The Virgin Money Climate Change Fund

Final Report and Financial Statements
For the year ended 30 September 2023

Contents

Management and professional services

Manager

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Trustee

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Independent auditor

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* Calls to 03 numbers cost the same as calls to 01 or 02 numbers and they are included in inclusive minutes and discount schemes in the same way. Calls may be monitored and recorded.

[1] On 25 November 2022 the name of the Investment Adviser changed from Aberdeen Asset Managers Limited to abrdn Investments Limited.

Manager’s investment report

for the year ended 30 September 2023

Investment objective, policy and strategy

The investment objective of the Virgin Money Climate Change Fund (the Fund) is to grow your money over the longer term (5 years or more) by investing in the listed shares of companies from around the world that develop or use products and services designed to maximise resource efficiency, support the transition to a low carbon economy and address wider environmental challenges. The Fund aims to provide a total return (income and capital growth) which is benchmarked against the MSCI All Countries World Index GBP. This index represents the performance of hundreds of shares from around the world. By actively selecting which shares to invest in, the Fund aims to beat the returns of this index, after charges, measured over periods of three years or more.

The Fund will typically invest in a concentrated portfolio of the shares of 35-45 companies from around the world selected by the Investment Adviser in keeping with the Investment Objective of the Fund described above. The Fund seeks to be fully invested at all times, but may hold cash (up to 5%) for cash flow and transactional purposes as deemed appropriate to manage costs.

The Fund invests in companies providing products and services which enable businesses and society to transition to a low carbon economy or reduce their environmental impact in other ways (we refer to these companies as ‘solution providers’), and also companies who are leaders within their respective industries in terms of reducing emissions, waste or resource usage (we refer to these companies as ‘leaders’). The Fund will actively engage with the companies invested in to ensure that their products and services deliver on stated environmental and positive change or impact aims.

The Fund seeks to hold the shares of companies based on a medium to long term view (typically no less than 3-5 years); however, aside from changes in conviction around the financial case for investment, the Investment Adviser will sell shares in the event that a company falls outside of the criteria of companies in which the Fund can invest in as detailed in this policy.

The Fund will not invest in companies with material revenues (>10%) from tobacco manufacturing, or who are involved in the extraction or processing of fossil fuels (coal, oil and gas), controversial weapons, or companies who violate the UN Global Compact principles on human rights, labour, the environment and anti-corruption.

As the Fund is actively managed, the Investment Adviser retains freedom of what companies to invest in, and also the geographical allocation across the Fund, as long as this is in keeping with the Investment Objective and Policy of the Fund. The Investment Adviser will use third party data on emissions and wider environmental impact, combining this data with proprietary research to form a view on which companies to invest in. The Fund will at all times seek to maintain a diversified portfolio of companies across different countries and markets in order to manage risk.

The Fund may use derivatives to reduce trading costs and generally for the efficient management of the Fund, for example managing money coming in and out of the Fund. The Fund will not use derivatives for speculative purposes or to increase the risk profile of the Fund.

Fund status

The Fund is an authorised unit trust scheme under s243 of the Financial Services and Markets Act 2000 and is categorised as a UCITS# scheme under the Collective Investment Schemes Sourcebook (the COLL Rules).

Financial instruments and key risks

In pursuing its investment objective set out above, the Fund holds a number of financial instruments. The Fund’s financial instruments comprise securities and other investments, cash balances and debtors and creditors that arise directly from its operations.

Unit Trust Schemes are not permitted by the Regulations* to enter into a transaction if its purpose could reasonably be regarded as speculative. The Fund’s use of financial instruments satisfies these requirements and no speculative trading in financial instruments is undertaken.

Further details of the risks that arise in connection with financial instruments and how those risks are managed are set out in note 13 of the financial statements.

Risk and Reward profile

The Fund’s Synthetic Risk and Reward Indicator (SRRI) is 6 on a scale of 1 (lower) to 7 (higher) because it invests in company shares, which typically provide higher rewards but carry a higher level of risk than other investments, such as bonds. For further information, please refer to the Fund’s Key Investor Information Document (KIID).

Accumulation

The Fund may receive dividend income from stocks held in its portfolio. Every six months, income received is netted off against expenses incurred, with any net balance accumulated back into the Fund in line with its objective.

The net accumulation per unit for the six months ended 30 September 2023 is 0.5022p. The total accumulation for the year is 0.6694p.

Authorised in accordance with the Undertakings in Collective Investments in Transferable Securities (UK UCITS) Directive.
* The Regulations derive from UK and EU financial services legislation including the Financial Services and Markets Act 2000, the UK UCITS Directive and Financial Conduct Authority (FCA) rules, principally COLL (the COLL Rules).

for the year ended 30 September 2023

Fund performance

For the year to 30 September 2023, the net asset value of each unit decreased by 1.45%** from 143.06p to 140.98p.

Significant events

There are no significant events to be reported.

Assessment of Value

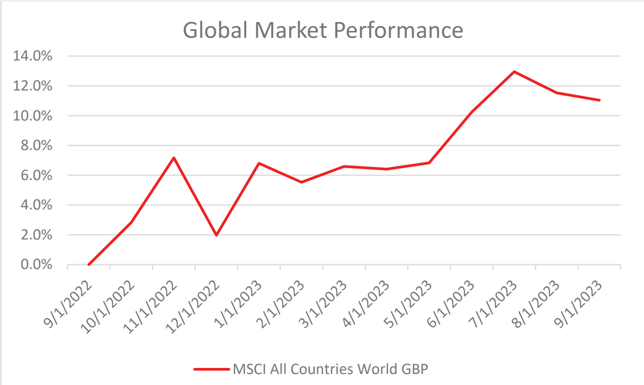
In 2017 the Financial Conduct Authority (FCA) published the final Asset Management Market Study. This introduced (among other reforms) new governance rules with the aim of enhancing duty of care and ensuring the industry acts in investors’ best interests. The rules were outlined in the FCA policy statement PS18/8 and came into effect from 30 September 2019. As a result, Virgin Money Unit Trust Managers Limited is required to perform a detailed annual assessment, determining whether our funds are “providing value to investors”, which has previously been included in the Fund’s annual report and accounts. From 2023 the resulting findings for all of the funds managed by Virgin Money Unit Trust Managers Limited are published on a consolidated basis and can be found on the Virgin Money UK website.

