities.

M FINANCIAL INSTRUMENTS

The Charity 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 present value of the future cash flows unless the effect of discounting would be immaterial. Financial assets comprise cash at bank and in hand and debtors, including accrued income. Financial liabilities comprise grants payable, other creditors and accrued expenditure.

N TAXATION

Clean Air Fund is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

2 INCOME FROM DONATIONS

	UNRESTRICTED 2021 $	RESTRICTED 2021 $	YEAR TO 31 DECEMBER 2021 $	YEAR TO 31 DECEMBER 2020 $
Grants	14,410,767	3,424,205	17,834,972	10,771,639
TOTAL	**14,410,767**	**3,424,205**	**17,834,972**	**10,771,639**

3 INCOME FROM INVESTMENTS

	UNRESTRICTED 2021 $	RESTRICTED 2021 $	YEAR TO 31 DECEMBER 2021 $	YEAR TO 31 DECEMBER 2020 $
Bank Interest	–	–	–	22,719
TOTAL	**–**	**–**	**–**	**22,719**

4 OTHER INCOME

	UNRESTRICTED 2021 $	RESTRICTED 2021 $	YEAR TO 31 DECEMBER 2021 $	YEAR TO 31 DECEMBER 2020 $
Gains on FX movement	–	–	–	56,146
TOTAL	**–**	**–**	**–**	**56,146**

5 EXPENDITURE

A Charitable expenditure

	DIRECT COSTS				
	GRANTS (NOTE 6) $	STAFF COSTS $	OTHER COSTS $	SUPPORT AND GOVERNANCE COSTS $	YEAR TO 31 DECEMBER 2021 $
CHARITABLE ACTIVITIES					
UK	926,077	97,411	644,629	177,398	1,845,515
India	849,728	107,690	284,201	196,119	1,437,738
European Union	1,306,404	180,640	187,352	328,970	2,003,366
Global	3,359,752	820,086	650,669	1,493,490	6,323,997
Africa	138	1,447	59,805	2,636	64,026
TOTAL CHARITABLE ACTIVITIES	**6,442,099**	**1,207,274**	**1,826,656**	**2,198,613**	**11,674,642**
RAISING FUNDS	**-**	**45,695**	**-**	**83,217**	**128,912**
TOTAL CHARITABLE EXPENDITURE	**6,442,099**	**1,252,969**	**1,826,656**	**2,281,830**	**11,803,554**

PRIOR YEAR

	DIRECT COSTS				
	GRANTS (NOTE 6) $	STAFF COSTS $	OTHER COSTS $	SUPPORT AND GOVERNANCE COSTS $	YEAR TO 31 DECEMBER 2020$
CHARITABLE ACTIVITIES					
UK	1,124,214	104,430	217,377	228.156	1,674,178
India	826,437	103,841	213,500	226,868	1,370,646
European Union	1,690,631	106,006	85,432	231,599	2,113,668
Global	424,393	207,576	777,840	453,509	1,863,317
Africa	47,772	1,439	409	3,143	52,763
TOTAL CHARITABLE ACTIVITIES	**4,113,447**	**523,292**	**1,294,558**	**1,143,275**	**7,074,572**
RAISING FUNDS	**-**	**27,005**	**-**	**59,000**	**86,005**
TOTAL CHARITABLE EXPENDITURE	**4,113,447**	**550,297**	**1,294,558**	**1,202,275**	**7,160,577**

B Support and governance costs

	YEAR TO 31 DECEMBER 2021 $	YEAR TO 31 DECEMBER 2020 $
SUPPORT COSTS		
Staff costs	1,060,831	585,626
Other staff related costs	325,589	73,769
Communications & Events	117,906	159,388
Legal & Professional Services	376,834	82,399
Office & IT	238,604	134,016
Consultant Costs	56,272	103,874
Travel	1,872	18,747
Foreign Exchange	60,798	-
TOTAL SUPPORT	**2,238,706**	**1,157,819**
GOVERNANCE COSTS		
Auditors remuneration	24,847	23,143
Accountancy	5,747	10,855
Trustee Costs	-	10,458
Consultant costs	12,530	-
TOTAL GOVERNANCE	**43,124**	**44,456**
TOTAL SUPPORT AND GOVERNANCE	**2,281,830**	**1,202,275**

6 GRANTS

	UK $	INDIA $	EUROPEAN UNION $	GLOBAL AND OTHER $	AFRICA $	YEAR TO 31 DECEMBER 2021 $
Air for Health	-	-	43,690	-	-	43,690
Association Krakow Smog Alert	-	-	460,604	-	-	460,604
Asthma and Lung UK	267,854	-	-	-	-	267,854
Brown University	-	-	-	493,211	-	493,211
Bulgaria Fund for Women	-	-	48,751	-	-	48,751
C40 Cities Climate Leadership Group Inc	-	-	-	963,299	-	963,299
Clean Air Asia	-	128,916	-	-	-	128,916
Conservative Environment Network	56,715	-	-	-	-	56,715
Electric Vehicles Promotion Foundation	-	-	378,023	-	-	378,023
Ekologichno sdruzhenie Za Zemiata	-	-	114,699	-	-	114,699
Ella Roberta Family Foundation	183,999	-	-	-	-	183,999
European Clean Air Center (ECAC)	-	-	50,000	-	-	50,000
Forum Energii	-	-	220,637	-	-	220,637
Great Ormond Street Hospital Children's Charity	-	-	-	133,173	-	133,173
Guy's and St Thomas' Foundation	322,128	-	-	-	-	322,128
Health Effects Institute	-	-	-	220,598	-	220,598
ICLEI	-	57,070	-	-	-	57,070
Indian Institute of Technology, Kanpur	-	41,438	-	-	-	41,438
International Council on Clean Transportation (ICCT)	-	141,486	-	-	-	141,486
Jhatkaa	-	46,914	-	-	-	46,914
Mahila Housing SEWA Trust	-	180,220	-	-	-	180,220
New Venture Fund	-	-	-	292,325	-	292,325
OpenAQ	-	-	-	423,755	-	423,755
Pravah	-	71,377	-	-	-	71,377
Sesame Workshop India	-	110,870	-	-	-	110,870
Swaniti Iniative	-	87,600	-	-	-	87,600
UK100 Cities Network Limited	96,893	-	-	-	-	96,893
University of California, Davis, Air Quality Research Center	-	-	-	30,000	-	30,000
Washington University in St Louis	-	-	-	215,000	-	215,000
World Health Organisation (WHO)	-	-	-	300,000	-	300,000
World Resources Institute	-	-	-	291,626	-	291,626
BMJ Publishing Group Ltd (Write Back)	(4,010)	-	-	-	-	(4,010)
Centre for Ecology, Development and Research (Write Back)	-	(16,163)	-	-	-	(16,163)
FX Variance on prior year grants	2,498	-	(10,000)	(3,235)	138	(10,599)
TOTAL	**926,077**	**849,728**	**1,306,404**	**3,359,752**	**138**	**6,442,099**

PRIOR YEAR

	UK $	INDIA $	EUROPEAN UNION $	GLOBAL AND OTHER $	AFRICA $	YEAR TO 31 DECEMBER 2020 $
Association Krakow Smog Alert	-	-	273,262	-	-	273,262
Asthma UK and British Lung Foundation Partnership	60,993	-	-	-	-	60,993
BMJ Publishing Group Ltd	18,721	-	-	-	-	18,721
Centre for Ecology, Development and Research	-	80,817	-	-	-	80,817
Conservative Environment Network	52,222	-	-	-	-	52,222
Council on Energy, Environment and Water	-	370,520	-	-	-	370,520
CWC Environmental	49,329	-	-	-	-	49,329

	UK $	INDIA $	EUROPEAN UNION $	GLOBAL AND OTHER $	AFRICA $	YEAR TO 31 DECEMBER 2020 $
Ekologichno sdruzhenie Za Zemiata	-	-	146,661	-	-	146,661
Electric Vehicles Promotion Foundation	-	-	253,561	-	-	253,561
Environmental Defense Fund	-	60,000	-	-	-	60,000
Environmental Defense Fund Europe	404,709	-	-	-	-	404,709
European Clean Air Centre	-	-	197,286	-	-	197,286
European Climate Foundation	-	-	32,898	-	-	32,898
European Environmental Bureau	-	-	88,177	-	-	88,177
Global Action Plan	22,933	-	-	-	-	22,933
Guy's and St Thomas' Charity	409,470	-	-	-	-	409,470
HabitatMap	-	-	-	100,000	-	100,000
Health Effects Institute	-	-	124,102	-	-	124,102
IEMA	40,630	-	-	-	-	40,630
International Council on Clean Transportation	-	-	177,109	-	-	177,109
OpenAQ	-	-	-	325,443	-	325,443
Purpose Foundation	-	-	397,575	-	-	397,575
Swaniti Initiative	-	92,400	-	-	-	92,400
UK Centre for Ecology & Hydrology	-	-	-	-	47,772	47,772
UK100 Cities Network Limited	65,207	-	-	-	-	65,207
United Nations Environment Programme	-	222,700	-	-	-	222,700
Cape Farewell (written back)				(1,050)	-	(1,050)
TOTAL	**1,124,214**	**826,437**	**1,690,631**	**424,393**	**47,772**	**4,113,447**

7 NET (EXPENDITURE) INCOME BEFORE TRANSFERS

This is stated after charging:

	TOTAL FUNDS 2021 $	TOTAL FUNDS 2020 $
Audit Fees (incl VAT)	**24,847**	**23,143**

8 STAFF COSTS

	YEAR TO 31 DECEMBER 2021 $	YEAR TO 31 DECEMBER 2020 $
Wages and salaries	1,941,406	965,210
Social security costs	218,068	100,521
Pension costs	154,326	70,191
TOTAL	**2,313,800**	**1,135,922**

The average number of employees has been analysed over a 12 month period, (by head count), analysed by function, was as follows:

	2021 NO.	2020 NO.
Fundraising	0.5	0.3
Charitable Activities	13.3	7.1
Support	9.1	4.9
TOTAL	**22.9**	**12.3**

By 31 December 2021 Clean Air Fund had 23 employees (2020:14).

There were 9 employees (2020:4) who earned $77,000 (£60,000) per annum or more (including benefits) during the year, based on the average exchange rate for the year.

