

CLEAN  
AIR  
FUND

20  
21

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



## 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

## 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

## 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

# 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:



# 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:

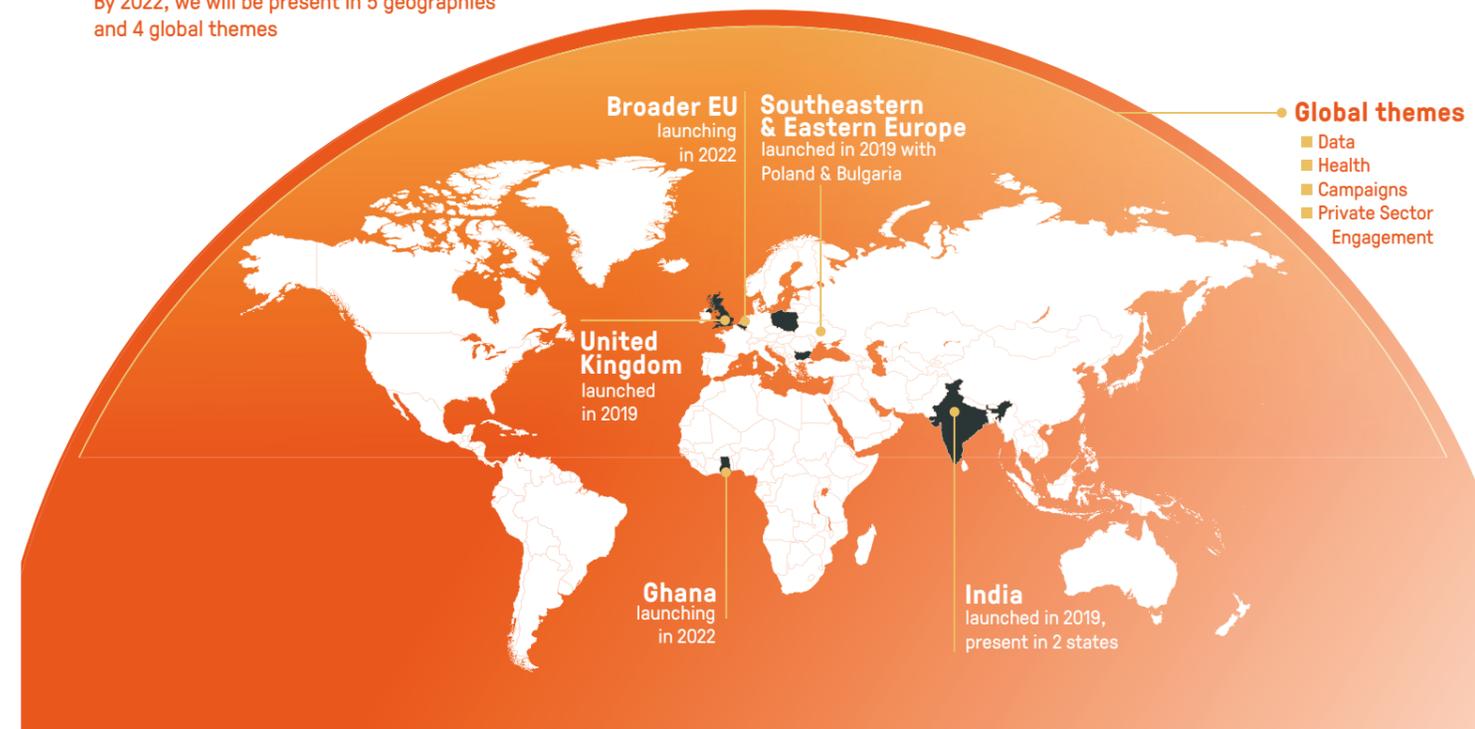
- **Funding & Partnering:** providing funding and other support to empower existing organisations and new actors to scale and accelerate their impact;
- **Connecting & Influencing:** strengthening the movement by bringing together like-minded players, mobilising additional funding, and sharing learnings;
- **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<sup>1</sup>, 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)<sup>2</sup>, 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.

