



The Virgin Bond, Gilt and UK Share Fund

Final Report and Financial Statements
For the year ended 31 July 2020

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Management and professional services

For the year ended 31 July 2020

Manager (the 'Manager')

Virgin Money Unit Trust Managers Limited
Jubilee House
Gosforth
Newcastle upon Tyne
NE3 4PL

Directors:

S. Bruce	(appointed 29 September 2020)
H. Chater	
S. Fennessy	(appointed 13 December 2019, resigned 29 September 2020)
F. Murphy	(appointed 19 October 2020)
M. Phibbs	(appointed 17 October 2019)
D. Pope	(resigned 24 October 2019)
J. Scott	(appointed 13 December 2019)
I. Smith	(resigned 19 October 2020)
D. Taylor	(appointed 29 September 2020)
M. Thundercliffe	(resigned 29 August 2019)
N. L. Tu	

Telephone 03456 10 20 30*

Authorised and regulated by the Financial Conduct Authority.

Investment adviser

Aberdeen Asset Managers Limited
10 Queen's Terrace
Aberdeen
Aberdeenshire
AB10 1XL

Authorised and regulated by the Financial Conduct Authority.

Registrar

SS&C Financial Services Europe Limited
SS&C House
St Nicholas Lane
Basildon
Essex
SS15 5FS

Trustee

Citibank Europe plc, UK Branch
Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Independent auditor

KPMG LLP
St. Vincent Plaza
319 St. Vincent Street
Glasgow
G2 5AS

* 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.

Manager's investment report

For the year ended 31 July 2020

Investment Objective, Policy and Strategy

The investment objective of the Virgin Bond, Gilt and UK Share Fund ("the Fund" or "the Trust") is to provide a total return (income and capital growth) from bonds, gilts and UK shares. The Fund aims to achieve this by tracking the performance of a composite index, comprising 50% FTSE All-Share Index, 18.5% Bloomberg Barclays UK Gilt Index, 13.0% Bloomberg Barclays UK Gilt 1-5 Year Index, 9.25% FTSE 5-15 Year Gilt Index, and 9.25% Bank of America Merrill Lynch 5-15 Year AAA-A Non-Gilt Index, measured annually, less charges.

The Fund aims to achieve the objective by investing in other funds rather than in individual bonds or shares. This type of fund is often referred to as a 'fund-of-funds'.

The Fund's investments are split equally between funds which invest in shares and funds which invest in bonds.

In order to achieve the objective, the underlying funds aim to track the performance of the stock market indices specified within the investment objective. No decisions are taken by the managers of these funds on which individual shares or bonds may perform better or worse. In this way, the underlying funds are designed to perform as closely as possible with the respective index, rather than trying to outperform it.

The Fund rebalances its investments at the end of each calendar quarter to the percentage allocations shown in the investment objective. If at any calendar quarter end, any particular allocation is within +/-0.5% from the specified allocation, that element of the fund may not be traded in order to minimise transaction costs.

Trust Status

The Fund is an authorised unit trust scheme under S243 of the Financial Services and Markets Act 2000 and is categorised as a UCITS¹ scheme under the Collective Investment Schemes Sourcebook ('the COLL Rules').

Financial Instruments

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

Unit Trust schemes are not permitted by the Regulations² 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.

The Fund invests predominantly in collective investment schemes, as shown in the Portfolio statement on page 12. Management fees for the collective investment schemes in which the Fund invests are met by the Manager out of the operating charges set out in the Comparative table on page 11.

Risk and Reward Profile

The Fund's Synthetic Risk and Reward Indicator ('SRRRI') is 4 on a scale of 1 (lower) to 7 (higher) as it invests in a mixture of gilt-edged securities and corporate bonds - which typically provide moderate rewards but carry a lower level of risk, and company shares which typically provide higher rewards but carry a higher level of risk.

For further information, please refer to the Trust's Key Investor Information Document ('KIID').

Distribution

The Fund receives income from investments in its portfolio. Every six months, income received is netted off against expenses incurred. Any net balance is distributed two months after the end of the period.

The final distribution for the year ended 31 July 2020 will be 0.5116p net per unit payable on 30 September 2020.

The total distribution for the year is 1.8019p net per unit.