	YEAR TO 31 DECEMBER 2021	YEAR TO 31 DECEMBER 2020
$81k to $94k (£60k to £70k)	3	2
$95k to $108k (£71k to £80k)	2	1
$109k to $122k (£81k to £90k)	1	-
$135k to $148k (£101k to £110k)	2	-
$195k to $205k (£151k to £160k)	-	1
$230k to $243k (£171k to £180k)	1	-
TOTAL	**9**	**4**

The key management personnel of Clean Air Fund have been defined as the SLT which compromises of the Executive Director, Director of Finance and Operations, Director of Programmes, Director of Strategic Partnerships & Communications, Interim Director of HR and Director of HR. This is the first year all members of the SLT have been in post. The total employee benefits including employer's National Insurance payments and pension contributions of the key management personnel were $893,661 (2020: $417,058).

The Trustees did not receive any remuneration for their services during the period. No Trustees' were reimbursed expenses for travel and subsistence in the year (2020: 2 Trustees were reimbursed, amounting to $10,458).

9 DEBTORS

	YEAR TO 31 DECEMBER 2021 $	YEAR TO 31 DECEMBER 2020 $
Accrued income	2,119,721	590,670
Prepayments	43,829	26,400
TOTAL	**2,163,550**	**617,070**

10 GRANTS PAYABLE

	YEAR TO 31 DECEMBER 2021 $	YEAR TO 31 DECEMBER 2020 $
GRANTS COMMITMENTS AT 1 JANUARY	**4,689,826**	**6,764,324**
Grants awarded in the year	6,472,871	4,114,497
Grants written back in the year	(30,772)	(1,050)
Grants paid in the year	(6,729,205)	(6,187,945)
Grant repayment owed	374,401	-
GRANT COMMITMENTS AT 31 DECEMBER	**4,777,121**	**4,689,826**
Payable within one year	4,584,625	4,073,726
Payable after one year	192,496	616,100

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	YEAR TO 31 DECEMBER 2021 $	YEAR TO 31 DECEMBER 2020 $
Trade Creditors	258,759	181,190
Accruals	467,796	294,718
Social Security costs	64,026	37,616
TOTAL	**790,581**	**513,524**

12 MOVEMENT IN FUNDS

	AT 1 JANUARY 2021 $	INCOME $	EXPENDITURE $	TRANSFERS $	AT 31 DECEMBER 2021 $
UNRESTRICTED FUNDS					
General fund	8,407,596	14,410,767	(8,817,276)		14,001,087
RESTRICTED FUNDS					
Pooled Fund – UK and Africa	368,146	911,019	(1,278,873)		292
Clean Air Fund UK pooled Fund	2,210	1,048,850	(875,330)		175,730
Health Communication Research	74,528	-	(74,528)		-
Organisational development funding	-	264,336	(264,336)		-
Breathe Providence	-	1,200,000	(493,211)		706,789
TOTAL	**444,884**	**3,424,205**	**(2,986,278)**	**-**	**882,811**
TOTAL FUNDS	**8,852,480**	**17,834,972**	**(11,803,554)**	**-**	**14,883,898**

We have two funds that operate through the same mechanism as our pooled fund (unrestricted funding) does, however with a geographical focus creating restricted funds. In 2021 these funds were for:

- 'Pooled Fund – UK and Africa' – Funding from ELMA Philanthropies towards Clean Air Fund pooled fund restricted to be spent in the UK and Africa only.
- 'Clean Air Fund UK Pooled Fund' – Funding from Guy's and St Thomas Foundation towards Clean Air Fund pooled fund, restricted to be spent in the UK only.

The remaining restricted funds are restricted to specific projects or activities:

- 'Health Communication Research' – Funding from the Wellcome Trust for a Health Communication Research project. This project finished during early 2021.
- 'Organisational development funding' – Funding from Children's Investment Fund Foundation towards Clean Air Fund organisational development to provide additional support to boost our operational capacity. This was one off funding towards Professional Services fees and the project finished in 2021.
- 'Breathe Providence' – Funding from CH Foundation towards Breathe Providence, a project with Brown University. This project is expected to run until 2024.

PRIOR PERIOD

	AT 1 JANUARY 2020 $	INCOME $	EXPENDITURE $	TRANSFERS $	AT 31 DECEMBER 2020 $
UNRESTRICTED FUNDS					
General fund	5,162,553	8,946,695	(5,701,652)	-	8,407,596
RESTRICTED FUNDS					
Pooled Fund – UK and Africa	-	853,590	(485,444)	-	368,146
Clean Air Fund UK pooled Fund	-	532,527	(530,317)	-	2,210
Health Communication Research		317,692	(243,164)	-	74,528
Collaboration on India Clear Air Programme		200,000	(200,000)	-	-
TOTAL	**-**	**1,903,809**	**(1,458,925)**	**-**	**444,884**
TOTAL FUNDS	**5,162,553**	**10,850,504**	**(7,160,577)**	**-**	**8,852,480**

13 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	UNRESTRICTED FUND $	RESTRICTED FUNDS $	TOTAL 2021 $
FUND BALANCES AT 31 DECEMBER 2021 ARE REPRESENTED BY:			
Current Assets	18,367,905	2,083,695	**20,451,600**
Current Liabilities	(4,261,810)	(1,113,396)	**(5,375,206)**
Non-Current Liabilities	(105,008)	(87,488)	**(192,496)**
TOTAL NET ASSETS	**14,001,087**	**882,811**	**14,883,898**

PRIOR YEAR

	UNRESTRICTED FUND $	RESTRICTED FUNDS $	TOTAL 2020 $
FUND BALANCES AT 31 DECEMBER 2020 ARE REPRESENTED BY:			
Current Assets	13,094,980	960,850	**14,055,830**
Current Liabilities	(4,095,169)	(492,081)	**(4,587,250)**
Non-Current Liabilities	(592,215)	(23,885)	**(616,100)**
TOTAL NET ASSETS	**8,407,596**	**444,884**	**8,852,480**

14 TRANSACTIONS WITH RELATED PARTIES

No related parties transactions have taken place with senior management. Clean Air Fund's Conflict of Interest policy is Board or Grant and Charitable Affairs Committee members who have an interest in any grant awarding decisions do not take part in that decision and disclose any interest.

Justin Johnson (Trustee) currently holds the position of Climate Director at The Children's Investment Fund Foundation (CIFF) and is a member of the Global Board of directors of C40 Inc. During the year Clean Air Fund received $6,964,336 from CIFF in respect to a grant awarded in 2019. In the year C40 Inc was paid $373,166 in respect of a grant given in 2019 and awarded a new grant of $963,299 of which all was paid in year. He has received no remuneration in his capacity as a Trustee.

Patricia Atkinson (Trustee, resigned 6 Nov 2021) held the position of Chief Programme Officer at IKEA Foundation during 2021. Bing Hao (Trustee) currently holds the position of Head of Project Control at IKEA Foundation. During the year Clean Air Fund received $5,000,000 from the IKEA Foundation in respect of a grant awarded in the previous year. Neither party received any remuneration in their capacity as Trustees.

REFERENCE AND ADMINISTRATIVE DETAILS

REGISTERED NAME	Clean Air Fund
DATE OF INCORPORATION	15th January 2019
COMPANY NUMBER	11766712
REGISTERED CHARITY NUMBER	1183697
TRUSTEES	Katherine Garrett-Cox CBE Patricia Atkinson [resigned 6 November 2021] Tejpreet Singh Chopra Justin Johnson Ivan Vatchkov Dominic Waughray [resigned 30 October 2021] Bing Hao [appointed 1 February 2022]
EXECUTIVE DIRECTOR	Helen Jane Burston
DIRECTOR OF FINANCE & OPERATIONS	Mike Saxton
DIRECTOR OF PROGRAMMES	Gillian Holmes
DIRECTOR OF STRATEGIC PARTNERSHIPS & COMMUNICATION	Andrew Sean Maguire
DIRECTOR OF HR	Elizabeth Boonman-Salgado
COMPANY SECRETARY	Mike Saxton
REGISTERED OFFICE	40 Bermondsey Street London SE1 3UD
BANKERS	**HSBC Bank Plc** 69 Pall Mall St James London SW1Y 5EY
SOLICITORS	**Mills & Reeve** 24 King William Street London EC4R 9AT
AUDITORS	**Crowe U.K. LLP** Fourth Floor St James House St James' Square Cheltenham GL50 3PR

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CLEAN AIR FUND

The Clean Air Fund (UK) is registered in England with company number 11766712 and charity number 118369.

Registered address: 40 Bermondsey Street, London, SE1 3UD.

info@cleanairfund.org
www.cleanairfund.org
@cleanairfund

CLEAN AIR FUND

England & Wales - Charity number 1183697

Accounts

CLEAN AIR FUND

2020

Annual report and accounts

CLEAN AIR FOR ALL

The Clean Air Fund is funded by:

CIFF CHILDREN'S INVESTMENT FUND FOUNDATION

Impact on Urban Health

IKEA Foundation

OAK FOUNDATION

the ELMA foundation

FIA FOUNDATION

Bernard van Leer FOUNDATION

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LETTER FROM THE CHAIR AND EXECUTIVE DIRECTOR

We are pleased to update you on the progress we made in 2020, our key achievements and plans for the year ahead.

Like other organisations, we were affected by the COVID-19 pandemic and its associated restrictions such as travel bans and lockdowns. This had a notable impact on our programmes and grantees and also brought practical challenges for our growing team.

Despite this difficult context, we succeeded in developing our programmes significantly in this second year of operation and we began to make headway in developing the air quality field.

This year, we expanded our support to an increasing number of grantees – committing to 49 new projects with a multi-year value of $8.6m. We also started to make grants in Bulgaria, Poland and the UK for the first time, significantly expanding our reach.

At the same time, we introduced new funders to the air pollution cause, increasing the overall flow of funding. Specifically, we raised new funding valued at nearly $4m and leveraged a further $4.6m through co-funding and other funder collaboration. On top of this, we used our influence to encourage new funders to step up to address the major funding gaps that exist in the sector.

Our grantees continued to deliver high-impact projects and activities. These are detailed in the report and include successful advocacy campaigning in Poland for an ambitious new regional law restricting polluting coal burners, through to enabling a tenfold increase in the identification of pollution hotspots in a major Chinese city. We were proud to partner with business leaders through the World Economic Forum and with industry bodies in the UK and India to put forward a compelling economic case for combatting air pollution. We were inspired to see campaigners like Rosamund Kissi-Debrah in London and Dr Arvind Kumar in Delhi gain traction with their work.