** Based on Net Asset Value per unit.

for the year ended 30 September 2023

Markets overview for the year ended 30 September 2023

• Global stock markets rose over the 12 months to the end of September. Inflation eased but remained persistently high, prompting investors' main focus to be on the extent to which the world's major central banks would have to tighten monetary policy. Markets were also volatile as China's economic recovery was slower than expected, commodity prices rose, the US experienced a banking sector crisis and the US Federal Reserve decided to keep interest rates higher for longer. In addition, while economic data was generally more robust than was feared, the risk of a global recession remains.



• The US Federal Reserve, Bank of England and European Central Bank continued to raise interest rates to combat cooling but still above-target inflation.

• Elsewhere, Asian markets made modest gains but lagged developed markets in Europe and the US due to global macroeconomic volatility. China remained the main drag but the technology-heavy markets of Taiwan and South Korea made strong gains as investors judged that the semiconductor cycle was nearing its trough and responded to rapid developments made in artificial intelligence (AI).

Climate Policy Developments

• The UN Environment Programme (UNEP) published its annual Emissions Gap report in late October. The report highlighted a lack of progress on decarbonisation and emphasised that policy needed to become more effective. The plans that nations submitted in 2021 at the 26th UN Climate Change Summit (COP26) are likely to trim global emissions by less than 1% by 2030, while global temperature is likely to rise by 2.8 degrees by the end of the century. To hit a least-cost pathway to limit global warming to 1.5 degrees requires emissions to fall by 45% more than what current policies are set to deliver.

• COP27, held in Egypt in November, ought to have delivered more impact. A key objective was to secure a deal for climate justice, ensuring developed countries take responsibility and compensate developing countries for the loss and damage that disproportionately affects them. Unfortunately, no funds were allocated to this facility. This highlighted that developed nations are already falling short of their goal to provide US$100 billion funding per annum to developing countries to adapt to climate change. In addition, there are low expectations from COP28 to be held in the United Arab Emirates, as its President Sultan al-Jaber also helms the Abu Dhabi National Oil Company (Adnoc).

• Since the presentation of the Fit-for-55 package in July 2021, a new energy reality emerged across Europe. Russia's invasion of Ukraine added energy security as a new dimension in the growth of renewable energy. This resulted in the EU's 2030 renewable energy target being provisionally raised from 40% to 42.5% under the REPowerEU plan.

• The European Commission adopted the new EU Biodiversity Strategy for 2030. This aims to protect nature from the impacts of climate change, food insecurity, forest fires and disease outbreaks, and reverse the degradation of ecosystems. We believe there are attractive opportunities in areas such as sustainable agriculture, bio-based solutions, pollution mitigation and more nature-positive solutions.

• However, despite significant government actions to support renewable energy development in the last 12-18 months, slowing economic growth compelled governments to make compromises. This was seen in Europe, the UK and the US. Proposals to ban the sale of cars with internal combustion engines and gas home heating were further delayed.

Fund Framework – Five Pillars

• We use a unique five-pillar framework that ensures we invest across each of the following themes:

"How we source and power": environmental solutions in power generation and sourcing of key resources.

"How we build": sustainable urbanisation and infrastructure.

"How we transport": sustainable and efficient transportation.

"How we make and use": environmental solutions in the life cycle of a product or service.

"How companies operate": companies leading the drive for environmental efficiency among their peer groups.

• This approach allows for the construction of a diversified portfolio that we can allocate to the areas where the solution providers and leaders will positively impact developments around climate change.

Portfolio Changes

• We initiated a new position in railroad equipment supplier Wabtec. As rail operators focus more on process optimisation to enhance returns, we expect Wabtec's revenue growth and operating margins will exceed expectations.

• We exited our position in Alphabet in favour of Accenture, where we believe both the financial case and climate case is stronger. Accenture is a leading consultancy group and has an attractive and resilient business model. The climate thesis is strong, too: Accenture performs well across ESG (environmental, social and governance) metrics and has Science-Based Target initiative-approved emission reductions targets. In addition, ESG consulting is a growth area. In 2022, Accenture bought five companies that focus on climate and environmental consulting.

• We exited our position in packaging company DS Smith following a meeting with management that failed to convince us on the investment case. We also sold Ballard Power Systems, because we no longer had conviction that its hydrogen product development had sufficient clarity.

• We sold the heating, ventilation, and air conditioning (HVAC) company Daikin after a period of strong performance. Margins in the US were not as high as was hoped for but growth in China was being sustained with lower-tier brands. In Europe, Carrier seemed to be gaining market share. However, given lower-than-expected guidance and the probability that further capital appreciation was low after this strong run, we exited the position.

for the year ended 30 September 2023

Markets overview for the year ended 30 September 2023 (continued)

- We exited the holding in industrial property developer Goodman as the pace of its strong growth over recent years slowed down. We also think the company may be past its peak in development volume.

- We sold our holding in Shoals due to the stock's worsening ESG quality. On top of governance issues and perspectives on trading that weakened our conviction in the holding, a change in senior management and subsequent share sales, which prompted questions about the presentation of accounts, confirmed our decision to sell. It is also our view that Shoals' competitive advantage may be weaker than initially expected.

- We increased our position size in Graphic Packaging. Sustainable packaging is a key element of the circular economy. After investing in capacity, the company is well positioned to benefit from the growth opportunity in this area. Furthermore, by exploiting its scale and price power, it should be able grow its returns faster still. This should enhance Graphic's cash generation and increase its capital returns.

- We added to our position in American Water due to our confidence in the company's relative earnings potential. Its growth is driven by the need to upgrade old infrastructure to prevent waste, secure supply and sustain quality standards. This expenditure is regulated and allowed returns are set. We expect these returns to remain at a healthy level above the cost of capital.