¹ Authorised in accordance with the Undertakings in Collective Investments in Transferable Securities (UCITS) Directive.

² The Regulations derive from UK and EU financial services legislation including the Financial Services and Markets Act 2000, the UCITS Directive and Financial Conduct Authority (FCA) rules, principally COLL.

Manager's investment report

For the year ended 31 July 2020

Fund Performance

For the year ended 31 July 2020, the net asset value of each unit decreased by 7.50%³ from 111.41p to 103.05p.

The Fund is managed to closely match the performance of its composite index and minimise deviations in return performance (the 'tracking error') compared to the composite index. The tracking error at the end of the year was 0.63%. Over any 12 month period the tracking error of the Fund is expected to be within 50 basis points (0.50%) of the composite index on a capital only basis.

Recent monthly relative performance has been more volatile than expected which has meant that the tracking error is outside of its 0.50%. However, this is largely due to the introduction of two underlying holdings that have a different valuation point than the index. Underlying funds which have a different valuation point to the index can lead to significant differences in reported shorter term performance. For example, an index which calculates its performance at 5pm each day could have a very different short term performance to a fund that tracks that same index but which has a valuation point of 12pm if market conditions have changed between 12pm and 5pm. This is especially likely during more volatile market conditions (i.e. where there can often be differences of 2% or more between an index or fund valued at 12pm and that same index or fund measured at 5pm on the same day), the long term performance is however not affected. From the end of July 2020 the valuation points for all underlying funds have been aligned with that of the index and therefore the ex-post tracking error should reduce over the course of the next 12 months.

Significant Events

Investors will be aware of the COVID-19 outbreak and the impact this has had on the global economy and capital markets. The outbreak has also had an impact on operational matters with key suppliers and stakeholders operating on a working from home model. Our focus on individual investors and their access to security protected telephone help and support has remained robust during a period in which the office working model has been replaced almost entirely by home working. We continue to closely monitor this service provision during this period in order to retain the high service standards demanded.

Although there is uncertainty in global capital markets, the Net Asset Value per unit has increased from 103.05p as at the year end to 106.90p as at 20 November 2020. Subsequent to the year end, the Net Asset Value increased 3.74%.

³ Based on net asset value.

Manager's investment report

For the year ended 31 July 2020

Markets overview for the 12 months to 31 July 2020

Global economies and stock markets were impacted by COVID-19 during the period. UK shares fell more than most, with Brexit upheaval adding to uncertainty. Bond and gilt prices were positive, as investors moved towards assets they viewed as lower risk.

Large shocks for global economies:

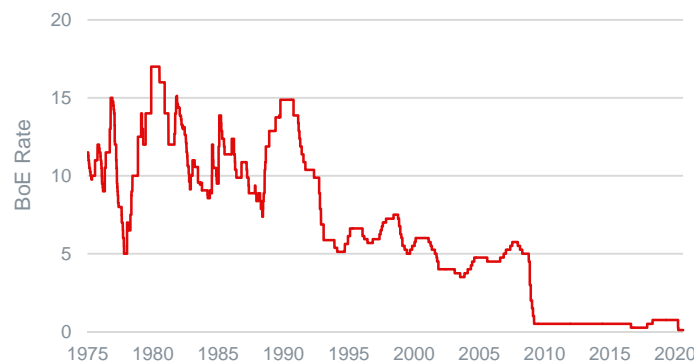
- Detected in China in late 2019, the COVID-19 pandemic was the dominant factor for the period. The effort to control the virus led to lockdowns in most developed economies, closure of businesses and disruption to everyday life.
- The price of oil also suffered when demand dropped as countries entered lockdown. Oil producers failed to agree supply cuts, which further added to a price collapse. Producers eventually agreed significant cuts and the oil price soared as a result but remains well below the level at which it started the period.

Brent Crude Oil Price



- Governments announced record stimuli to save jobs and companies. The UK, US and European Union (EU) all reacted with huge packages of spending, tax cuts and unemployment benefits. These sought to cushion the economic effects of the virus.
- Interest-rate cuts were prevalent over the period. The US Federal Reserve reduced the main rate four times. The final cut took it to near zero, a level last seen in the aftermath of the 2008 global financial crisis. The European Central Bank (ECB) also cut rates in 2019 and the Bank of England (BoE) made two rate cuts in March 2020 the most recent of which took the rate down to its lowest ever level of 0.1%.