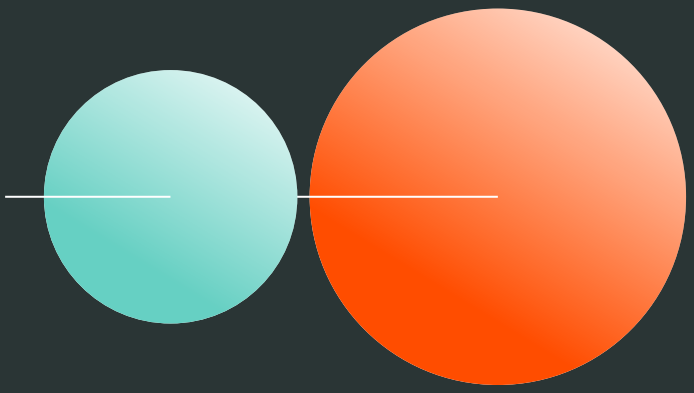
The pandemic focussed attention on public health like never before and blue skies above locked-down cities offered glimpses of what could be possible. To capitalise on these shifts, we produced our Breathing Space report in June which demonstrated high levels of public appetite for action on air pollution, including support for stricter laws and enforcement.

Our achievements would not have been possible without the resourcefulness, fortitude and determination of our funders, grantees, partners, trustees and staff team. We are extremely grateful for their commitment and thank them all for their contributions.

JANE BURSTON
Executive Director

KATHERINE GARRETT-COX
Chair of the Board of Trustees

OUR YEAR IN NUMBERS



$53.7 million

IN DONATIONS SECURED
TOWARDS **$100M TARGET**

$10.8M OF DONATIONS IN 2020

7 diverse pooled funders

FROM HEALTH, CLIMATE, CHILDHOOD DEVELOPMENT, MOBILITY SECTORS, PLUS ADDITIONAL PROJECT SPECIFIC FUNDERS

$8.6 million

OF GRANTS COMMITTED THROUGH
49 NEW MULTI-YEAR PROJECTS

- **$3.6 MILLION** FOR THE UK
- **$2.1 MILLION** FOR EAST AND SOUTH EAST EUROPE
- **$1.6 MILLION** FOR INDIA
- **$1.3 MILLION** FOR OUR WORK ACROSS THE GLOBE
- **$0.05 MILLION** FOR AFRICA

22 NEW DIRECT GRANTEES WITH GRANTS OF **$18K TO $2.7M**

CLEAN AIR
TO LIVE
GROW AND
THRIVE

OUR OBJECTIVE: CLEAN AIR FOR ALL

We all need clean air to live, grow and thrive.

Yet 9 out of 10 people breathe harmful, dirty air, making air pollution one of our biggest health threats.

It's everywhere and it's getting worse. Invisible particles penetrate cells and organs in our bodies – our lungs, heart, blood and brain.

A HIDDEN EMERGENCY

This leaves millions suffering with acute and chronic diseases including asthma, strokes, heart attacks and dementia. Over 7 million people die each year as a result of air pollution – more than twice as many as from malaria, tuberculosis and HIV/AIDS combined.

The poorest communities living in the most congested, polluted areas are hit hardest. Babies, children and older people suffer most.

It doesn't have to be this way. By tackling air pollution together, we can save and improve many lives.

PROTECTING OUR PLANET

But it's far from only a health problem. Since both air pollution and climate change are mainly caused by burning fossil fuels, they share many of the same solutions. So cleaning up our air is also one of the most immediate ways to protect the planet. In addition, it will help tackle inequality and build stronger economies.

Action on air pollution can address some of our biggest problems at the same time and will pay for itself many times over. That is why stronger laws on air pollution and better enforcement have the backing of two thirds of the public.

Together, we can make this happen. The Clean Air Fund works around the world with governments, funders, businesses and campaigners to deliver clean air for all as fast as possible. We know the solutions exist. They need to be prioritised and introduced quickly and more widely.

THE MOVEMENT FOR CLEAN AIR

Momentum is growing.

The grassroots campaigning we support in the streets of cities like Delhi, London and Warsaw is gaining traction and inspiring others. We're raising pollution up the political agenda through partnerships with the World Economic Forum, the World Health Organization and the C40 Cities' global Mayors forum. Crucially, political leaders are starting to adopt the measures needed, like banning dirty coal stoves, introducing clean air zones and setting ambitious targets in line with international guidelines.

With more funds and more support, we can do so much more.

It is time to clean our air, to improve health, tackle climate change and build fairer societies and stronger economies.

OUR APPROACH

WHAT WE DO

From grassroots to governments, Clean Air Fund supports partners to accelerate action on clean air.

- We **fund** partners working to make clean air a reality for everyone.
- We **amplify** the movement's impact by connecting people, advocating, increasing resources to the field, and sharing what's working.
- We **complement** and collaborate, rather than duplicate the work of others.

HOW WE WORK

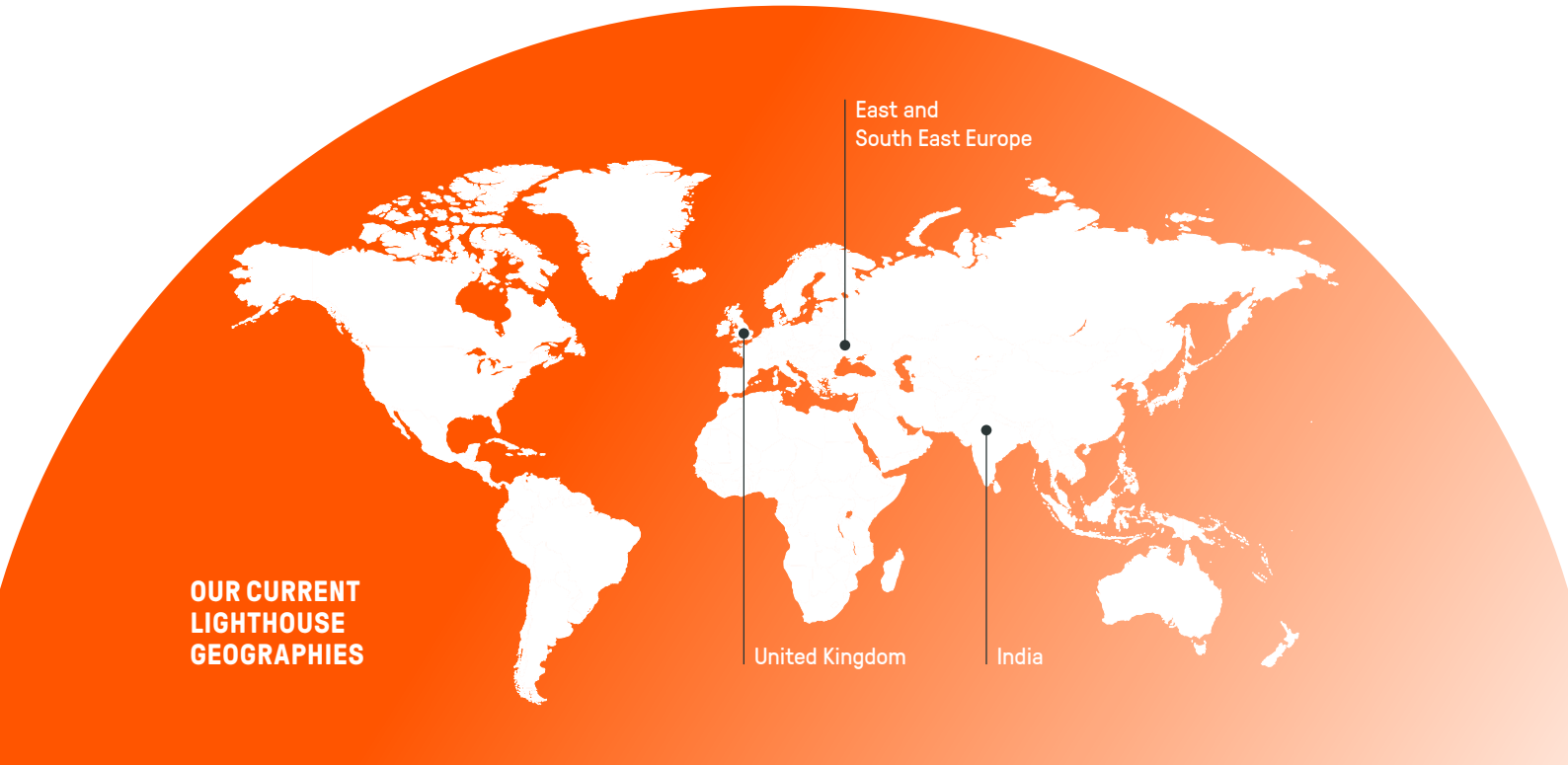
We are focussed on driving change in four vital ways: by increasing data, demand, delivery and by developing the movement that will solve the problem of air pollution. We work with our partners, including governments, funders, businesses and campaigners, to:

- Generate and share local **data** on air pollution and its impacts, making air pollution and its impacts, visible to all.
- Build and diversify **demand** for a future where everyone breathes clean air.
- Support governments and businesses to initiate and implement legislation, policies and commitments to underpin the **delivery** of clean air for all.
- Bring together diverse organisations, people and funders to share knowledge, grow funding and **develop** a movement for clean air.

WHERE WE WORK

We create lasting change through our intensive work in 'lighthouse geographies', combined with our activities at a global level.

Our in-depth work in a number of countries is designed to catalyse and support change in depth and to learn lessons about what works. Through our global programme, we raise air pollution up the agenda of world leaders, galvanise commitment to international targets and support standard-setting, for example, on air quality data.



THE MOVEMENT FOR CLEAN AIR

OUR 2020 ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

This section covers key highlights for the organisation in 2020, how we progressed work across our portfolios, and how we delivered public benefit.

ORGANISATIONAL ACHIEVEMENTS

During 2020, we continued our transition from a start-up to becoming a strong, dynamic player in the clean air space.

We grew our team significantly, expanding from 8 to 18 people recruited by December, including bringing on board a permanent Director of Finance & Operations and Director of Programmes, and recruiting a Director of Strategic Partnerships and Communications. We also inducted a new Grant Committee member from Impact on Urban Health, which is part of Guy's and St Thomas' Foundation, and two independent Board members.