- We reduced exposure to wind turbine manufacturer Vestas, given that investor perceptions of the company's ability to deliver stable pricing (and hence margins) may be too optimistic, since competition has been increasing due to slowing market growth.

Outlook

- The key variables for equity markets are inflation and interest rates. Monetary policy in most major markets is still tightening to reduce demand and cool the economy. Until there is sufficient indication that interest rates will fall, the pressure on equities will remain.

- The possibility of persistent inflation and the consequently higher cost of living will continue to shift the focus towards greater resource efficiency and conservation as well as the need for energy security, affordability and sustainability. This brings with it a wealth of opportunity for solutions providers. While elevated costs have caused concerns about the returns available from growth, we are confident that there are good avenues to monetise solutions for fixing climate and environment problems. There is economic justification to switch to lower emission technologies and, where costs have not yet fallen, there is policy support to assist development.

Comparative table

Change in net asset per unit for the year ending	30 September 2023 (p)	Accumulation Units 30 September 2022 (p)	30 September 2021 (p)
Opening net asset value per unit	143.06	160.93	135.81
Return before operating charges*	(0.59)	(15.89)	27.11
Operating charges	(1.49)	(1.98)	(1.99)
Return after operating charges	(2.08)	(17.87)	25.12
Distributions	(0.67)	(1.58)	(0.97)
Retained distributions on accumulation units	0.67	1.58	0.97
Closing net asset value per unit	140.98	143.06	160.93
*After direct transaction costs of	(0.08)	(0.27)	(0.26)
Performance			
Return after charges (%)	(1.45)	(11.10)	18.50
Other information	**30 September 2023**	**30 September 2022**	**30 September 2021**
Closing net asset value (£)	127,973,118	99,680,012	105,970,255
Closing number of units	90,772,634	69,676,402	65,847,056
Operating charges (%)**	1.00	1.25	1.30
Direct transaction costs (%)	0.05	0.17	0.17
Prices for the accounting year			
Highest unit price (p)***	159.59	170.42	167.14
Lowest unit price (p)***	140.91	143.98	128.27

* Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales.

** The Operating charges figure represents the annual operating expenses of the Fund expressed as a percentage of average net assets for the period. It includes the annual management charge and all charges deducted directly from the Fund and is expressed as an annual percentage rate.

*** The closing net asset value per unit figure is based on the bid-market prices at close of business, whilst the highest/lowest unit prices are based on mid dealing prices (the price at which units are sold).

Portfolio statement

as at 30 September 2023

Holding	Stock description	Market Value £'000	% of Net Assets
	United Kingdom Equities 8.76% (2022 - 9.73%)		
38,183	AstraZeneca	4,238	3.31
61,868	Croda International	3,041	2.38
244,405	SSE	3,934	3.07
		11,213	**8.76**
	Overseas Equities 89.58% (2022 - 88.53%)		
	Australia Equities 0.00% (2022 - 2.63%)		
	Belgium Equities 1.61% (2022 - 2.02%)		
105,868	Umicore	**2,058**	**1.61**
	Denmark Equities 8.04% (2022 - 7.10%)		
73,354	Novo Nordisk	5,536	4.33
76,841	Orsted	3,444	2.69
74,107	Vestas Wind Systems	1,306	1.02
		10,286	**8.04**
	France Equities 7.62% (2022 - 6.42%)		
11,013	L'Oreal	3,756	2.94
44,003	Schneider Electric	5,992	4.68
		9,748	**7.62**
	Germany Equities 1.36% (2022 - 2.82%)		
70,545	Jungheinrich	**1,737**	**1.36**
	India Equities 1.80% (2022 - 1.09%)		
519,687	ReNew Energy Global	**2,303**	**1.80**
	Ireland Equities 8.49% (2022 - 3.66%)		
14,640	Accenture	3,685	2.88
50,370	Kingspan	3,101	2.42
24,515	Trane Technologies	4,077	3.19
		10,863	**8.49**
	Israel Equities 0.00% (2022 - 1.48%)		
	Japan Equities 0.00% (2022 - 2.36%)		
	Netherlands Equities 0.59% (2022 - 4.28%)		
21,812	Alfen N.V.	**760**	**0.59**
	South Korea Equities 2.13% (2022 - 2.57%)		
8,771	Samsung SDI	**2,727**	**2.13**

Portfolio statement (continued)

as at 30 September 2023

Holding	Stock description	Market Value £'000	% of Net Assets
	Switzerland Equities 2.96% (2022 - 0.00%)		
54,550	DSM-Firmenich	**3,789**	**2.96**
	United States Equities 54.98% (2022 - 52.10%)		
38,426	Advanced Drainage Systems	3,584	2.80
107,747	Ameresco	3,402	2.66
38,498	American Water Works	3,906	3.05
37,029	Analog Devices	5,312	4.15
23,745	Autodesk	4,025	3.14
73,893	Crown	5,357	4.19
77,068	Darling Ingredients	3,295	2.57
15,111	Deere & Co	4,674	3.65
27,133	Ecolab	3,766	2.94
7,820	Equinix	4,653	3.64
245,019	Graphic Packaging	4,473	3.50
83,248	Hannon Armstrong Sustainable Infrastructure Capital	1,446	1.13
22,368	Microsoft	5,786	4.52
66,590	NextEra Energy Partners LP	1,620	1.27
27,948	Prologis	2,570	2.01
52,787	Tetra Tech	6,575	5.14
30,328	Wabtec	2,641	2.06
26,260	Waste Management	3,280	2.56
		70,365	**54.98**
	Portfolio of investments (2022 - 98.26%)	**125,849**	**98.34**
	Net other assets (2022 - 1.74%)	**2,124**	**1.66**
	Total net assets	**127,973**	**100.00**

All investments are approved securities under the rules of an eligible securities market, unless otherwise stated. All investments are in ordinary shares unless otherwise stated.