BoE Base Rate

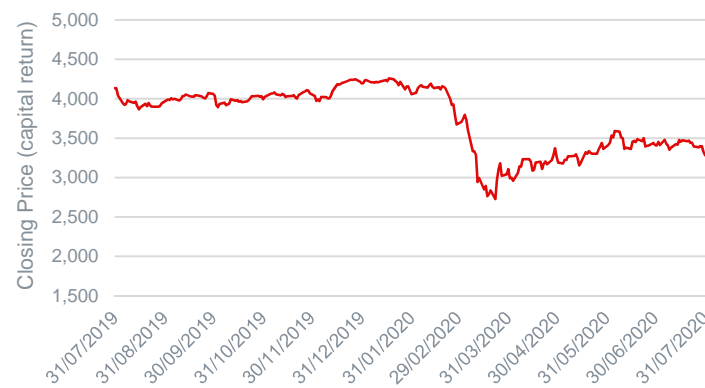


- US-China relations shaped global trade. The US and China signed a 'phase-one' trade agreement in early 2020, which investors saw as a step forward in the longstanding dispute. However, relations have worsened again in recent months, particularly over China's policy in Hong Kong.

The UK market suffered:

- The UK stock market was among the weaker developed markets, ending lower over the 12 months. During a period of upheaval, investors grappled with Brexit-related concerns and the economic fallout from COVID-19.

FTSE All-Share Index



- In February, UK stocks tumbled in line with their global peers, as the economic fallout from the COVID-19 epidemic became clear. Falls hastened until late March, when the UK government acted to minimise corporate defaults and job losses by announcing a record spending package. The BoE also cut interest rates twice.
- Stocks rallied in April and made further gains thereafter as the economy began to reopen after months of economic lockdown. However, this was not enough to offset the losses experienced during the first three months of 2020.

Manager's investment report

For the year ended 31 July 2020

Demand for bonds continued:

- Government bonds performed well. As COVID-19 rattled stock markets, many investors moved towards government bonds, which they look on as lower-risk assets.
- Economic growth concerns also led central banks around the world to cut interest rates. This further boosted demand for bonds (lower interest rates mean investors could gain more income from bonds than cash deposits). Prices rose as a result.
- Corporate bonds were more volatile, as investors worried about bankruptcies resulting from COVID-19 and government lockdowns. But they have since recovered, in part due to support from central bank and government stimulus programmes.

Fund performance

- The Fund generated a return of -7.50% over the last 12 months.

Manager's investment report

For the year ended 31 July 2020

Assessment of Value

The Financial Conduct Authority (FCA) has introduced new rules to strengthen the duty of asset managers to act in investors' best interests. This means we need to carry out an assessment for each of our funds to see whether they provide value for our customers. The assessment needs to look at cost in the context of performance and the other benefits too.

The assessment of value is shown below. There's also some more information on Environmental, Social and Governance (ESG) considerations and our summary conclusion.

Quality of Service

Key measure	VM assessment
Customer Value	We want to make investing as simple as possible. This means a small number of funds, easy-to-understand, jargon-free material and on and offline 'easy access' support. Most of our new investors buy online but we know from surveys that both new and existing customers value our high-quality telephone support. This service is available six days a week until 9pm on weekdays. It's stress-free too, with short waiting times and good outcomes.
Market Context	Our clued-up contact centre staff aim to answer questions at times that suit our customers. We're all about straightforward information on the funds and products we offer. We believe this compares well with other providers.
Room for Improvement	We'll continue to review and improve the support services and online experience we offer to customers.

Performance

Key measure	VM assessment
Customer Value	The fund was launched just over five years ago and has grown in value since then. Recent returns for all funds investing in shares (partly or fully) have been impacted by Covid-19. But despite that, the fund has returned 2.4% per year after charges (over the five years to the end of July 2020).
Market Context	The annual return of 2.4% per year is ok considering the market falls in Q1 this year. But it's modest by past standards for funds investing half of the money in shares. The fund invests in the UK, split 50 / 50 between bonds and shares, It has been the lower risk bonds that have performed the best over the last five years. Interest rates are at record lows and likely to remain low for the foreseeable future, which has been good news for bond investors. UK shares haven't performed as well though, although still up a little – the FTSE All Share Index was +1.6% per year (assuming reinvestment of dividends) over the five years. Returns from shares fell during the first quarter of 2020 due to Covid-19, and whilst they have recovered some of those losses since Q1, there is still some way to go to get back to end 2019 levels.
Room for Improvement	We remain confident that the fund will continue to generate returns in keeping with the markets the fund seeks to track. We continually assess investment management improvements, benefitting from our partner, Aberdeen Standard Investments', expertise in this area. If we look to make a change we will write to you in advance.