We developed our evaluation function and wider processes. We recruited a Senior Adviser for Monitoring, Evaluation and Learning (MEL) and developed a MEL strategy in collaboration with MEL leads at our funders and key actors in the air quality field (development agencies, foundations and civil society). We began to learn more from others' work as well as our own. We also introduced a new grant management and customer relationship management system to streamline and systematise what we do.

We developed new geographic strategies and our first thematic strategy. Our strategy for Bulgaria was built on an existing pilot in the country and articulates how we might scale up activity across South East Europe in a phased way. The new India strategy identifies cities and states in which we will engage policy makers, analyse baseline data, and support a range of actors to achieve their clean air action plans as part of the Government's National Clean Air Programme. The Data strategy we developed is focussed on the goal of increasing the availability and actionability of air quality data.

We attracted new funders to the Clean Air Fund and increased the flow of funding to the field. We signed grant agreements with FIA Foundation, Guy's and St Thomas' Foundation and ELMA Philanthropies, and secured project-specific funding from the Wellcome Trust, expanding the diversity of our funding partners. We directly leveraged approximately $4.6m USD of additional funding to the air quality field and influenced a further $53.4m USD of funding for air quality work.

GRANT AND PROGRAMMING ACHIEVEMENTS

During 2020, we committed to a total of 49 new projects (both grants and through direct charitable activity) with a multi-year value of $8.6m. This is more than double the total projects in 2019. We significantly expanded our grant-making reach and influence as we began granting directly to organisations in the UK, Poland and Bulgaria, and augmented the large strategic partnerships built in 2019 with many more small grants to new voices and fledgling NGOs. In addition to our grant-making, in the last year we also produced our own reports including 'Breathing Space', a report on public attitudes to air pollution following COVID-related lockdowns, and our second State of Global Air Quality Funding report.

As our portfolios matured, we saw impact across our geographies, helping to make clean air a reality.

GLOBAL

We developed best practice and generated knowledge that can be replicated and shared around the world. We achieved this by building partnerships with strategic actors, such as the World Economic Forum and C40, who help amplify our reach.

We helped to improve local government practice in using technology to inform new policies and enforce existing standards and regulations. Working with the Environmental Defense Fund, we supported Environmental Inspectors to identify air pollution hotspots in Cangzhou, China. As a result, they became 10 times more effective. They are now detecting over 400 pollution hotspots every month and improving pollution by an average of 40% on sites post-inspection. We plan to replicate this success in other cities worldwide.

We supported mayors and civil servants to join forces and support one another to implement ambitious plans. Our partner C40 provided training and expertise to leaders in 43 cities to improve their ability to act on air pollution – offering everything from technical support to modelling the health benefits of climate action plans. By the end of 2020, 37 cities had signed up to the global Clean Air Cities Declaration, committing to work towards the World Health Organisation (WHO) guidelines for air quality.

In partnership with the World Economic Forum, we have created a Global Future Council on clean air to bring thought leaders together. Comprising 25 senior experts from mobility, health, energy and cities, it will drive leadership and inform cutting-edge solutions to air pollution. Four workstreams have started: creating a corporate alliance for clean air, equipping the public with knowledge of air pollution impacts, achieving systems change, and strengthening city action.

400

pollution hotspots now detected every month by Environmental Inspectors in Cangzhou, China.

We continued to inform the donor community about the scale and destination of existing air quality funds through the publication of our second State of Global Air Quality Funding report in September, which raised raise awareness about the lack of funding to tackle air pollution. We analysed global philanthropic and development agency funding on air quality since 2015 and found that investments to directly tackle air pollution totalled just $273m in the past five years which is a tiny fraction of aid grants made globally despite air pollution ranking as the fourth biggest global risk to health.

INDIA

We engaged the national government plus city and state governments in New Delhi and Uttar Pradesh – as well as the private sector – to mainstream air quality as an issue in public and political debate.

We secured government agreement for the publication of India's first Air Assessment Report. Its findings will support policy makers who are responsible for implementing the National Clean Air Programme by modelling past and current data to demonstrate the benefits of cleaning up the air and encourage tangible action. We partnered with Health Care Without Harm and Healthy Energy India to integrate air quality within state and national policy initiatives such as the Climate Centre for Cities initiative and climate and health action plans in Chhattisgarh and Tamil Nadu so that clean air sits at every level of policy making.

Through our continued partnership with the Confederation of Indian Industry (CII), we have supported the development of four clean air action plans for the Delhi National Capital Region which were presented to key industries and to Niti Aayog, the Government of India's think tank. By the end of 2020, 34 CEOs had committed to CII's 8 Point Agenda for Clean Air.

Our work has increased the profile of air quality as an issue across multiple sectors and spaces. We teamed up with STAR TV to produce a hard-hitting public service announcement on the impact of air pollution on children which reached 250 million viewers.

Our support for Health Care Without Harm enabled them to secure clean air commitments in the manifestos of the two major political parties in Tamil Nadu state elections. As COVID took hold, we supported grantees in the health sector to provide commentary on COVID-19 and air pollution. Two leading experts, Dr Arvind Kumar and Prabhakaran, became medical advisors on national COVID committees.

34 CEOs

committed to the Confederation of Indian Industry's 8 Point Agenda for Clean Air.

UNITED KINGDOM

We continued to build the case for WHO air quality standards, and to push for ambitious legislation and policies to achieve clean air across the UK.

We engaged with policy makers both directly and via our grantees, with the aim of getting WHO guidelines enshrined in law via the new Environment Bill. The landmark inquest and verdict into the death of Ella Kissi-Debrah, which showed that air pollution was a direct causal factor, strengthened the calls for urgent action and has the potential to be a game-changing moment on the journey to clean air. We continued to support Ella's mother, Rosamund Kissi-Debrah, in her tireless efforts for justice for Ella and in her mission to highlight the inequitable burden of air pollution on low-income households and Black and Asian communities.

Our pathbreaking analysis from the Confederation of British Industry's (CBI) Economics unit found that the UK could benefit by £1.6 billion annually by meeting WHO guidelines on air pollution. The research received significant press coverage and was quoted by Defra in their spending review submission to the Treasury. Meanwhile we supported the British Lung Foundation and the Broadway Initiative as they mobilised their key stakeholders to engage with key parliamentarians including the Environment Secretary, the Shadow Environment Secretary and the minister responsible for air quality, on critical aspects of clean air policy including target-setting.

Following effective regional work by our grantees, Clean Air Zones have been confirmed in three major cities outside London: Bath, Birmingham and Bristol, with Manchester likely to follow suit. This marks a significant shift in regional clean air policies.

£1.6 billion

annual benefit if the UK were to meet WHO guidelines on air pollution.

EAST AND SOUTH EAST EUROPE

We have started to build the field in East and South East Europe, supporting a nascent civil society to drive air quality higher up the political and public agenda.

Campaigning from our grantee Polish Smog Alert pushed the government to revise its Clean Air Programme to include the largest boiler replacement and building renovation programme in Europe, worth €23bn. Our support also enabled a coalition of civil society actors to design and present transport policy amendments to the Minister of the Environment, building the groundwork for further parliamentary engagement.

Thanks to our support for a health impact analysis by the European Clean Air Centre, the Malopolska region in Poland has voted into law an ambitious and climate-friendly air quality plan which includes a ban of public financing for coal boilers. We hope to replicate this process in the Mazowsze region. We are seeing growing appetite from cities to be involved with the LeadAir programme, which offers training and capacity building for city leaders to design and implement programmes to improve air quality. 25 cities expressed interest and 16 have been selected to take part.

By facilitating more coordinated campaigning in Poland, we paved the way for the first ever discussion about air pollution in a national Polish election, with both main candidates proposing actions to tackle the issue. Our Polish partners also made the case for a green stimulus package as part of Poland's COVID-19 recovery plan, demonstrating what can be achieved by strengthening coalition-building in civil society.

The first Bulgaria grants have been provided and aim to catalyse action for clean air in the country and serve as an example for the rest of South East Europe.

€23 billion

government clean air programme to replace dirty boilers and renovate buildings.

TEN THINGS WE LEARNED

It is becoming clearer what it will take to improve air quality globally. We are identifying the critical barriers that need to be overcome. We are also learning which approaches work and which don't, which still need to be tested, where partnerships can and should be built, and where and how to fill evidence gaps. These are our top 10 insights from the past year:

1 No single global organisation or coalition has a mandate to set or track targets on air quality, leading to a lack of global coherence and slow progress.

2 Within national and city governments, responsibility for air quality and actions to improve it sits across different departments, making coordination – and a shared agenda – hard to achieve.

3 Many net zero plans don't consider air pollution explicitly, risking some climate action that makes air quality worse.

4 Meeting national targets on air pollution requires communication, capacity, funding and devolved power at a local level.

5 Being clear on the economic benefits of clean air is critical as we build back from COVID-related economic losses.

6 Only half of the world's governments produce air quality data, but low-cost monitors are demonstrating their potential to fill these vast data gaps.

7 The public responds to human stories of air pollution impact, but they are often hard to find.

8 Introducing clean air measures too quickly and without a mandate or consultation can backfire.

9 The health sector has a leading role to play in communicating the impact of air pollution, but new strategies need to be developed for engaging a sector that is understandably focussed on the pandemic.

10 Airshed-based approaches to improve air quality will become increasingly necessary and will require significant regional cooperation.

OUR GOALS FOR 2021

Our strategic plan covers the period from 2019–22. Our goals for 2021 are summarised here.

FUNDING

We will continue to make progress towards our goal of raising $100m for air quality projects. We will also work to increase funding to air quality from development agencies, using the UN Climate Change Conference of the Parties (COP26) as a focus.

GRANT MAKING

We are committed to disbursing our current funding over the next two years to achieve our objectives across our 'lighthouse geographies' and four drivers of change. In 2021, we will continue to increase our grant-making, and we plan to contract more than $13m worth of new projects.

We will add grants that foster innovation and diversity to our portfolio and network in our different geographies. We will also support citizen-led campaigns and enable greater coordination and increased capacity among the civil society groups taking action on air pollution.

Measurements of success for our portfolio include ambitious new regulations, stricter enforcement, more informed political debate – and ultimately better health, climate and economic outcomes arising from clean air for all.

We will also increase our strategic partnerships activity to build our influence and impact, in addition to building on existing activity with C40 Cities, the World Economic Forum (WEF) and Impact on Urban Health.