Note: comparative figures shown in brackets relate to percentage of net assets as at 30 September 2022.

Total purchases and sales of investments

for the year ended 30 September 2023

The table below shows the total amount of purchases and sales during the year, including the top 20 traded securities.

Purchases	**Cost £'000**
Accenture	3,429
Orsted	2,905
Crown	2,736
Ameresco	2,428
Wabtec	2,384
American Water Works	2,204
Graphic Packaging	1,944
Koninklijke DSM	1,875
Deere & Co	1,839
Darling Ingredients	1,698
Equinix	1,668
Tetra Tech	1,623
Analog Devices	1,564
Ecolab	1,508
Croda International	1,498
ReNew Energy Global	1,497
Schneider Electric	1,461
NextEra Energy Partners LP	1,402
Waste Management	1,389
Microsoft	1,380
Other Purchases	**19,760**
Total for the year	**58,192**

Sales	**Proceeds £'000**
Goodman	4,298
Daikin Industries	3,889
Shoals Technologies	2,373
Alphabet	2,021
HelloFresh	1,814
Vestas Wind Systems	1,610
DS Smith	1,508
Waste Management	1,489
Kornit Digital	1,267
Schneider Electric	1,089
Prologis	932
Novo Nordisk	817
Deere & Co	798
SSE	567
Jungheinrich	522
Samsung SDI	500
Total for the year	**25,494**

Statement of total return

for the year ended 30 September 2023

	Notes	£'000	2023 £'000	£'000	2022 £'000
Income					
Net capital losses	2		(4,857)		(13,775)
Revenue	3	1,924		2,607	
Expenses	4	(1,234)		(1,360)	
Interest payable and similar charges	5	-		(4)	
Net revenue before taxation		690		1,243	
Taxation	6	(67)		(136)	
Net revenue after taxation			623		1,107
Total return before distributions			**(4,234)**		**(12,668)**
Distributions	7		(623)		(1,107)
Change in unitholders' funds from investment activities			**(4,857)**		**(13,775)**

Statement of change in unitholders' funds

for the year ended 30 September 2023

	£'000	2023 £'000	£'000	2022 £'000
Opening net assets		**99,680**		**105,970**
Amounts received on issue of units	41,961		10,303	
Amounts paid on cancellation of units	(9,424)		(3,916)	
		32,537		6,387
Change in unitholders' funds from investment activities		(4,857)		(13,775)
Retained distribution on accumulation units		613		1,098
Closing net assets		**127,973**		**99,680**

Notes to the financial statements are on pages 12 to 22.

Balance sheet

as at 30 September 2023

	Notes	£'000	2023 £'000	£'000	2022 £'000
Assets					
Fixed assets					
Investments			125,849		97,942
Current assets					
Debtors	8	4,430		220	
Cash and bank balances	9	243		1,786	
Total other assets			**4,673**		**2,006**
Total assets			**130,522**		**99,948**
Liabilities					
Investment liabilities			-		-
Creditors					
Other creditors	10	(2,549)		(268)	
Total other liabilities			(2,549)		(268)
Total liabilities			(2,549)		(268)
Net assets			**127,973**		**99,680**
Unitholders' funds			**127,973**		**99,680**

Notes to the financial statements are on pages 12 to 22.

Notes to the financial statements

for the year ended 30 September 2023

1. Accounting policies

(a) Basis of preparation

The Financial Statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investments, and in accordance with the United Kingdom Generally Accepted Accounting Practice as defined within Financial Reporting Standard (FRS) 102 and the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association (now known as the Investment Association) in May 2014 and updated in June 2017.

The Manager has undertaken a detailed assessment, and continues to monitor, the Fund's ability to meet its liabilities as they fall due, including liquidity, declines in global capital markets and investor redemption levels. Based on this assessment, the Fund continues to be open for trading and the Manager is satisfied the Fund has adequate financial resources to continue in operation for at least 12 months from the date of the financial statements and accordingly it is appropriate to adopt the going concern basis in preparing the financial statements.

(b) Revenue recognition

Dividends receivable from quoted equity and non-equity shares are credited to revenue, net of attributable tax credits, when the security is quoted ex-dividend. Bank interest is recognised on an accruals basis.

Overseas dividends are grossed up at the appropriate rate of withholding tax and the tax consequences are shown within the tax charge.

Accumulation of revenue relating to accumulation units or shares held in underlying Funds is recognised as revenue and included in the amount available for distribution. Equalisation received from distributions or accumulations on units or shares in underlying investments is treated as capital and deducted from the cost of the investment.

If any revenue receivable at the balance sheet date is not expected to be received for a significant period after the accounting year end, a provision reflecting the timing of the receipt for the relevant amount will be made.

(c) Treatment of stock dividends

Dividends received as shares (scrip/stock dividends), to the extent that the value of such dividends is equal to the cash dividends, are treated as revenue. This revenue forms part of any distribution. In the case of enhanced scrip dividends, the amount by which such dividends exceed the cash dividends is treated as capital and does not form part of the distribution.

(d) Special dividends

Special dividends are treated as revenue or a repayment of capital reflecting the facts of each case.

The tax accounting treatment will follow the treatment of the principal amount.

(e) Treatment of expenses

All expenses (other than those relating to the purchase and sale of investments), are charged against revenue on an accruals basis.

(f) Distribution policy

When the revenue from investments exceeds the expenses, accumulation distributions net of attributable tax credits will be transferred to the capital account. Should expenses exceed revenue the shortfall will be deducted from the capital account.

Net capital gains/losses on investments and currencies, whether realised or unrealised, are taken to capital and are not available for distribution.

(g) Equalisation

Equalisation applies only to Group 2 units, being units that were purchased during the distribution periods (as detailed on page 23). It is the average amount of income included in the purchase price of all Group 2 units and is refundable to holders of these units as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

(h) Basis of valuation of investments

The valuation point was 5pm on 29 September 2023, which was the last working day of the accounting year.

All purchases and sales are accounted for on trade date.