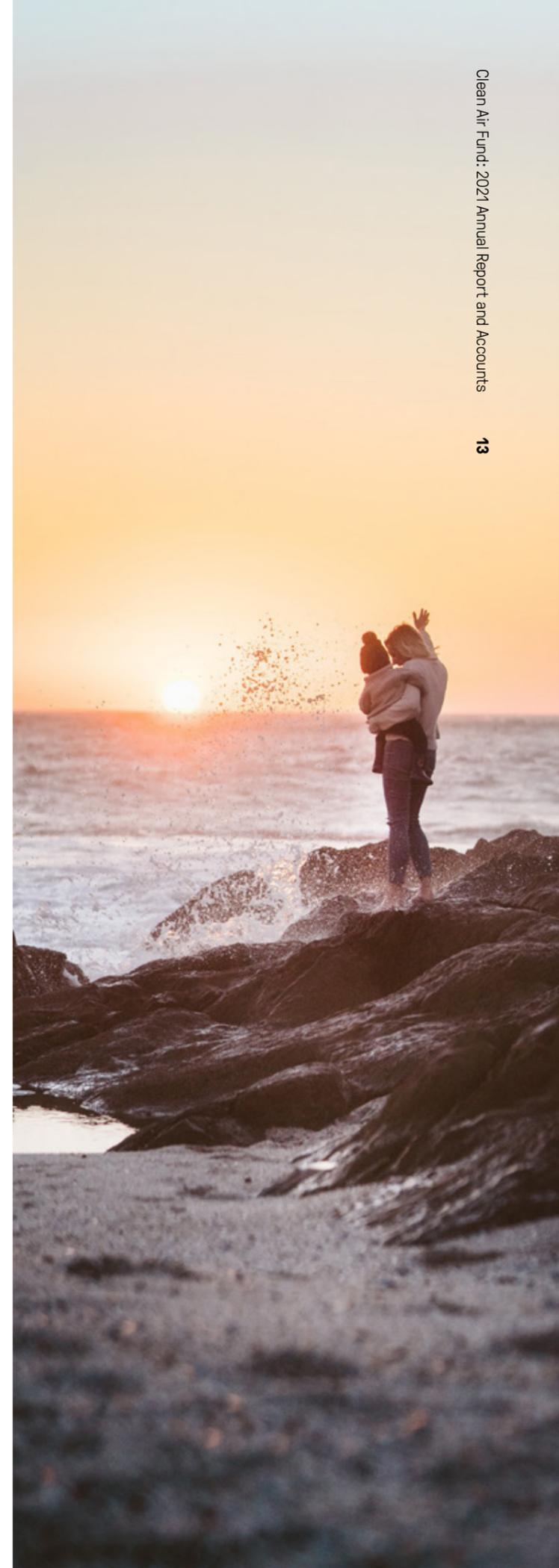
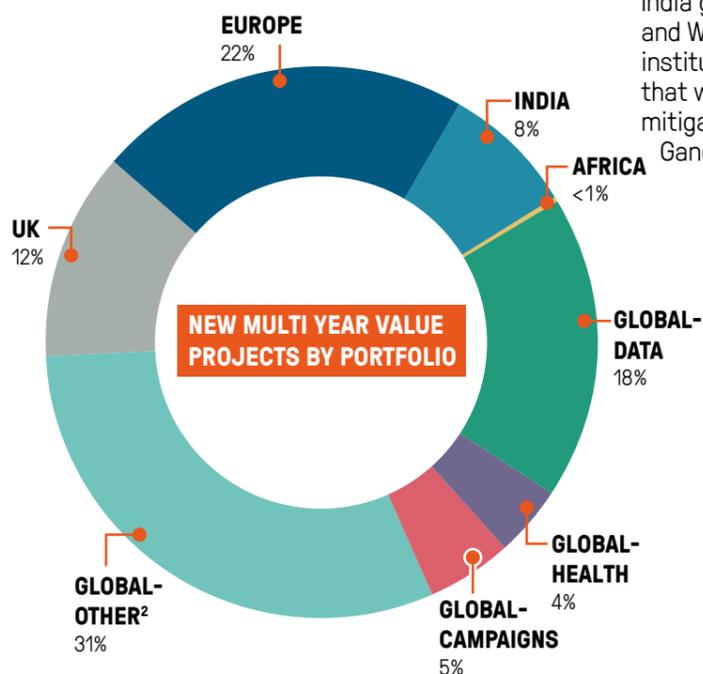
## DIRECT DELIVERY

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 CO<sub>2</sub>e 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 NO<sub>2</sub>. 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  
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 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<sup>3</sup>

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.

### 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.

3. Including Eastern and Southeastern Europe



## 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.



# 68

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.

### 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 (NO<sub>2</sub>) pollution reduced by 36% in the zone in the first six months of the initial ULEZ according to [City Hall](#). London also estimated that CO<sub>2</sub> emissions fell by 4% within six months. Birmingham introduced a class D CAZ in June which reduced NO<sub>2</sub> 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 NO<sub>2</sub> 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 µg/m<sup>3</sup>) reduction in NO<sub>2</sub>, 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<sup>4</sup> 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.