STRATEGY AND EVALUATION

In 2021, we will define and agree the next phase of our strategies on the UK and Poland. We will develop our approach to working in an African country. We will develop tools on monitoring, evaluation and learning approaches relevant to systemic change for clean air and develop our channels for sharing insights with funders, the air quality field and other key actors.

DEVELOPING THE MOVEMENT

We will agree a scalable approach to corporate partnerships, building towards launching a corporate alliance on clean air, and we will outline our approach to engaging the early child development field. We will update and deliver a communications strategy to amplify our work and that of our grantees and partners.

BUILDING THE ORGANISATION

We will continue to build and strengthen the organisation, including by continuing to build the team, and by establishing new legal vehicles for the Clean Air Fund in India and a means for accepting funds from the USA.

OUR STRUCTURE, GOVERNANCE AND MANAGEMENT

Overview

Clean Air Fund is a charitable company limited by guarantee (registered company number 11766712), constituted in 2019 and governed by its Memorandum and Articles of Association. Clean Air Fund is a charity registered in England and Wales (registration number 1183697) under the Charities Act 2011. The Charity had no subsidiary organisations at 31 December 2020.

Public Benefit

As a charity, Clean Air Fund is a Public Benefit Entity. The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit including (PB2 Public Benefit: Running a Charity).

As a funding organisation, we work through the organisations we fund, which includes NGOs and research organisations. Our beneficiaries are people living in the countries and cities in which our partners are working to clean the air. Ultimately, the beneficiaries are much wider, as our aim is to improve air quality globally so that the lives of every individual in the geographies we work will benefit from these improvements. We coordinate a collective strategy for air pollution activity, provide grant funding to a multi-national portfolio of clean air programmes, grants funds to research and knowledge-building activities, and provides a means of knowledge sharing and networking between stakeholders.

The Board of Trustees

The Board of Trustees is the governing body of the organisation and has legal, financial and managerial responsibility for the Charity. Clean Air Fund has six Trustees of which two are funder Trustees and four are independent Trustees. The Chair is one of the independent Trustees. All Trustees are also members.

Trustees serve a four-year term from their date of appointment. Trustees are eligible to serve up to three full terms. Trustee appointment is confirmed at an annual general meeting of the Board.

New Trustees are appointed following a selection process based on the relevant expertise of existing Board members and our needs. Potential new Trustees then meet with the Executive Director and Chair of Trustees to assess fit with the organisation. New Trustees receive an induction briefing from the Executive Director and access to relevant policy documents covering their legal and regulatory responsibilities as well as relevant information about Clean Air Fund.

The Board of Trustees updated our Board skills matrix and a put in place a plan to receive updates on relevant regulatory developments.

PATRICIA ATKINSON
Appointed 15 January 2019

TEJPREET SINGH CHOPRA
Appointed 15 January 2019

KATHERINE GARRETT-COX (CHAIR)
Appointed 5 February 2019

JUSTIN JOHNSON
Appointed 5 February 2019

DOMINIC WAUGHRAY
Appointed 18 December 2019

IVAN VATCHKOV
Appointed 10 February 2020

Key Management Personnel

The Executive Director Jane Burston was appointed by the Trustees in May 2019 having spent nearly 12 months incubating Clean Air Fund as an employee of The Children's Investment Fund Foundation.

Mike Saxton joined as Finance and Operations Director in April 2020 to replace part-time interim Operations Director Helen Cammack who had led on operational setup up to this point.

Gillian Holmes joined as Programme Director in October 2020, following a period of 4 months where she was doing the role on an interim basis as a consultant.

Decision Making

The Trustees consider that they, together with the Executive Director and the senior leadership team, comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

The Trustees have delegated certain authorities for decision making to the Executive Director (on grant making and daily operations) and to the Grants Committee (on grant making), the significant decisions of which are reported and monitored at each Board meeting.

- Clean Air Fund Board has strategic and operational oversight of all Clean Air Fund activities, and decision making on strategy and major grants;
- Detailed grant oversight and in-country strategies have been delegated in part to the Grant Committee; and
- The Board have delegated the Executive Director grant making authority for smaller grants in line with the annual budgeting process.

Finance, Audit and Risk Committee

The Finance, Audit and Risk Committee is a sub-committee of the Board. It was newly constituted during 2020 and met for the first time in November 2020. The Committee's membership includes designated Trustees and independent advisors with relevant technical expertise.

The Committee meets at least twice per year to consider budgeting and financial planning, financial reporting, risk management and audit, assurance, systems and controls.

The Committee meets prior to the Board meetings and a report from each meeting is taken to the Board.

Grant Committee

The Grant Committee is a sub-committee of the Board. The Committee's membership includes designated Trustees, independent advisors with relevant technical expertise, and donors that have contributed at least $500,000 per year to the pooled fund.

The Grant Committee meets at least three times per year to consider in-country strategies and potential grant awards.

Grant Making Policy

Grant making within Clean Air Fund is guided by the Grant Making Policy, the key principles of which are outlined below:

Principles relating to Clean Air Fund's strategy

- Grants shall be aligned to at least one of the four drivers in our theory of change: data, demand, delivery and field-building.
- Grants shall be aligned to our geographic strategy:
  - Grants should be in or for Clean Air Fund 'lighthouse geographies' or on a global scale.
- Grants shall not be made directly in areas ruled out of our strategies, including:
  - **Litigation:** Clean Air Fund shall not make grants that are directly used to litigate; and
  - **Reducing exposure only:** we want to tackle both climate and health and thus focus on reducing emissions as well as exposure.

Principles relating to Clean Air Fund's values

- Grants shall align with Clean Air Fund's organisational values:
  - **Evidence-informed:** Informing, and being informed, by data and analysis to drive evidence-based decision making;
  - **Collaborative and inclusive:** Serving and engaging the most vulnerable and ensuring those most impacted by air pollution and climate change are most benefited by our actions. Cultivating an ecosystem of partners to deliver our mission;
  - **Dynamic:** Striving for systemic change through impact-focussed grant-making that delivers value for money.
- Grants shall have measurable and shareable results from which lessons can be learned by other organisations.

RISKS

The Trustees in conjunction with the senior leadership team are responsible for the management of the risks faced by Clean Air Fund. This is documented in Clean Air Fund's risk management policy which sets out our risk management principles and roles and responsibilities. The policy covers the major strategic, financial, legal and operational risks to which the charity is and may be exposed.

All major risks are documented within a risk register. The risk register grades the risks according to their importance by assessing the likelihood and level of impact of each risk both before and after any mitigating actions. The risk register is updated and reviewed on a regular basis by the Finance and Operations Director, and it is also reviewed by the Finance, Audit and Risk Committee at Board meetings on a six monthly basis. Where necessary, Clean Air Fund also creates and maintains risk response plans for specific topics, currently cyber-security and COVID-19.

Clean Air Fund's risk appetite is determined by the Board. We are prepared to take programming and grant-making related risks within accepted limits, for instance supporting innovative programmes whose outcome is uncertain.

The principal risks identified by the Trustees are:

- **Fast organisational growth creates the risk of overstretch of capacity leading to organisational challenges or poor quality grant-making.** This risk is exacerbated by fast growth during COVID-related sole remote working. This risk is mitigated by broadening out the senior leadership team, by ensuring high quality recruitment to build organisational capacity and by ensuring adherence to a strong set of organisational policies and processes.

- **A cyber security breach leads to loss of data or financial loss.** This risk is mitigated by working with our IT partner to implement a strong central IT control environment and by training and ensuring all staff are aware of cyber security risks and follow best practice around secure online working.

- **Increasing engagement with the private sector, including new donations from businesses as well as corporate foundations, brings with it potential reputational risks.** This risk is mitigated by having a donation acceptance and refusal policy with clear defined criteria. Board level review of all significant new donations and appointing an expert lead to plan and manage corporate partnerships.

- **Working in geographical locations where the sector is in early development means partner organisations may not initially achieve high impact.** Clean Air Fund aims to achieve its goals working through partners. In several places the clean air sector is at early stages of development and therefore there is a risk around their ability to have high impact quickly. This risk is mitigated by working on developing the movement and at a grantee level by having a thorough grant assessment and due diligence process prior to awarding individual grants.

The Trustees are satisfied that plans, systems, controls and policies are in place to mitigate and manage exposure to such major risks identified by the Trustees.

IMPACT OF COVID-19

Clean Air Fund has assessed the ongoing impact of COVID-19 on the organisation. This is the current status at the time of completing this report, as the situation is ongoing and continues to change significantly over time:

- **To date, COVID-19 has not had a significant impact on our financial position.** Our main source of income is from philanthropic foundations which have committed multi-year grant funding until December 2022 or early 2023. COVID-19 has reduced the ability to generate new funding opportunities therefore potentially making future growth slower than it would have been without COVID-19. Our staff team has been able to work from home and operations continue to function effectively.

We have undertaken a significant amount of recruitment and grown the team whilst operating remotely. Like many organisations, prolonged home working has made some aspects of team working more challenging – including training and integrating new team members and building a unified organisational culture.

- **We continue to work closely with our grantees to understand the impact of COVID on their organisations.** The majority of implementation of grants continued effectively during 2020 (with the exceptions being around public events and convening to promote air quality – where activities have been curtailed or reshaped). We are continuing to make new grants, taking into the current operating context and potential future scenarios.

PROTECTING
OUR
PLANET

FINANCIAL REVIEW

As part of our four-year strategy we have **two key financial goals;**

- Secure $100m of funding pooled through or aligned with Clean Air Fund.
- Commit to the disbursement of the majority of funds raised to organisations working to achieve clean air for all, including signing at least $40m of grants from the first tranche of secured funding.

We made some progress against the income goal in 2020 with direct funding secured increasing by nearly $4m to $53.7m

During 2020 we made significant progress against our disbursement goal, committing to $8.6m of new projects. We signed $7.1m of new grant agreements (of which we committed $4.1m in 2020), taking our total multi-year grant commitments to $15.4m. In addition, we signed $1.5m of contracts for direct charitable activity that is used to support and amplify our grant-making and our grantees.

2020 was the second year of operation for Clean Air Fund and so is the first time we can report comparator data. Below is brief summary of our sources of income, areas of expenditure and overall financial results.