Manager's investment report

For the year ended 31 July 2020

Authorised Fund Manager Costs

Key measure	VM assessment
Customer Value	<p>When looking at overall cost, two key factors need to be considered. They're investment management fees paid to our Investment Adviser and the cost of admin and customer support. We recently agreed a new investment management fee with ASI (Aberdeen Standard Investments) when they took over as our Investment Adviser in March 2019. We're confident that the new fee is a fair price for the service.</p> <p>For admin and customer service, we're looking at a potential new provider. This may mean a change in the future. If so, we'll write to customers beforehand.</p>
Market Context	<p>We believe the fee we pay our new Investment Adviser is competitive.</p> <p>As mentioned above, we may change our admin provider as we wish to ensure that our services remain high quality in the context of increasing use of digital, mobile and online channels.</p>
Room for Improvement	Potential change in admin and service provider.

Economies of Scale

Key measure	VM assessment
Customer Value	<p>Launched in February 2015, the fund was one of three new funds to increase investment options for customers.</p> <p>The fund benefits from the greater size (£) of our longer established funds. For example, the cost of admin services are based on the total assets and number of customers we service across all our funds.</p>
Market Context	<p>The fund invests in other funds instead of individual shares and bonds. This means it can be exposed to lots of different companies and markets with relatively modest sums of money. The fund can then take advantage of economies of scale from the underlying funds. Cost is a key consideration when choosing which funds to invest in.</p>
Room for Improvement	<p>Following the change of Investment Adviser to Aberdeen Standard Investments (ASI), we've been looking to invest in their funds to keep costs down. That helps us keep the cost of investing competitive, including the planned price drop shown below.</p>

Comparable Market Rates

Key measure	VM assessment
Customer Value	<p>The fund has a charge of 1% per year. All fees and expenses are covered by this headline charge. This includes admin and customer support (often charged separately by other providers), trustee, auditor and investment management costs. While this one fee is simple to understand, we've looked at whether it's still good value.</p>
Market Context	<p>Our review indicates that, on average, similar funds in the market charge less than 1% per year.</p>
Room for Improvement	<p>Our review leads us to conclude a reduction in the fee would be appropriate, and we will reduce the annual fee to 0.85% per year by the end of this year.</p> <p>We're also looking at a move to separate the cost of the fund from the administration and customer service, which would give our customers more transparency and bring us in line other providers. We will provide more information on this next year.</p>

Manager's investment report

For the year ended 31 July 2020

Comparable Services

Key measure	VM assessment
Customer Value	The fund is available via our ISA and Pension and as an investment outside of a tax wrapper. There's no extra charge for the provision of these wrappers. We don't market the fund to institutional investors and all costs and services paid by the fund are based on this retail-only business model.
Market Context	One of our strengths is our focus on individual investors. It lets us manage our funds and improve our services and communications with this single audience in mind.
Room for Improvement	We believe the commercial arrangements with our suppliers are competitive. But all arrangements are under review as we explore opportunities with Standard Life Aberdeen (SLA) - the new joint owner of the Investment and Pensions business. SLA bring a wealth of experience - both in terms of asset management and service development - to our Investment and Pension customers.

Classes of Units

Key measure	VM assessment
Customer Value	There is a single unit class for all investors - everyone pays the same price.
Market Context	Most other fund managers have multiple share classes per fund for the different types of investor. We believe our focus on individual retail investors keeps our offering simple and clear.
Room for Improvement	We're planning to separate the cost of investment management from the cost of admin. This will make it easier to understand what you're paying for. We'll write to you next year before this happens.

Environmental, Social and Governance (ESG)

The fund is an index tracking fund and ESG considerations do not influence which companies' shares or bonds are held.