Listed investments are valued at bid market value. Where applicable, investment valuations exclude any element of accrued revenue.

Any open positions in forward foreign currency transactions at the year end are included in the balance sheet at their mark to market value.

for the year ended 30 September 2023

1. Accounting policies (continued)

(i) Exchange rates

Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates prevailing at close of business on the last business day of the accounting year.

Revenue and expenditure transactions are translated at the rates of exchange prevailing on the dates of the transactions.

Exchange differences on such transactions follow the same treatment as the principal amounts.

(j) Taxation

The charge for taxation is based on the results for the year.

Deferred tax is provided on all timing differences (other than those recorded as permanent differences) that have originated but not reversed at the balance sheet date at the average rate of tax expected to apply. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which they can be utilised.

(k) Efficient portfolio management

Where appropriate, certain permitted transactions such as derivatives or foreign exchange forward contracts transactions are used for efficient portfolio management. Where such transactions are used to protect or enhance revenue, the revenue and expenses derived therefrom are included in ‘revenue’ or ‘expenses’ in the Statement of total return. Where such transactions are used to protect or enhance capital, the gains and losses derived therefrom are included in ‘net capital gains/losses’ in the Statement of total return. Any positions on such transactions open at the year end are reflected in the Balance Sheet at their marked to market value.

for the year ended 30 September 2023

2. Net capital losses

Net capital losses during the year comprise:	2023 £'000	2022 £'000
Losses on non-derivative securities	(4,788)	(13,324)
Losses on currency derivatives	-	(248)
Currency exchange losses	(70)	(203)
Property gains on US REITs	1	-
Net capital losses	**(4,857)**	**(13,775)**

3. Revenue

	2023 £'000	2022 £'000
Bank interest	18	16
Overseas dividends	1,321	2,213
Stock dividends	59	-
UK dividends	312	344
US REIT dividends	189	34
Taxable non-US overseas REIT dividends	25	-
Total revenue	**1,924**	**2,607**

4. Expenses

	2023 £'000	2022 £'000
Payable to the Manager, associates of the Manager, and agents of either of them:		
Manager's service charge	1,234	1,360
Total expenses	**1,234**	**1,360**

During the year, and the comparative period, the Manager has borne the auditor's fee of £16,083 (2022: £14,258) and all the fees charged by the Trustee, Financial Conduct Authority and the Registrar, excluding irrecoverable VAT where applicable.

5. Interest payable and similar charges

	2023 £'000	2022 £'000
Interest	-	4
Total Interest	**-**	**4**

for the year ended 30 September 2023

6. Taxation

(a) Analysis of charge in year

	2023 £'000	2022 £'000
Overseas tax	67	136
Total tax charge for the year (see note 6(b))	**67**	**136**

(b) Factors affecting tax charge for the year

	2023 £'000	2022 £'000
The taxation assessed for the year is lower (2022: lower) than the standard rate of corporation tax in the UK for a unit trust which is 20% (2022: 20%). The differences are explained below:		
Net revenue before taxation	690	1,243
Corporation tax at 20% (2022: 20%)	138	249
Effects of:		
Movement in unrecognised tax losses	206	217
Overseas tax	67	136
Prior year adjustment to unrecognised tax losses	-	16
Relief on overseas tax expensed	(6)	(6)
Revenue not subject to tax	(338)	(476)
Total tax charge for the year (see note 6(a))	**67**	**136**

(c) Deferred taxation

There is no provision required for deferred taxation at the balance sheet date (2022: none).

(d) Factors that may affect future tax charges

At 30 September 2023 the Fund had tax losses of £17,762,706 (2022: £16,731,747). It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, a deferred tax asset of £3,552,541 (2022: £3,346,349) has not been recognised.

7. Distributions

Accumulations

The Accumulations take account of amounts received on the creation of units and amounts paid on the cancellation of units, and comprise:

	2023 £'000	2022 £'000
Interim	157	-
Final	456	1,098
	613	1,098
Add: revenue deducted on cancellation of units	12	26
Less: revenue received on creation of units	(2)	(17)
Net distribution	**623**	**1,107**

for the year ended 30 September 2023

8. Debtors

	2023 £'000	2022 £'000
Accrued revenue	82	60
Amounts receivable on open currency contracts	2,104	-
Overseas tax recoverable	164	160
Sales awaiting settlement	2,080	-
Total debtors	**4,430**	**220**

9. Cash and bank balances

	2023 £'000	2022 £'000
Cash and bank balances	243	1,786
Total cash and bank balances	**243**	**1,786**

10. Other creditors

	2023 £'000	2022 £'000
Accrued expenses	228	193
Amounts payable for redemption of units	208	75
Amounts payable on open currency contracts	2,113	-
Total creditors	**2,549**	**268**

11. Related party transactions

Management fees paid to Virgin Money Unit Trust Managers Limited are detailed in note 4 and details of units created and cancelled by Virgin Money Unit Trust Managers Limited are shown in the Statement of change in unitholders' funds. The balance due to Virgin Money Unit Trust Managers Limited at the year end in respect of these transactions was £228,487 (2022: £193,553).

12. Capital commitments and contingent liabilities

At 30 September 2023, the Fund had no capital commitments and no contingent liabilities (2022: none).

for the year ended 30 September 2023

13. Financial risk management, derivatives and other financial instruments

(a) Financial risk management

Financial risk can be separated into the following components: market risk, credit risk and liquidity risk. The table below is provided to enable users of these financial statements to assess and understand the risks that arise in connection with the financial instruments held by the Fund and how those risks are managed. Risks are set out in order of significance.