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.

### 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**  
UK clean air zones expanded or implemented

# 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 identify '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 WAUGHRAJ**  
Resigned 30 October 2021

## SENIOR LEADERSHIP TEAM

The senior leadership team (SLT) of the Clean Air Fund comprises 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.



MOMENTUM  
IS  
GROWING

# 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
<b>Net Movement in Funds</b>	<b>5.2</b>	<b>3.7</b>	<b>6.0</b>
<b>Fund balance</b>	<b>5.2</b>	<b>8.9</b>	<b>14.9</b>
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.



# CLEAN AIR FOR ALL

# 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 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](http://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.

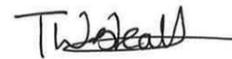
We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within grant expenditure and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance Committee about 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 \$
<b>INCOME FROM:</b>					
Donations	2	14,410,767	3,424,205	<b>17,834,972</b>	<b>10,771,639</b>
Investments	3	–	–	–	<b>22,719</b>
Other Income	4	–	–	–	<b>56,146</b>
<b>TOTAL</b>		<b>14,410,767</b>	<b>3,424,205</b>	<b>17,834,972</b>	<b>10,850,504</b>
<b>EXPENDITURE ON:</b>					
Raising Funds	5	128,912	–	<b>128,912</b>	<b>86,005</b>
Charitable activities	5	8,688,364	2,986,278	<b>11,674,642</b>	<b>7,074,572</b>
<b>TOTAL</b>		<b>8,817,276</b>	<b>2,986,278</b>	<b>11,803,554</b>	<b>7,160,577</b>
Net income before transfers		5,593,491	437,927	<b>6,031,418</b>	<b>3,689,927</b>
Transfers		–	–	–	–
Net income and net movement in funds	12/13	5,593,491	437,927	<b>6,031,418</b>	<b>3,689,927</b>
<b>RECONCILIATION OF FUNDS:</b>					
Fund balances brought forward at 1 January 2021		8,407,596	444,884	<b>8,852,480</b>	<b>5,162,553</b>
Fund balances carried forward at 31 December 2021		14,001,087	882,811	<b>14,883,898</b>	<b>8,852,480</b>

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 \$
<b>CURRENT ASSETS</b>					
Debtors	9	2,163,550		617,070	
Cash at bank and in hand		18,288,050		13,438,760	
		<b>20,451,600</b>		<b>14,055,830</b>	
<b>LIABILITIES FALLING DUE WITHIN ONE YEAR</b>					
Grants payable	10	(4,584,625)		(4,073,726)	
Creditors	11	(790,581)		(513,524)	
		<b>(5,375,206)</b>		<b>(4,587,250)</b>	
<b>NET CURRENT ASSETS</b>			<b>15,076,394</b>		<b>9,468,580</b>
<b>LIABILITIES FALLING DUE AFTER ONE YEAR</b>					
Grants payable	10		(192,496)		(616,100)
<b>TOTAL NET ASSETS</b>			<b>14,883,898</b>		<b>8,852,480</b>
<b>FUNDS</b>					
<b>UNRESTRICTED FUNDS</b>					
General funds		14,001,087			8,407,596
<b>RESTRICTED FUNDS</b>					
		882,811			444,884
<b>TOTAL FUNDS</b>			<b>14,883,898</b>		<b>8,852,480</b>

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 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash provided by operating activities	A	4,849,290	1,886,182
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		–	22,719
Net cash provided by investing activities		–	22,719
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net cash provided by financing activities		–	–
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE PERIOD</b>	B	<b>4,849,290</b>	<b>1,908,901</b>
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY 2021</b>	B	<b>13,438,760</b>	<b>11,529,859</b>
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER 2021</b>	B	<b>18,288,050</b>	<b>13,438,760</b>

# 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 \$
<b>NET (EXPENDITURE) INCOME AND NET MOVEMENT IN FUNDS (AS PER THE STATEMENT OF FINANCIAL ACTIVITIES)</b>	<b>6,031,418</b>	<b>3,689,927</b>
<b>ADJUSTMENTS:</b>		
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)
<b>Net cash provided by operating activities</b>	<b>4,849,290</b>	<b>1,886,182</b>

## B. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 \$	2020 \$
<b>TOTAL CASH AND CASH EQUIVALENTS</b>		
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
<b>TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>18,288,050</b>	<b>13,438,760</b>