That doesn't mean that ESG issues aren't important to us though. We have to consider ESG matters and talk to companies - on your behalf - to raise issues and change their practices for the better.

You can read about the investor engagement policy for Virgin Money Unit Trust Managers and Aberdeen Standard Investments on our website.

Our summary conclusions

We've looked at the key features of the fund and the customer service provided to investors.

The fund was launched just over five years ago and since then, it's delivered capital growth. However, the return has dropped following the impact of Covid-19.

The fund launched with the same 1% per year charge as our other passively managed funds at that time. We believe we should reduce the price of this fund to 0.85% per year, to ensure fair value to all of our investors. We plan to do this by the end of this year.

The fund has generated a positive return after charges, despite difficult market returns of late. And our UK-based call centre has continued to perform well in terms of customer satisfaction, ease of access and availability, speed of answering and low abandonment rates.

We're always looking to improve both our investment management provision and quality of service and we plan further improvements in 2021. We'll write to you in due course with more information.

Comparative tables

As at 31 July 2020

Change in net assets per unit for the year ending	Income Units		
	31 Jul 20 (p)	31 Jul 19 (p)	31 Jul 18 (p)
Opening net asset value per unit	111.41	110.68	108.02
Return before operating charges	(5.49)	4.50	4.80
Operating charges	(1.07)	(1.07)	(1.09)
Return after operating charges	(6.56)	3.43	3.71
Distributions on income units	(1.80)	(2.70)	(1.05)
Closing net asset value per unit	103.05	111.41	110.68
After direct transaction costs of :	0.01	0.01	0.01
Performance			
Return after operating charges (%) [*]	(5.89%)	3.10%	3.43%
Other information			
Closing net asset value (£)	36,628,929	35,314,458	32,906,681
Closing number of units	35,544,388	31,696,603	29,730,035
Operating charges (%) [‡]	1.00	1.00	1.00
Direct transaction costs (%)	0.01	0.01	0.01
Prices			
Highest price (p)	113.90	112.30	111.50
Lowest price (p)	92.66	103.10	104.60

^{*}The Return after operating charges is calculated as the 'Return after operating charges' per unit divided by the 'Opening net asset value' per unit.

[‡]The operating charges are the annualised total expenses paid by the Fund in the year, expressed as a percentage of its average net assets.

Portfolio statement

As at 31 July 2020

Security	Holdings	Market Value £'000	% of Net Assets
COLLECTIVE INVESTMENT SCHEMES			
Bonds and Gilts (50.15%*)		18,685	51.01
Aberdeen Standard Liquidity Fund Lux - Sterling Fund#	53	53	0.14
SPDR Bloomberg Barclays 1-5 Year Gilt UCITS ETF	91,956	4,791	13.08
SPDR Bloomberg Barclays UK Gilt UCITS ETF	103,470	6,820	18.62
Virgin Money Bond and Gilt Fund^	5,039,959	7,021	19.17
UK Shares (50.43%*)		18,089	49.39
Aberdeen Standard OEIC IV - ASI UK All Share Tracker Fund#	5,520,108	6,093	16.64
SSgA UK Equity Tracker Fund	2,638,427	5,882	16.06
Virgin UK Index Tracking Trust^	2,781,506	6,114	16.69
Portfolio of investments		36,774	100.40
Net other liabilities (-0.58%*)		(145)	(0.40)
Net assets		36,629	100.00

*Comparative figures shown in brackets relate to percentage of total net assets at 31 July 2019.

^ This fund is managed by Virgin Money Unit Trust Managers Limited.

This fund is managed by Aberdeen Asset Managers Limited, a subsidiary of Standard Life Aberdeen PLC, a related party.