Risk	Risk definition	Risk background and significance	Mitigation technique	Quantitative analysis
1) Market risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: other price risk, currency risk and interest rate risk.	See below.	See below.	See below.
1a) Other price risk	This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk and currency risk), whether those changes are caused by factors specific to individual financial instruments or its issuer, or other factors affecting similar financial instruments traded in the market.	Other price risk arises from uncertainty about future prices of financial instruments the Fund holds. It represents the potential gains/losses the Fund might experience through changes to the prices of its underlying investments arising from factors other than interest rates or exchange rates.	The Investment Adviser (abrdn Investments Limited) considers any market movements during its regular reviews of the performance of the Fund portfolio and when assessing which holdings to sell and which potential holdings to purchase. The Manager also carries out regular monitoring of the performance of the Fund. The Investment Adviser only selects portfolio holdings which are in-line with the investment objective of the Fund and the Manager carries out a separate regular review of the portfolio holdings to ensure they are in-line with the investment objective and that all relevant regulations are being met.	See 14 (b).
1b) Currency risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.	A majority of the net assets of the Fund are denominated in currencies other than sterling, with the effect that the balance sheet and total return can be affected by currency movements. In the absence of foreign currency mitigation techniques, the Fund would be exposed to significant currency risk.	The Manager may enter into derivative contracts on behalf of the Fund for the purpose of efficient portfolio management. This is for the reduction of the risk of foreign exchange losses. Such exposure to the various markets is balanced through tactical allocation of foreign exchange forward contracts. These contracts are traded on eligible derivative exchanges and FCA rules on the use of derivative instruments are followed.	See 14 (c) and 14 (d).

13. Financial risk management, derivatives and other financial instruments (continued)

(a) Financial risk management (continued)

Risk	Risk definition	Risk background and significance	Mitigation technique	Quantitative analysis
1c) Interest rate risk	The risk that an investment's value will change due to a change in the absolute level of interest rates, in the spread between two rates, in the shape of the yield curve or in any other interest rate relationship.	The majority of the Fund's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. Therefore, the Fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during both the current and prior year.	As the Fund does not have any significant exposure to interest rate risk, no formal mitigation techniques are adopted by the Investment Adviser or the Manager.	See 14(e).
2) Credit risk	This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty risk and issuer risk.	Certain transactions in securities the Fund enters into expose it to the risk that the counterparty will not deliver the investments for a purchase, or cash for a sale after the Fund has fulfilled its responsibilities. Given the mitigation techniques followed, the Manager does not consider the Fund has a significant exposure to credit risk.	The Fund only buys and sells investments through brokers which have been approved by the Manager as an acceptable counterparty. In addition, limits are set to the exposure to any individual broker that may exist at any time, and changes in brokers' financial ratings are reviewed. The Fund's assets, including cash, are held on trust for the benefit of unitholders by the Trustee. The financial position of the Trustee is itself monitored on a regular basis by the Manager.	Not applicable.
3) Liquidity risk	The risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities, including redemption liability.	All of the Fund's financial assets are considered to be readily realisable in accordance with the market practices of the exchange on which they are traded. Given this, the Manager does not consider the Fund has a significant exposure to liquidity risk.	In general, the Investment Adviser manages the Fund's cash to ensure it can meet its liabilities. Where investments cannot be realised in time to meet any potential liability, the Fund may borrow up to 10% of its value to ensure settlement.	Not applicable.

(b) Other price risk and fair value of financial assets and liabilities.

There is no material difference between the carrying values and the fair values of the financial assets and liabilities of the Fund disclosed in the Balance Sheet.

Sensitivity analysis - equity market price risk

A five percent increase in equity market prices as at the reporting date will cause net capital losses to decrease by £6,292,000 (2022: £4,897,000) and the net asset value to increase by £6,292,000 (2022: £4,897,000).

A decrease would have had an equal but opposite effect. The analysis assumes all other variables remain constant.

for the year ended 30 September 2023

13. Financial risk management, derivatives and other financial instruments (continued)

(c) Counterparty exposure for non-exchange traded derivatives.

The counterparty exposure of non-exchange traded derivatives as at 30 September 2023 was nil (2022: nil).

(d) Currency exposures

A proportion of the net assets of the Fund are denominated in currencies other than sterling, with the effect that the Balance Sheet and total return can be affected by currency movements.

As at 30 September 2023 the Fund had the following net currency exposure:

Currency	Net foreign currency assets/(liabilities)		
	Monetary exposures 2023 £'000	Non-Monetary exposures 2023 £'000	Total 2023 £'000
Danish Krone	-	10,313	10,313
Euro	-	21,341	21,341
Korean Won	-	2,727	2,727
US Dollar	32	80,440	80,472
Total	**32**	**114,821**	**114,853**

As at 30 September 2022 the Fund had the following net currency exposure:

Currency	Net foreign currency assets/(liabilities)		
	Monetary exposures 2022 £'000	Non-Monetary exposures 2022 £'000	Total 2022 £'000
Australian Dollar	-	2,620	2,620
Danish Krone	10	7,109	7,119
Euro	33	16,903	16,936
Japan Yen	-	2,356	2,356
Korean Won	-	2,557	2,557
Norwegian Krone	-	6	6
US Dollar	119	56,896	57,015
Total	**162**	**88,447**	**88,609**

(e) Interest rate risk profile of financial assets and liabilities

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates (2022: nil).

(f) Derivatives and other financial instruments

During the year the Manager entered into derivative contracts on behalf of the Fund for the purpose of efficient portfolio management. Such exposure to the various markets is balanced through tactical allocation of foreign exchange forward contracts.

for the year ended 30 September 2023

13. Financial risk management, derivatives and other financial instruments (continued)

(f) Derivatives and other financial instruments (continued)

In accordance with requirements set out in the Collective Investment Schemes Sourcebook:

- transactions must be in derivatives which comply with FCA rules on approved or Over the Counter (OTC) derivatives;
- the underlying of the transaction must consist of financial derivative instruments to which the Fund is dedicated (e.g. transferable securities);
- transactions in approved derivatives must be effected under the rules of an eligible derivatives market;
- transactions in derivatives must not cause the scheme to divert from its investment objectives;
- transactions in derivatives must not create the potential for an uncovered sale;
- any forward transactions must be made with an eligible institution or an approved bank; and
- the Manager must use a risk management process to monitor and measure, as frequently as appropriate, the Fund's positions and their contribution to the overall risk profile of the scheme.