INCOME

The vast majority of Clean Air Fund's income in 2020 came from large scale grants from philanthropic funders. Total income recognised during the year relating to these grants was $10.8m ($15.2m in 2019). Income is recognised in line with Clean Air Fund's accounting policy (when there is entitlement to the funds, receipt is probable and the amount is measurable) which means there is significant variation in annualised income depending upon our funders' profile of payments and mid-grant review processes across different financial periods. This accounting difference is the primary reason for the $4.4m decrease from 2019.

The majority of Clean Air Fund's income (83%) relates to unrestricted funds and is received into the central pooled fund. A small (17%) of income is from restricted grants (where the funder has placed a geographic or project restriction on the use of funds).

EXPENDITURE

The most significant area of Clean Air Fund's charitable expenditure relates to grants to third party organisations. We also deliver charitable activities through service contracts with non-charitable organisations, and on some occasions Clean Air Fund delivers activities directly.

Grant making decisions are made either by geographical or thematic area; firstly a strategy is developed and approved by the Board on the highest impact grant making areas. Grants within the geographical strategies are allocated across the four drivers in our theory of change: data, demand, delivery and developing the movement. Then grants are given to the most effective organisations operating within the identified priority areas. Grant making activities are managed by Clean Air Fund's programmes team and supported by the finance and operations team.

Total charitable expenditure in 2020 was $7.1m (2019 – $10.0m); of which $4.1m (2019 – $8.4m) was grant expenditure, $1.3m (2019 – $0.7m) was incurred by CAF for projects undertaken directly and programme related travel and consultant costs, $0.5m (2019 – $0.2m) was staff costs and $1.1m (2019 – $0.6m) was support costs. This represents 99% of total expenditure.

The remaining 1% of expenditure $0.1m (2019 – $0.1m) related to fundraising activity, which consisted of staff time dedicated to finding new donors and working towards our fundraising goals.

There were two reasons for the decrease in grant expenditure in 2020. First, in line with our strategy, we increased the number of grants and in particular made more grants to smaller organisations (a full list of grantees is contained within note 6). This decreased the average grant size from $0.52m to $0.22m and decreased

our overall expenditure. The second reason is one of accounting treatment: in 2020 we put in place a legally binding review clause in all grant agreements so that for grants made in 2020, we recognised only the first year of grant expenditure (in 2019 we recognised the full multi-year value of the grant).

Staff costs and support costs increased to reflect the planned expansion of the team to work effectively with a larger number and range of organisations and to scale up grant-making and development of the air quality movement.

FINANCIAL RESULTS

Clean Air Fund received $3.2m (2019 – $5.2m) more unrestricted income into the pooled fund than the grant commitments and supporting expenditure. This serves two purposes: firstly, to provide the initial free reserves for the charity and secondly to fund future grant commitments – including planned grant expenditure with partners pending formal grant agreements. There was also $0.4m of net income on our restricted funds at year end, which we plan to utilise during 2021.

BALANCE SHEET

At the end of 2020, the majority of Clean Air Fund's assets were cash and bank deposits of $13.4m (2019 – $11.5m).

The main liabilities of Clean Air Fund are grants payable. At the end of 2020, these totalled $4.7m (2019 – $6.8m), of which $4.1m are payable within 12 months of year end and $0.6m is payable in more than 12 months. This decrease reflects the introduction of the legally binding annual review clause leading to a reduction in the fund's liabilities above 12 months.

The closing position was total funds of $8.8m (2019 – $5.2m), of which $8.4m (2019 – $5.2m) were unrestricted and $0.4m (2019 – $0m) restricted.

RESERVES POLICY

The Trustees aim to maintain free reserves in unrestricted funds at a level which equates to between four to six months of unrestricted charitable expenditure. The Trustees consider that this level will provide sufficient funds to respond to applications for grants and ensure that there are sufficient funds available to cover support and governance costs.

The Trustees also consider contingent grant commitments (where grant commitments are contingent on future performance milestones) when considering the appropriate level of reserves. Trustees may decide to earmark unrestricted reserves as designated funds to set aside funds for these contingent liabilities. The Trustees may, at their discretion, ring-fence further unrestricted funds for future essential spend or for a specific purpose.

The year end free reserves were $8.4m. This represents significantly more than the policy requirement of four – six months of operational expenditure but this level of reserves is temporary in nature and primarily reflects differences in timing of receipt of income and expansion of planned expenditure in 2021 and 2022.

GOING CONCERN STATEMENT

Taking into account the above financial review and the potential impact of COVID-19, the Trustees and the senior leadership team believe that Clean Air Fund has adequate financial resources to continue in operational existence for the foreseeable future. We believe that there are no material uncertainties that call in to doubt the charity's ability to continue to operate. Accordingly, the financial statements have been prepared on the going concern basis.

ADDITIONAL POLICIES

INVESTMENT POLICY

Clean Air Fund does not have an endowment and therefore investment is not a major part of the Fund's activities. Clean Air Fund's funds are held to support future grant expenditure the aim of the investment policy is to minimise risk and protect capital security and therefore such assets are held as cash, invested to obtain a yield where possible.

SAFEGUARDING AND CHILD PROTECTION

Clean Air Fund is committed to sector wide best practice with regards to safeguarding and child protection. Clean Air Fund is committed to:

- Promoting good practice and work in a way that prevents harm, abuse and coercion occurring;
- Ensuring that any allegations of abuse or suspicions are investigated promptly and robustly. And where the allegation is proven it will be dealt with appropriately;
- Taking any action within our powers to stop abuse occurring and ensure the person who has experienced the abuse receives appropriate support; and
- Being transparent and open by reporting any cases of abuse to the appropriate authorities.

In order to create a working environment that safeguards our beneficiaries and stakeholders Clean Air Fund will:

- Promote the rights of the people we work with to live free from abuse and coercion;
- Ensure the well-being of the people we work with;
- Manage our work in a way that promotes safety and prevents abuse.

FUNDRAISING

Clean Air Fund does not undertake any public fundraising activities.

REMUNERATION

None of the Trustees are remunerated for their services to the charity.

The remuneration of the Executive Director and key management are based on philanthropic market rates. The Executive Director's remuneration is reviewed annually by the Trustees.

Staff salaries are based upon set pay scales which are set with reference to philanthropic and not-for-profit market rates. Any increments to staff salaries are proposed by the senior leadership team and agreed and ratified by the Trustees.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors for the purposes for company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and regulations and United Kingdom generally accepted accounting practice (United Kingdom accounting standards) including FRS 102 (The Financial Reporting Standard) applicable in the UK and Republic of Ireland.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently,
- Observe the methods and principles in the Charities SORP;
- Make judgments and accounting estimates that are reasonable and prudent,
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. This **Trustees' report** has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

So far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware. The Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees' Annual Report was approved and authorised for issue by the Board of Trustees on 1 July 2021 and signed on its behalf by

Katherine L. Garrett-Cox

KATHERINE GARRETT-COX,
Chair

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CLEAN AIR FUND

OPINION

We have audited the financial statements of Clean Air Fund ('the charitable company') for the year ended 31 December 2020 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cash Flows 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 charitable company's affairs as at 31 December 2020 and of 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 charitable company 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 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 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 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.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement set out on page 26 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 members. 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 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. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS102) 2019. 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 ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud.

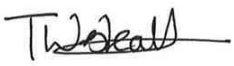
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within grant expenditure and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, designing and performing audit procedures for grant expenditure, 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 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
Date: 12 July 2021

BUILDING FAIRER SOCIETIES

FINANCIAL STATEMENTS 2020 AND NOTES

STATEMENT OF FINANCIAL ACTIVITIES

INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

	NOTES	UNRESTRICTED FUNDS 2020 $	RESTRICTED FUNDS 2020 $	TOTAL FUNDS 2020 $	TOTAL FUNDS 2019 $
INCOME FROM:					
Donations	2	8,867,830	1,903,809	**10,771,639**	**15,216,002**
Investments	3	22,719	–	**22,719**	–
Other income	4	56,146	–	**56,146**	–
TOTAL		**8,946,695**	**1,903,809**	**10,850,504**	**15,216,002**
EXPENDITURE ON:					
Raising funds	5	86,005	-	**86,005**	**89,544**
Charitable activities	5	5,615,647	1,458,925	**7,074,572**	**9,963,905**
TOTAL		**5,701,652**	**1,458,925**	**7,160,577**	**10,053,449**
Net income before transfers		3,245,043	444,884	**3,689,927**	**5,162,553**
Transfers		–	–	–	–
Net income and net movement in funds	12/13	3,245,043	444,884	**3,689,927**	**5,162,553**
RECONCILIATION OF FUNDS:					
Fund balances brought forward at 1 January 2020		5,162,553	–	**5,162,553**	–
Fund balances carried forward at 31 December 2020		8,407,596	444,884	**8,852,480**	**5,162,553**

All of the charity's activities derived from continuing operations during the above financial period.

All recognised gains and losses are included in the above statement of financial activities.

BALANCE SHEET

AS AT 31 DECEMBER 2020

	NOTES	2020 $	2020 $	2019 $	2019 $
CURRENT ASSETS					
Debtors	9	617,070		641,314	
Cash at bank and in hand		13,438,760		11,529,859	
TOTAL		**14,055,830**		**12,171,173**	
LIABILITIES FALLING DUE WITHIN ONE YEAR					
Grants payable	10	(4,073,726)		(4,960,718)	
Creditors	11	(513,524)		(244,296)	
TOTAL		**(4,587,250)**		**(5,205,014)**	
NET CURRENT ASSETS			**9,468,580**		**6,966,159**
LIABILITIES FALLING DUE AFTER ONE YEAR					
Grants payable	10		(616,100)		(1,803,606)
TOTAL NET ASSETS			**8,852,480**		**5,162,553**
FUNDS:					
UNRESTRICTED FUNDS					
General funds			8,407,596		5,162,553
RESTRICTED FUNDS			444,884		–
TOTAL FUNDS			**8,852,480**		**5,162,553**

These accounts have been prepared in accordance with the provisions of the small companies regime within Part 15 of the Companies Act 2006. (Company number 11766712). Notes 1–14 form part of these financial statements.