Purchases and sales of investments

For the year ended 31 July 2020

Purchases	Cost £'000
Aberdeen Standard Liquidity Fund Lux - Sterling Fund#	9,634
Aberdeen Standard OEIC IV - ASI UK All Share Tracker Fund#	5,550
SPDR Bloomberg Barclays 1-5 Year Gilt UCITS ETF	2,529
SPDR Bloomberg Barclays UK Gilt UCITS ETF	1,520
Virgin Money Bond and Gilt Fund^	1,425
SSgA UK Equity Tracker Fund	1,327
Virgin UK Index Tracking Trust^	1,275
SPDR FTSE UK All Share UCITS ETF	687
Total for the year	23,947

Sales	Proceeds £'000
Aberdeen Standard Liquidity Fund Lux - Sterling Fund#	9,612
SPDR FTSE UK All Share UCITS ETF	4,123
SPDR Bloomberg Barclays 1-5 Year Gilt UCITS ETF	2,264
SPDR Bloomberg Barclays UK Gilt UCITS ETF	1,868
Virgin Money Bond and Gilt Fund^	1,220
SSgA UK Equity Tracker Fund	910
Virgin UK Index Tracking Trust^	350
Total for the year	20,347

^ This fund is managed by Virgin Money Unit Trust Managers Limited.

This fund is managed by Aberdeen Asset Managers Limited, a subsidiary of Standard Life Aberdeen PLC, a related party.

The above constitutes all purchases and sales of investments in the year.

Statement of total return

For the year ended 31 July 2020

		31 Jul 20		31 Jul 19	
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital (losses)/gains	2		(2,760)		289
Revenue	4	865		1,040	
Expenses	5	(273)		(217)	
Interest payable and similar charges		(1)		(2)	
Net revenue before taxation		591		821	
Taxation					
	6	-		-	
Net revenue after taxation			591		821
Total return before distributions			(2,169)		1,110
Distributions	7		(591)		(821)
Change in net assets attributable to unitholders from investment activities			(2,760)		289

Statement of change in net assets attributable to unitholders

For the year ended 31 July 2020

	31 Jul 20		31 Jul 19	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		35,314		32,907
Amounts receivable on issue of units	6,431		5,091	
Amounts payable on cancellation of units	(2,356)		(2,973)	
		4,075		2,118
Change in net assets attributable to unitholders from investment activities		(2,760)		289
Closing net assets attributable to unitholders		36,629		35,314

Notes to the financial statements are on pages 17 to 26.

Balance sheet

As at 31 July 2020

		31 Jul 20		31 Jul 19	
	Notes	£'000	£'000	£'000	£'000
Assets					
Fixed assets					
Investments			36,774		35,518
Current assets					
Debtors	8	38		1	
Cash and bank balances	9	23		7	
Total current assets			61		8
Total assets			36,835		35,526
Liabilities					
Creditors					
Distribution payable	7	(182)		(178)	
Other creditors	10	(24)		(34)	
Total liabilities			(206)		(212)
Net assets attributable to unitholders			36,629		35,314

Notes to the financial statements are on pages 17 to 26.

Notes to the financial statements

For the year ended 31 July 2020

1. Accounting policies

(a) Basis of accounting

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.

The Manager has considered the impact of the emergence and spread of COVID-19 and potential implications on future operations of the Trust of reasonably plausible downside scenarios. The Manager has undertaken a detailed assessment, and continues to monitor, the Trust'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 Trust continues to be open for trading and the Manager is satisfied the Trust has adequate financial resources to continue in operation and accordingly it is appropriate to adopt the going concern basis in preparing the financial statements.

(b) Revenue recognition

Dividends on distributions on holdings in collective investment schemes are recognised when the securities are quoted ex-dividend. Where such securities are not quoted, dividends are recognised when they are declared.

Any reported revenue from an offshore fund, in excess of any distribution received in the reporting period, is recognised as revenue no later than the date on which the reporting fund makes this information available.

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 expenses

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

In order to maintain the operating charges of the Fund at 1%, the Manager will rebate to the Fund an amount equivalent to the value of the operating charges incurred by investing in the underlying securities.

(d) Distribution policy

The distribution policy of the Fund is to distribute all available revenue, after deduction of expenses as an dividend distribution.

Gains and losses on investments and currencies, whether realised or unrealised, are taken as capital and are not available for distribution.

(e) Equalisation

Equalisation applies only to Group 2 units, being units that were purchased during the distribution periods (as detailed on page 27). It is the average amount of revenue 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.

(f) Basis of valuation of investments

The valuation point was at 5pm on 31 July 2020, which was the last working day of the accounting year.

All purchases and sales are accounted for on the trade date.

Listed investments are valued at bid market value.

Where applicable, investment valuations exclude any element of accrued income.

(g) 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 ruling on the dates of the transactions.

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

(h) 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.