# 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
<b>TOTAL</b>	<b>14,410,767</b>	<b>3,424,205</b>	<b>17,834,972</b>	<b>10,771,639</b>

**3 INCOME FROM INVESTMENTS**

	UNRESTRICTED 2021 \$	RESTRICTED 2021 \$	YEAR TO 31 DECEMBER 2021 \$	YEAR TO 31 DECEMBER 2020 \$
Bank Interest	–	–	–	22,719
<b>TOTAL</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>22,719</b>

**4 OTHER INCOME**

	UNRESTRICTED 2021 \$	RESTRICTED 2021 \$	YEAR TO 31 DECEMBER 2021 \$	YEAR TO 31 DECEMBER 2020 \$
Gains on FX movement	–	–	–	56,146
<b>TOTAL</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>56,146</b>

**5 EXPENDITURE****A Charitable expenditure**

	DIRECT COSTS			SUPPORT AND GOVERNANCE COSTS \$	YEAR TO 31 DECEMBER 2021 \$
	GRANTS (NOTE 6) \$	STAFF COSTS \$	OTHER COSTS \$		
<b>CHARITABLE ACTIVITIES</b>					
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
<b>TOTAL CHARITABLE ACTIVITIES</b>	<b>6,442,099</b>	<b>1,207,274</b>	<b>1,826,656</b>	<b>2,198,613</b>	<b>11,674,642</b>
<b>RAISING FUNDS</b>	<b>-</b>	<b>45,695</b>	<b>-</b>	<b>83,217</b>	<b>128,912</b>
<b>TOTAL CHARITABLE EXPENDITURE</b>	<b>6,442,099</b>	<b>1,252,969</b>	<b>1,826,656</b>	<b>2,281,830</b>	<b>11,803,554</b>

**PRIOR YEAR**

	DIRECT COSTS			SUPPORT AND GOVERNANCE COSTS \$	YEAR TO 31 DECEMBER 2020 \$
	GRANTS (NOTE 6) \$	STAFF COSTS \$	OTHER COSTS \$		
<b>CHARITABLE ACTIVITIES</b>					
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
<b>TOTAL CHARITABLE ACTIVITIES</b>	<b>4,113,447</b>	<b>523,292</b>	<b>1,294,558</b>	<b>1,143,275</b>	<b>7,074,572</b>
<b>RAISING FUNDS</b>	<b>-</b>	<b>27,005</b>	<b>-</b>	<b>59,000</b>	<b>86,005</b>
<b>TOTAL CHARITABLE EXPENDITURE</b>	<b>4,113,447</b>	<b>550,297</b>	<b>1,294,558</b>	<b>1,202,275</b>	<b>7,160,577</b>

**B Support and governance costs**

	YEAR TO 31 DECEMBER 2021 \$	YEAR TO 31 DECEMBER 2020 \$
<b>SUPPORT COSTS</b>		
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	-
<b>TOTAL SUPPORT</b>	<b>2,238,706</b>	<b>1,157,819</b>
<b>GOVERNANCE COSTS</b>		
Auditors remuneration	24,847	23,143
Accountancy	5,747	10,855
Trustee Costs	-	10,458
Consultant costs	12,530	-
<b>TOTAL GOVERNANCE</b>	<b>43,124</b>	<b>44,456</b>
<b>TOTAL SUPPORT AND GOVERNANCE</b>	<b>2,281,830</b>	<b>1,202,275</b>

## 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
Ekologiczno sdruzenie 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

	UK \$	INDIA \$	EUROPEAN UNION \$	GLOBAL AND OTHER \$	AFRICA \$	YEAR TO 31 DECEMBER 2021 \$
Pravah	-	71,377	-	-	-	71,377
Sesame Workshop India	-	110,870	-	-	-	110,870
Swaniti Initiative	-	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)
<b>TOTAL</b>	<b>926,077</b>	<b>849,728</b>	<b>1,306,404</b>	<b>3,359,752</b>	<b>138</b>	<b>6,442,099</b>

## 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 sdruzenie Za Zemjata	-	-	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)
<b>TOTAL</b>	<b>1,124,214</b>	<b>826,437</b>	<b>1,690,631</b>	<b>424,393</b>	<b>47,772</b>	<b>4,113,447</b>

## 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
<b>TOTAL</b>	<b>2,313,800</b>	<b>1,135,922</b>

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
<b>TOTAL</b>	<b>22.9</b>	<b>12.3</b>

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	-
<b>TOTAL</b>	<b>9</b>	<b>4</b>