(g) Fair value hierarchy

Valuation technique

	Assets 2023 £'000	**Liabilities 2023 £'000**	**Assets 2022 £'000**	**Liabilities 2022 £'000**
Level 1^	125,849	-	97,942	-
Level 2^^	-	-	-	-
Level 3^^^	-	-	-	-
	125,849	**-**	**97,942**	**-**

^ Fair value based on the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date;

^^ Fair value based on a valuation technique using inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly;

^^^ Fair value based on a valuation technique using unobservable inputs (i.e. for which market data is unavailable) for the asset or liability.

(h) Leverage

The Fund did not employ any significant leverage during the year (2022: none).

for the year ended 30 September 2023

14. Portfolio transaction costs

Analysis of total trade costs:

Total transaction cost expressed as a percentage of asset class:

	Purchases		Sales	
	2023 £'000	**2022 £'000**	**2023 £'000**	**2022 £'000**
Equity instruments	58,140	140,488	25,505	126,938
Trades in the year before transaction costs	**58,140**	**140,488**	**25,505**	**126,938**
Commissions				
Equity instruments	13	25	(10)	(19)
Total commissions	**13**	**25**	**(10)**	**(19)**
Taxes				
Equity instruments	39	142	(1)	-
Total taxes	**39**	**142**	**(1)**	**-**
Total costs	**52**	**167**	**(11)**	**(19)**
Total net trades in the period after transaction costs	**58,192**	**140,655**	**25,494**	**126,919**

	Purchases		Sales	
	2023 %	**2022 %**	**2023 %**	**2022 %**
Commissions				
Equity instruments	0.02	0.02	0.04	0.01
Taxes				
Equity instruments	0.07	0.10	-	-

Total transaction cost expressed as a percentage of average NAV:

	2023 %	**2022 %**
Commissions	0.02	0.04
Taxes	0.03	0.13
Total	**0.05**	**0.17**

The above analysis covers any direct transaction costs suffered by the Fund during the year. However, it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

for the year ended 30 September 2023

14. Portfolio transaction costs (continued)

Dealing spread costs suffered by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.06% (2022: 0.10%).

15. Unit reconciliation

	2023
Reconciliation of the unit movements in the year	
Opening units in issue	69,676,402
Creations during the year	27,424,684
Cancellations during the year	(6,328,452)
Closing units in issue	**90,772,634**

Distribution Table

for the year ended 30 September 2023

Interim distribution

Group 1: Units purchased prior to 1 October 2022

Group 2: Units purchased from 1 October 2022 to 31 March 2023 inclusive

	Net revenue (p)	Equalisation* (p)	Distribution paid 31.05.2023 (p)	Distribution paid 31.05.2022 (p)
Accumulation units				
Group 1	0.1672	-	0.1672	0.0000
Group 2	0.1655	0.0017	0.1672	0.0000

Final distribution

Group 1: Units purchased prior to 1 April 2023

Group 2: Units purchased from 1 April 2023 to 30 September 2023 inclusive

	Net revenue (p)	Equalisation* (p)	Distribution paid 30.11.2023 (p)	Distribution paid 30.11.2022 (p)
Accumulation units				
Group 1	0.5022	-	0.5022	1.5761
Group 2	0.2697	0.2325	0.5022	1.5761

* Equalisation only applies to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to holders of these units as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

Statement of the Manager’s responsibilities

for the year ended 30 September 2023

The Collective Investment Schemes sourcebook published by the FCA, (“the COLL Rules”) require the Manager to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund and of the net income and net gains or losses on the property of the Fund for the period.

In preparing the financial statements the Manager is responsible for:

- selecting suitable accounting policies and then apply them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014 and updated in June 2017;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Fund’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The Manager is responsible for the management of the Fund in accordance with its Trust Deed, the Prospectus and the COLL Rules.

The Manager is responsible for the maintenance and integrity of the corporate and financial information included on the Fund’s website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Final Report and Financial Statements were approved by the Manager and signed on its behalf by:

David Taylor
Director

Jonathan Byrne
Director

26 January 2024

Independent auditors' report to the Unitholders of the Virgin Money Climate Change Fund ("the Trust")

Opinion

We have audited the financial statements of the Trust for the year ended 30 September 2023 which comprise the Statement of Total Return, the Statement of change in unitholders' funds, the Balance Sheet, the Related Notes and Distribution Tables for the Trust and the accounting policies set out on pages 12 to 13.

In our opinion, the Trust's financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of the Trust as at 30 September 2023 and of the net revenue and the net capital losses on the property of the Trust for the year then ended; and

- have been properly prepared in accordance with the Trust Deed, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Trust in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Manager has prepared the financial statements on the going concern basis as they do not intend to liquidate the Trust or to cease their operations, and as they have concluded that the Trust's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Manager's conclusions, we considered the inherent risks to the Trust's business model and analysed how those risks might affect the Trust's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;

- we have not identified, and concur with the Manager's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Trust will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Trust's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;

- Assessing the segregation of duties in place between the Manager, the Trustee, the Administrator and the Investment Adviser;

- Reading board minutes.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue is principally non-judgemental and based on publicly available information, with limited opportunity for manipulation. We did not identify any additional fraud risks.

We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We identified and selected a sample of journal entries made at the end of the reporting period and tested those substantively including all material post-closing entries. Based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Directors and the Administrator, no further high-risk journal entries or other adjustments were identified.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Manager and the Administrator (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Trust is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related authorised fund legislation maintained by the Financial Conduct Authority) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Trust is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money laundering, data protection and bribery and corruption legislation recognising the Trust's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and the Administrator and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

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 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 fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Manager is responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in the Manager's Report for the financial year is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

- proper accounting records for the Trust have not been kept; or
- the financial statements are not in agreement with the accounting records.