Notes to the financial statements

For the year ended 31 July 2020

1. Accounting policies (continued)

(i) Efficient portfolio management

Where appropriate, certain permitted transactions, such as derivatives or forward foreign exchange transactions can be used for efficient portfolio management. Where such transactions are used to protect or enhance income, the income and expenses derived there from 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 there from are included in 'Net capital (losses)/gains' in the Statement of total return. Any positions on such transactions open at the year end are reflected in the Balance sheet at their market to market value.

Notes to the financial statements

For the year ended 31 July 2020

2. Net Capital (Losses)/Gains

The net capital (losses)/gains during the year comprise:

	31 Jul 20	31 Jul 19
	£'000	£'000
Non-derivative securities	(2,760)	289
Net capital (losses)/gains	(2,760)	289

3. Portfolio Transaction Costs

Analysis of total trade costs:

	Purchases		Sales	
	31 Jul 20	31 Jul 19	31 Jul 20	31 Jul 19
	£'000	£'000	£'000	£'000
Collective investment schemes	23,946	7,362	20,349	5,866
Trades in the year before transaction costs	23,946	7,362	20,349	5,866
Commissions				
Collective investment schemes	1	1	(2)	-
Total Commissions	1	1	(2)	-
Taxes				
Collective investment schemes	-	2	-	-
Total Taxes	-	2	-	-
Total costs	1	3	(2)	-
Total net trades in the year after transaction costs	23,947	7,365	20,347	5,866

In the case of shares, commissions and taxes are paid by the Fund on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, costs relating to other types of investments (such as bonds, money market instruments and derivatives) cannot be separately identified as they form part of the dealing spread.

The dealing spread represents the difference between the values determined for investments by reference to the bid and offer prices, expressed as a percentage of the value determined by reference to the offer price. The average dealing spread of the investments at the balance sheet date was 0.00% (2019: 0.00%).

Notes to the financial statements

For the year ended 31 July 2020

Total transaction cost expressed as a percentage of asset class:

	Purchases		Sales	
	31 Jul 20	31 Jul 19	31 Jul 20	31 Jul 19
	%	%	%	%

Commissions

Collective investment schemes	0.01	0.01	(0.01)	-
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Taxes

Collective investment schemes	-	0.04	-	-
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Total transaction cost expressed as a percentage of average NAV:

	31 Jul 20	31 Jul 19
	%	%
Commissions	0.01	-
Taxes	-	0.01
Total	0.01	0.01

4. Revenue

	31 Jul 20	31 Jul 19
	£'000	£'000
Distributions from regulated collective investment schemes:		
Franked investment income	485	412
Interest distributions	74	64
Offshore distributions non-taxable	196	466
Offshore distributions taxable	110	98
Total revenue	865	1,040

Notes to the financial statements

For the year ended 31 July 2020

5. Expenses

	31 Jul 20	31 Jul 19
	£'000	£'000
Payable to the Manager, associates of the Manager, and agents of either of them:		
Manager's service charge (capped at 1% of average net assets per annum) ⁴	273	217
Total expenses	273	217

During the year, and the comparative period, the Manager has borne the auditor's fee of £11,400 (2019: £11,346) and all the fees charged by the Trustee, Financial Conduct Authority and the Registrar, including irrecoverable VAT where applicable.

⁴The service charge is net of rebates to operating charges on the Fund paid by the Manager, as outlined in note 1(c) on page 17.

6. Taxation

(a) Analysis of the tax charge in the year:

	31 Jul 20	31 Jul 19
	£'000	£'000
Total taxation	-	-

(b) Factors affecting the tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised unit trust which is 20% (2019: 20%).

The differences are explained below:

	31 Jul 20	31 Jul 19
	£'000	£'000
Net revenue before taxation	591	821
Corporation tax of 20% (2019: 20%)	118	164
Effects of:		
Revenue not subject to taxation	(136)	(175)
Movement in excess management expenses	18	11
Total current tax (note 6(a))	-	-

Notes to the financial statements

For the year ended 31 July 2020

6. Taxation (continued)

(c) Factors affecting future tax charge:

At the year end, there is a potential deferred tax asset of £42,621 (2019: £24,607) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore, no deferred tax assets have been recognised.