The financial statements were approved by the members of the Board of Trustees on 1 July 2021 and signed on their behalf by:

Chair: Katherine Garrett-Cox

STATEMENT OF CASH FLOWS

AS AT 31 DECEMBER 2020

	NOTES	2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	A	**1,886,182**	**11,529,859**
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		22,719	–
Net cash provided by investing activities		22,719	–
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash provided by financing activities		–	–
CHANGE IN CASH AND CASH EQUIVALENTS IN THE PERIOD	B	**1,908,901**	**11,529,859**
CHANGE IN CASH AND CASH EQUIVALENTS AT 1 JANUARY 2020	B	11,529,859	–
CHANGE IN CASH AND CASH EQUIVALENTS AT 31 DECEMBER 2020	B	**13,438,760**	**11,529,859**

NOTES TO THE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

A RECONCILIATION OF NET (EXPENDITURE) INCOME AND NET MOVEMENT IN FUNDS TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES

	2020 $	2019 $
NET INCOME AND NET MOVEMENT IN FUNDS (AS PER THE STATEMENT OF FINANCIAL ACTIVITIES)	**3,689,927**	**5,162,553**
ADJUSTMENTS:		
Dividends and interest from investments	(22,719)	–
Decrease (increase) in debtors	24,244	(641,314)
(Decrease) Increase in creditors falling due within one year	(617,764)	5,205,014
(Decrease) Increase in creditors falling due after one year	(1,187,506)	1,803,606
NET CASH PROVIDED BY OPERATING ACTIVITIES	**1,886,182**	**11,529,859**

B ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 $	2019 $
TOTAL CASH AND CASH EQUIVALENTS		
Changes in cash and cash equivalents in the year	1,908,901	**11,529,859**
Cash and cash equivalents at the beginning of the year	11,529,859	–
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**13,438,760**	**11,529,859**

NOTES TO THE ACCOUNTS

For the year ended 31 December 2020

1 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

A Basis of preparation

The Charity is a charitable company limited by guarantee (registered number 11766712), which is incorporated and domiciled in the UK and is a public benefit entity. The Charity is registered in England and Wales (registered number 1183697). The Charity was incorporated on 15 January 2019 and the year end date was changed from 31 January to 31 December. The Charity started trading on 1 May 2019. 2020 is the first full year of operations and these financial statements cover the period from 1 January 2020 to 31 December 2020.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The financial statements have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011, and UK Generally Accepted Practice as it applies from 1 January 2015.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in US dollars and are rounded to the nearest dollar. US dollars is the currency of the primary economic environment in which the entity operates reflecting the currency of both the majority of income and grants awarded.

B Critical accounting estimates and areas of judgement

Preparation of the accounts requires the Board of Trustees and management to make significant judgements and estimates. The items in the accounts where these judgements and estimates have been made include:

- Timing of entitlement of income as described in the income policy.
- Timing of entitlement of grant expenditure as described in the expenditure policy.

C Assessment of going concern

The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Trustees have considered the charities forecasts and projections and have taken account of pressures on charitable activities income and the potential impact of Covid-19 on operations. After reviewing the forecasts the Trustees have concluded that they are happy with the assumptions and that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

D Income

Income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount can be measured reliably.

Donations received by the Charity, which are made up of grants, include those from donors that provide core funding, or are of a general nature. In the event that a grant is subject to conditions, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that those conditions will be fulfilled, including those committed over multiple years.

Grants received with a restricted purpose are allocated on receipt directly into the correct fund and are not transferred between funds.

E Expenditure

All expenditure is accounted for on an accrual basis and is recognised as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is stated inclusive of irrecoverable VAT.

Charitable activities comprise direct expenditure including grant expenditure and direct staff costs attributable to the activity.

Grants are made to institutions and are recognised where the beneficiary has been formally notified

in writing of the award. This notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. In the case of an unconditional grant offer this is accrued once the recipient has been notified in writing of the grant award. Grant awards that are subject to the recipient fulfilling conditions are accrued when any remaining unfulfilled conditions attaching to that grant are outside of the control of the Charity.

The provision for a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the Charity that would permit the Charity to avoid making the future payment(s), settlement is probable and the effect of discounting is material. The majority of Clean Air Fund grants are accounted for on an annual basis due to an annual performance review within our grant agreements. The grantees performance is seen as being outside the control of the Charity.

Costs of raising funds include staff time incurred seeking new donations and additional funding for the Charity.

F Allocation of support costs

Support costs, including general management, financial management, information systems and premises costs, have been allocated to activities based on the average staff time spent. Governance costs are those incurred in connection with the management of the Charity's assets, organisational administration and compliance with constitutional and statutory requirements. Support costs are allocated on the basis of direct staff costs for each activity.

G Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

H Cash at bank

Cash at bank represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

I Creditors

Creditors are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

J Funds structure

General funds are unrestricted funds that are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity, and that have not been designated for other purposes. Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors.

All income and expenditure of Clean Air Fund has been included in the Statement of Financial Activities.

K Pension costs

Contributions payable to defined contribution pension schemes and/or personal pension plans are accounted for in the year in which they are payable.

L Foreign currency translation

Monetary assets and liabilities denominated in a foreign currency are translated into USD at the exchange rate ruling on the Balance Sheet date. Transactions in foreign currencies are recorded at the average rate of exchange for the month the transaction was incurred.

All exchange differences are taken to the statement of financial activities.

M Financial instruments

The Charity 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 present value of the future cash flows unless the effect of discounting would be immaterial. Financial assets comprise cash at bank and in hand and debtors, including accrued income. Financial liabilities comprise grants payable, other creditors and accrued expenditure.

N Taxation

Clean Air Fund is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

2 INCOME FROM DONATIONS

	UNRESTRICTED 2020 $	RESTRICTED 2020 $	YEAR TO 31 DECEMBER 2020 $	PERIOD TO 31 DECEMBER 2019 $
Grants	8,867,830	1,903,809	**10,771,639**	**15,216,002**
TOTAL	**8,867,830**	**1,903,809**	**10,771,639**	**15,216,002**

3 INCOME FROM INVESTMENTS

	UNRESTRICTED 2020 $	RESTRICTED 2020 $	YEAR TO 31 DECEMBER 2020 $	PERIOD TO 31 DECEMBER 2019 $
Bank interest	22,719	–	**22,719**	–
TOTAL	**22,719**	–	**22,719**	–

4 OTHER INCOME

	UNRESTRICTED 2020 $	RESTRICTED 2020 $	YEAR TO 31 DECEMBER 2020 $	PERIOD TO 31 DECEMBER 2019 $
Gains on FX movement	56,146	–	**56,146**	–
TOTAL	**56,146**	–	**56,146**	–

5 EXPENDITURE

A Charitable expenditure

	DIRECT COSTS				
	GRANTS (NOTE 6) $	STAFF COSTS $	OTHER COSTS $	SUPPORT AND GOVERNANCE COSTS $	YEAR TO 31 DECEMBER 2020 $
CHARITABLE ACTIVITIES	–	–	–	–	–
UK	1,124,214	104,430	217,377	228,156	**1,674,178**
India	826,437	103,841	213,500	226,868	**1,370,646**
East and South East Europe	1,690,631	106,006	85,432	231,599	**2,113,668**
Global	424,393	207,576	777,840	453,509	**1,863,317**
Africa	47,772	1,439	409	3,143	**52,763**
TOTAL CHARITABLE ACTIVITIES	**4,113,447**	**523,292**	**1,294,558**	**1,143,275**	**7,074,572**
RAISING FUNDS	–	27,005	–	59,000	**86,005**
TOTAL CHARITABLE EXPENDITURE	**4,113,447**	**550,297**	**1,294,558**	**1,202,275**	**7,160,577**

PRIOR YEAR

	DIRECT COSTS				
	GRANTS (NOTE 6) $	STAFF COSTS $	OTHER COSTS $	SUPPORT AND GOVERNANCE COSTS $	PERIOD TO 31 DECEMBER 2019 $
CHARITABLE ACTIVITIES	–	–	–	–	–
UK	1,856,961	40,522	364,442	132,182	**2,394,107**
India	1,848,957	41,859	76,250	136,543	**2,103,609**
East and South East Europe	855,000	47,455	25,052	154,797	**1,082,304**
Global and other	3,857,232	67,384	239,464	219,805	**4,383,885**
TOTAL CHARITABLE ACTIVITIES	**8,418,150**	**197,220**	**705,208**	**643,327**	**9,963,905**
RAISING FUNDS	–	20,646	1,550	67,348	**89,544**
TOTAL CHARITABLE EXPENDITURE	**8,418,150**	**217,866**	**706,758**	**710,675**	**10,053,449**

B Support and governance costs

	YEAR TO 31 DECEMBER 2020 $	PERIOD TO 31 DECEMBER 2019 $
SUPPORT COSTS		
Staff costs	585,626	175,668
Other staff related costs	73,769	177,238
Communications & Events	159,388	58,067
Legal & Professional	82,399	148,070
Consultant Costs	103,874	–
Office & IT	134,016	94,617
Travel	18,747	17,093
Foreign Exchange	–	16,117
TOTAL SUPPORT	**1,157,819**	**686,870**
GOVERNANCE COSTS		
Auditors remuneration	23,143	21,316
Accountancy	10,855	–
Trustee Costs	10,458	2,489
TOTAL GOVERNANCE	**44,456**	**23,805**
TOTAL SUPPORT AND GOVERNANCE	**1,202,275**	**710,675**

6 GRANTS

	UK $	INDIA $	EAST AND SOUTH EAST EUROPE $	GLOBAL $	AFRICA $	YEAR TO 31 DECEMBER 2020 $
Association Krakow Smog Alert	–	–	273,262	–	–	**273,262**
Asthma UK and British Lung Foundation Partnership	60,993	–	–	–	–	**60,993**
BMJ Publishing Group Ltd	18,721	–	–	–	–	**18,721**
Centre for Ecology, Development and Research	–	80,817	–	–	–	**80,817**
Conservative Environment Network	52,222	–	–	–	–	**52,222**
Council on Energy, Environment and Water	–	370,520	–	–	–	**370,520**
CWC Environmental	49,329	–	–	–	–	**49,329**
Ekologichno sdruzhenie Za Zemiata	–	–	146,661	–	–	**146,661**
Electric Vehicles Promotion Foundation	–	–	253,561	–	–	**253,561**
Environmental Defense Fund	–	60,000	–	–	–	**60,000**
Environmental Defense Fund Europe	404,709	–	–	–		**404,709**
European Clean Air Centre	–	–	197,286	–	–	**197,286**
European Climate Foundation	–	–	32,898	–	–	**32,898**
European Environmental Bureau	–	–	88,177	–	–	**88,177**
Global Action Plan	22,933	–	–	–	–	**22,933**
Guy's and St Thomas' Foundation	409,470	–	–	–	–	**409,470**
HabitatMap	–	–	–	100,000	–	**100,000**
Health Effects Institute	–	–	124,102	–	–	**124,102**
IEMA – Broadway Initiative	40,630	–	–	–	–	**40,630**
International Council on Clean Transportation	–	–	177,109	–	–	**177,109**
OpenAQ	–	–	–	325,443	–	**325,443**
Purpose Foundation	–	–	397,575	–	–	**397,575**
Swaniti Initiative	–	92,400	–	–	–	**92,400**
UK Centre for Ecology & Hydrology	–	–	–	–	47,772	**47,772**
UK100 Cities Network Limited	65,207	–	–	–	–	**65,207**
United Nations Environment Programme	–	222,700	–	–	–	**222,700**
Cape Farewell (written back)	–	–	–	(1,050)	–	**(1,050)**
TOTAL	**1,124,214**	**826,437**	**1,690,631**	**424,393**	**47,772**	**4,113,447**