The key management personnel of Clean Air Fund have been defined as the SLT which comprises 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
<b>TOTAL</b>	<b>2,163,550</b>	<b>617,070</b>

**10 GRANTS PAYABLE**

	YEAR TO 31 DECEMBER 2021 \$	YEAR TO 31 DECEMBER 2020 \$
<b>GRANTS COMMITMENTS AT 1 JANUARY</b>	<b>4,689,826</b>	<b>6,764,324</b>
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	-
<b>GRANT COMMITMENTS AT 31 DECEMBER</b>	<b>4,777,121</b>	<b>4,689,826</b>
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
<b>TOTAL</b>	<b>790,581</b>	<b>513,524</b>

**12 MOVEMENT IN FUNDS**

	AT 1 JANUARY 2021 \$	INCOME \$	EXPENDITURE \$	TRANSFERS \$	AT 31 DECEMBER 2021 \$
<b>UNRESTRICTED FUNDS</b>					
General fund	8,407,596	14,410,767	(8,817,276)		14,001,087
<b>RESTRICTED FUNDS</b>					
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
<b>TOTAL</b>	<b>444,884</b>	<b>3,424,205</b>	<b>(2,986,278)</b>	<b>-</b>	<b>882,811</b>
<b>TOTAL FUNDS</b>	<b>8,852,480</b>	<b>17,834,972</b>	<b>(11,803,554)</b>	<b>-</b>	<b>14,883,898</b>

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 \$
<b>UNRESTRICTED FUNDS</b>					
General fund	5,162,553	8,946,695	(5,701,652)	-	8,407,596
<b>RESTRICTED FUNDS</b>					
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)	-	-
<b>TOTAL</b>	<b>-</b>	<b>1,903,809</b>	<b>(1,458,925)</b>	<b>-</b>	<b>444,884</b>
<b>TOTAL FUNDS</b>	<b>5,162,553</b>	<b>10,850,504</b>	<b>(7,160,577)</b>	<b>-</b>	<b>8,852,480</b>

**13 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	UNRESTRICTED FUND \$	RESTRICTED FUNDS \$	TOTAL 2021 \$
<b>FUND BALANCES AT 31 DECEMBER 2021 ARE REPRESENTED BY:</b>			
Current Assets	18,367,905	2,083,695	<b>20,451,600</b>
Current Liabilities	(4,261,810)	(1,113,396)	<b>(5,375,206)</b>
Non-Current Liabilities	(105,008)	(87,488)	<b>(192,496)</b>
<b>TOTAL NET ASSETS</b>	<b>14,001,087</b>	<b>882,811</b>	<b>14,883,898</b>

**PRIOR YEAR**

	UNRESTRICTED FUND \$	RESTRICTED FUNDS \$	TOTAL 2020 \$
<b>FUND BALANCES AT 31 DECEMBER 2020 ARE REPRESENTED BY:</b>			
Current Assets	13,094,980	960,850	<b>14,055,830</b>
Current Liabilities	(4,095,169)	(492,081)	<b>(4,587,250)</b>
Non-Current Liabilities	(592,215)	(23,885)	<b>(616,100)</b>
<b>TOTAL NET ASSETS</b>	<b>8,407,596</b>	<b>444,884</b>	<b>8,852,480</b>

**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

<b>REGISTERED NAME</b>	Clean Air Fund
<b>DATE OF INCORPORATION</b>	15th January 2019
<b>COMPANY NUMBER</b>	11766712
<b>REGISTERED CHARITY NUMBER</b>	1183697
<b>TRUSTEES</b>	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]
<b>EXECUTIVE DIRECTOR</b>	Helen Jane Burston
<b>DIRECTOR OF FINANCE &amp; OPERATIONS</b>	Mike Saxton
<b>DIRECTOR OF PROGRAMMES</b>	Gillian Holmes
<b>DIRECTOR OF STRATEGIC PARTNERSHIPS &amp; COMMUNICATION</b>	Andrew Sean Maguire
<b>DIRECTOR OF HR</b>	Elizabeth Boonman-Salgado
<b>COMPANY SECRETARY</b>	Mike Saxton
<b>REGISTERED OFFICE</b>	40 Bermondsey Street London SE1 3UD
<b>BANKERS</b>	<b>HSBC Bank Plc</b> 69 Pall Mall St James London SW1Y 5EY
<b>SOLICITORS</b>	<b>Mills &amp; Reeve</b> 24 King William Street London EC4R 9AT
<b>AUDITORS</b>	<b>Crowe U.K. LLP</b> 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.

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[@cleanairfund](https://www.instagram.com/cleanairfund)