Manager's responsibilities

As explained more fully in their statement set out on page 24, the Manager is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Trust'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 they either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Independent auditors’ report to the Unitholders of the Virgin Money Climate Change Fund (“the Trust”) (continued)

Auditor’s responsibilities

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 our opinion in an auditor’s report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC’s website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Trust’s unitholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook (‘the COLL Rules’) issued by the Financial Conduct Authority under section 247 of the Financial Services and Markets Act 2000. Our audit work has been undertaken so that we might state to the Trust’s unitholders 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 Trust and the Trust’s unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Wiqas Qaiser

Wiqas Qaiser
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
20 Castle Terrace
Edinburgh
EH1 2EG
26 January 2024

Manager’s remuneration (unaudited)

for the year ended 30 September 2023

In accordance with the FCA’s UCITS Remuneration Code, Virgin Money Unit Trust Managers Limited (“VMUTM”), as the Manager, is required to establish and apply a remuneration policy for certain categories of staff whose activities have a material impact on the risk profile of the Manager or the UK UCITS funds (“UCITS”) that it manages (“UCITS Remuneration Code Staff” or “Code Staff”). VMUTM does not directly employ any staff, other than its two independent non-executive directors. All other staff involved in the management of the Fund are provided from both Virgin Money UK PLC and abrdn plc (the ultimate parent entities) on a secondment basis. The Manager has established a remuneration policy to ensure that remuneration for its Code Staff:

(i) is consistent with and promotes sound and effective risk management;

(ii) does not encourage risk taking that exceeds the level of tolerated risk of VMUTM or that is inconsistent with the risk profile of the UCITS funds it manages; and

(iii) encourages behaviours that are aligned with the business strategy, objectives, values and interests of VMUTM, the UCITS funds it manages, and the investors in those UCITS funds, and seeks to avoid conflicts of interest.

The remuneration policy is subject to annual review by the Compliance function and is approved annually by the Board of VMUTM.

Two employees of GLG Partners are treated as Code Staff because they were directly responsible for providing investment advice to the Fund until they were replaced as Investment Advisors by abrdn Investments Limited on 26 July 2022. GLG Partners do not disclose the actual remuneration of their employees and therefore the table below does not include this. However, GLG Partners is part of the Man Group and a regulated entity also subject to the FCA’s UCITS Remuneration Code. VMUTM has reviewed the GLG Partners Remuneration Policy and is satisfied that their employees’ remuneration is governed by the Remuneration Committee of the Board of the Man Group and complies with the regulations of the FCA’s UCITS Remuneration Code.

Employee Remuneration Disclosure

The table below provides an overview of the following:

Aggregate total remuneration paid by VMUTM to its Code Staff – in other words those individuals who could have a material impact on the risk profile of VMUTM or the UCITS funds it manages, including the Virgin Money Climate Change Fund.

This broadly includes senior management, decision makers and control functions. VMUTM has no employees. For the purpose of this disclosure, Code Staff includes individuals employed by Virgin Money UK PLC or abrdn plc who are seconded full-time to VMUTM. It may also include employees of entities to which investment advice has been delegated.

The VMUTM secondees from both Virgin Money UK PLC and abrdn plc have a performance period running from 1 January to 31 December each year. Amounts shown below reflect payments made from 1 January 2022 to 31 December 2022 inclusive.

The Virgin Money Climate Change Fund

Reporting period: 01/10/2022 - 30/09/2023	Headcount	Total Remuneration £’000[1]	Proportion relevant to the Virgin Money Climate Change Fund £’000[2]
VMUTM Code Staff[3]	21		
Total remuneration		1,852	55
of which			
Fixed remuneration		1,458	43
Variable remuneration		394	12

[1] These figures represent the total remuneration paid by VMUTM to Code Staff as defined in note 3.
[2] These figures represent the proportion of the amounts in the previous column, based on the average assets under management of the Virgin Money Climate Change Fund in 2022 compared to the average total assets under management in 2022 of all funds of which VMUTM is the manager.
[3] Code Staff comprises:

(i) Directors of VMUTM, including the independent non-executive directors (fees invoiced directly to VMUTM), non-executive directors appointed by the parent companies of VMUTM which are Virgin Money UK PLC and abrdn plc (these directors are not remunerated for carrying out this role, which is an immaterial part of the work they do for Virgin Money UK PLC or abrdn plc), and the Chief Executive Officer of VMUTM (seconded from Virgin Money UK PLC).

(ii) Other members of the VMUTM Executive Committee, which includes individuals with significant management functions, plus staff engaged in control functions.

(iii) Employees of GLG Partners LP, the Investment Adviser to the Fund, who were directly responsible for providing investment advice to the Fund until they were replaced as Investment Adviser by abrdn Investments Limited on 26 July 2022.

Statement of the Trustee's Responsibilities in Respect of the Scheme and Report of the Trustee to the Unitholders of the Virgin Money Climate Change Fund ("the Trust")

for the year ended 30 September 2023

The Trustee is responsible for the safekeeping of all property of the Trust which is entrusted to it and ensuring proper registration of tangible moveable property, and for the collection of income arising from all such scheme property.

It is the duty of the Trustee to take reasonable care to ensure that the Trust is managed and operated in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("the Sourcebook"), the Financial Services and Markets Act 2000, as amended, and the Trust Deed and the Prospectus of the Trust, concerning: the pricing of and dealing in Trust Units; the application of income of the scheme; and the Trust investment portfolio and borrowing activities.

Having carried out procedures and enquiries considered duly necessary to discharge our responsibilities as Trustee of the scheme, based on information and explanations provided to us, we believe that, in all material respects, the Manager:

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the scheme's units and the application of the scheme's income in accordance with the Sourcebook, the Trust Deed and Prospectus;

(ii) has observed the investment and borrowing powers and restrictions applicable to the scheme; and

(iii) has, otherwise, ensured the proper operation of the Trust.

Citibank UK Limited
London

26 January 2024

Virgin Money Unit Trust Managers Limited
Authorised and regulated by the Financial Conduct Authority

Registered office: Jubilee House,
Gosforth, Newcastle upon Tyne NE3 4PL
Registered in England no. 3000482

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