PRIOR YEAR	UK $	INDIA $	EAST AND SOUTH EAST EUROPE $	GLOBAL AND OTHER $	YEAR TO 31 DECEMBER 2020 $
Blacksmith Institute	–	–	–	199,131	**199,131**
C40 Cities Climate Leadership Group Inc	–	–	–	2,489,906	**2,489,906**
Cape Farewell	–	–	–	40,000	**40,000**
Confederation of Indian Industry	–	723,957	–	–	**723,957**
Environmental Defense Fund	–	–	–	298,260	**298,260**
Environmental Defense Fund Europe	1,106,064	–	–	–	**1,106,064**
European Climate Foundation	550,000	–	505,000	–	**1,055,000**
Greater London Authority	34,897	–	–	–	**34,897**
Health Care without Harm	–	1,125,000	–	–	**1,125,000**
New Venture Fund	–	–	–	50,000	**50,000**
OpenAQ	–	–	–	149,935	**149,935**
Purpose Foundation	166,000	–	350,000	–	**516,000**
World Economic Forum	–	–	–	630,000	**630,000**
TOTAL	**1,856,961**	**1,848,957**	**855,000**	**3,857,232**	**8,418,150**

7 NET (EXPENDITURE) INCOME BEFORE TRANSFERS

This is stated after charging:

	TOTAL FUNDS 2020 $	TOTAL FUNDS 2019 $
Audit Fees (incl VAT)	**23,143**	**21,316**

8 STAFF COSTS

	YEAR TO 31 DECEMBER 2020 $	PERIOD TO 31 DECEMBER 2019 $
Wages and salaries	**965,210**	**341,740**
Social security costs	**100,521**	**30,584**
Pension costs	**70,191**	**21,210**
TOTAL	**1,135,922**	**393,534**

By 31 December 2020 Clean Air Fund had 14 employees (2019:8).

The average number of employees has been analysed over the year (by head count), analysed by function, was as follows:

	2020 NO.	2019 NO.
Fundraising	**0.3**	**0.2**
Charitable Activities	**7.1**	**3.0**
Support	**4.9**	**1.0**
TOTAL	**12.3**	**4.2**

There were 4 employees (2019:1) who earned $77,000 (£60,000) per annum or more (including benefits) during the year, based on the average exchange rate for the year.

	YEAR TO 31 DECEMBER 2020 $	PERIOD TO 31 DECEMBER 2019 $
$77k to $90k (£60k to £70k)	2	–
$90k to $103k (£70k to £80k)	1	–
$128k to $141k (£100k to £110k)	–	1
$193k to $205k (£150k to £160k)	1	–
TOTAL	**4**	**1**

The key management personnel of Clean Air Fund has been defined as the Executive Director, Interim Operations Director, Finance and Operations Director and Programme Director. The total employee benefits including employer's pension contributions of the key management personnel were $417,058 (2019: $207,642).

The Trustees did not receive any remuneration for their services during the period. The Trustees' expenses reimbursed amounted to £10,458 (2019: $2,489) travel and meeting expenses in connection with their duties as members of the Board of Trustees. The expenses related to 2 Trustees (2019: 1 Trustee).

9 DEBTORS

	YEAR TO 31 DECEMBER 2020 $	PERIOD TO 31 DECEMBER 2019 $
Accrued income	590,670	636,980
Prepayments	26,400	4,334
TOTAL	**617,070**	**641,314**

10 GRANTS PAYABLE

	YEAR TO 31 DECEMBER 2020 $	PERIOD TO 31 DECEMBER 2019 $
GRANT COMMITMENTS AT 1 JANUARY	6,764,324	–
Grants awarded in the period	4,114,497	8,418,150
Grants written back in the period	(1,050)	–
Grants paid in the period	(6,187,945)	(1,653,826)
GRANT COMMITMENTS AT 31 DECEMBER	**4,689,826**	**6,764,324**
Payable within one year	4,073,726	4,960,718
Payable after one year	616,100	1,803,606

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	YEAR TO 31 DECEMBER 2020 $	PERIOD TO 31 DECEMBER 2019 $
Trade Creditors	181,190	105,147
Accruals	294,718	120,940
Social Security costs	37,616	18,209
TOTAL	**513,524**	**244,296**

12 MOVEMENT IN FUNDS

	AT 1 JANUARY 2020 $	INCOME $	EXPENDITURE $	TRANSFERS $	AT 31 DECEMBER 2020 $
UNRESTRICTED FUNDS					
General Fund	5,162,553	8,946,695	(5,701,652)	–	**8,407,596**
RESTRICTED FUNDS					
Pooled Fund – UK and Africa	–	853,590	(485,444)	–	368,146
Clean Air Fund UK pooled Fund	–	532,527	(530,317)	–	2,210
Health Communication Research	–	317,692	(243,164)	–	74,528
Collaboration on India Clear Air Programme	–	200,000	(200,000)	–	–
TOTAL	–	**1,903,809**	**(1,458,925)**	–	**444,884**
TOTAL FUNDS	**5,162,553**	**10,850,504**	**(7,160,577)**	–	**8,852,480**

The restricted funds of the charity compromise of income given for specific purposes, there were unexpended funds at 31 December. In 2020 these funds were for:

- 'Pooled Fund – UK and Africa' – Funding from ELMA Philanthropies towards Clean Air Fund pooled fund restricted to be spent in the UK and Africa only.
- 'Clean Air Fund UK Pooled Fund' – Funding from Guy's and St Thomas Foundation towards Clean Air Fund pooled fund, restricted to be spent in the UK only.

These two funds operate through the same mechanism as our pooled fund (unrestricted funding) does, however with a geographical focus creating restricted funds.

- 'Health Communication Research' – Funding from the Wellcome Trust for a Health Communication Research project; and
- 'Collaboration on India Clean Air Programme' – Funding from the Children's Investment Fund Foundation towards Clean Air Fund programmes in India.

PRIOR YEAR

	AT 13 JANUARY 2019 $	INCOME $	EXPENDITURE $	TRANSFERS $	AT 31 DECEMBER 2019 $
UNRESTRICTED FUNDS					
General Fund	–	14,951,790	(9,680,239)	(108,998)	**5,162,553**
RESTRICTED FUNDS					
Clean Air Fund Launch	–	37,053	(141,124)	104,071	–
Evening Standard Partnership	–	227,159	(232,086)	4,927	–
TOTAL	–	**264,212**	**(373,210)**	**108,998**	–
TOTAL FUNDS	–	**15,216,002**	**(10,053,449)**	–	**5,162,553**

13 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	UNRESTRICTED FUND $	RESTRICTED FUND $	TOTAL 2020 $
FUND BALANCES AT 31 DECEMBER 2020 ARE REPRESENTED BY:			
Current Assets	13,094,980	960,850	**14,055,830**
Current Liabilities	(4,095,169)	(492,081)	**(4,587,250)**
Non-Current Liabilities	(592,215)	(23,885)	**(616,100)**
TOTAL NET ASSETS	**8,407,596**	**444,884**	**8,852,480**
PRIOR YEAR			
FUND BALANCES AT 31 DECEMBER 2019 ARE REPRESENTED BY:			
Current Assets	12,171,173	–	**12,171,173**
Current Liabilities	(5,205,014)	–	**(5,025,014)**
Non-Current Liabilities	(1,803,606)	–	**(1,803,606)**
TOTAL NET ASSETS	**5,162,553**	–	**5,162,553**

14 TRANSACTIONS WITH RELATED PARTIES

No related parties' transactions have taken place with the senior leadership team. Clean Air Fund's Conflict of Interest policy is Board or Grant Committee members who have an interest in any grant awarding decisions do not take part in that decision and disclose any interest.

Justin Johnson (Trustee) currently holds the position of Climate Director at The Children's Investment Fund Foundation (CIFF) and is a member of the Global Board of directors of C40 Inc. During the year CAF received $1,598,333 from CIFF in respect to a grant awarded in 2019. In the year C40 Inc was paid $1,493,943 in respect of a grant given in the previous period. He has received no remuneration in his capacity as a Trustee.

Patricia Atkinson (Trustee) currently holds the position of Chief Programme Officer at IKEA Foundation. During the year CAF received $5,000,000 from the IKEA Foundation in respect of a grant awarded in the previous year. She has received no remuneration in her capacity as a Trustee.

Dominic Waughray (Trustee) is Managing Director of World Economic Forum (WEF). CAF awarded a grant to WEF in 2019 prior to Dominic becoming a Trustee. No payments relating to the grant were made during 2020.

REFERENCE AND ADMINISTRATIVE DETAILS

REGISTERED NAME	**Clean Air Fund**
DATE OF INCORPORATION	15 January 2019
COMPANY NUMBER	11766712
REGISTERED CHARITY NUMBER	1183697
TRUSTEES	Katherine Garrett-Cox CBE Patricia Atkinson Tejpreet Singh Chopra Justin Johnson Ivan Vatchkov Dominic Waughray
EXECUTIVE DIRECTOR	Helen Jane Burston
FINANCE & OPERATIONS DIRECTOR	Mike Saxton
PROGRAMME DIRECTOR	Gillian Holmes
COMPANY SECRETARY	Mike Saxton
REGISTERED OFFICE	7 Clifford Street London W1S 2FT
BANKERS	HSBC Bank Plc 69 Pall Mall St James London SW1Y 5EY
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