7. Distributions

The distributions take account of revenue received on the issue of units and amounts deducted on the cancellation of units, and comprise:

	31 Jul 20	31 Jul 19
	£'000	£'000
Interim	429	652
Final	182	178
	611	830
Add: Equalisation deducted on cancellation of units	8	23
Less: Equalisation received on issue of units	(28)	(32)
Net distribution for the year	591	821

Details of the distributions per unit are set out in the Distribution tables on page 27.

8. Debtors

	31 Jul 20	31 Jul 19
	£'000	£'000
Accrued revenue	38	-
Amounts receivable for issue of units	-	1
Total debtors	38	1

9. Cash and bank balances

	31 Jul 20	31 Jul 19
	£'000	£'000
Cash and bank balances	23	7
Total cash and bank balances	23	7

Notes to the financial statements

For the year ended 31 July 2020

10. Other creditors

	31 Jul 20	31 Jul 19
	£'000	£'000
Accrued expenses	14	34
Amounts payable on cancellation of units	10	-
Total creditors	24	34

11. Related party transactions

Virgin Money related investments are denoted in the Portfolio statement and Purchases and sales of investments.

Revenue received from Virgin Money related investments during the year was £298,339 (2019: £246,534).

Management fees paid to Virgin Money Unit Trust Managers Limited are detailed in note 5 and details of units issued and cancelled by Virgin Money Unit Trust Managers Limited are shown in the Statement of change in net assets attributable to unitholders. The balance due to Virgin Money Unit Trust Managers Limited at the year end in respect of these transactions was £13,298 (2019: £33,251).

In order to maintain the operating charges of the Fund at 1%, the Manager has rebated to the Fund an amount equivalent to the value of the operating charges incurred by investing in the underlying securities. For the year ended 31 July 2020 the rebate amounted to £86,141 (2019: £114,308).

Standard Life Aberdeen PLC related investments are denoted in the Portfolio statement and Purchases and sales of investments.

Revenue received from Standard Life Aberdeen PLC during the year was £39,900 (2019: £236).

12. Capital commitments and contingent liabilities

On 31 July 2020, the Fund had no capital commitments (2019: £nil) and no contingent liabilities (2019: £nil).

13. Financial risk management, derivatives and other financial instruments

The risks inherent in the Fund's investment portfolio are as follows:

(a) Financial Risk Management

Financial risk can be separated into the following components: market risk, credit risk and liquidity risk. The table below and overleaf 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, interest rate risk, and currency risk.	See below.	See below.	See below.

Notes to the financial statements

For the year ended 31 July 2020

Risk	Risk definition	Risk background and significance	Mitigation technique	Quantitative analysis
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 loss the Trust might suffer through holding market positions in the face of price movements. As with all equity based unit trusts, the Fund is exposed to a significant level of other price risk.	The Manager 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 periodic review of the portfolio holdings to ensure they are in line with the investment objective and that all relevant regulations are being met.	See 13(b).
1b) 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.	Around half 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 for that half of the assets. The other half of the Fund invests in fixed rate securities, for which any change to the prevailing interest rates may result in income increasing or decreasing and the value of securities held increasing or decreasing. In addition, changes in expectations of future interest rates may also result in an increase or decrease in the value of the securities held. In general, if interest rates rise the income potential of the Fund also rises, but value of the fixed rate securities will decline. A decline in interest rates will, in general, have the opposite effect.	No formal mitigation techniques are adopted by the Investment Adviser or the Manager. Investments in fixed interest rate securities is wholly consistent with the Fund's investment objective.	Not applicable.

Notes to the financial statements

For the year ended 31 July 2020

Risk	Risk definition	Risk background and significance	Mitigation technique	Quantitative analysis
1c) 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.	The vast majority of the net assets of the Fund are denominated in sterling, with the effect that the balance sheet and total return cannot be materially affected by currency movements. Given this, the Manager does not consider the Fund has a significant exposure to currency risk.	As the Manager does not consider the Fund has significant exposure to currency risk, no formal mitigation techniques are adopted by the Investment Adviser or the Manager.	Not applicable.
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 counterparty risk. Issuer risk is not considered to be significant as the vast majority of the Fund's assets are equity shares and other investments where the issuer has no monetary obligations to the Fund.	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 Trust 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 that 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.

A 1% increase in the market price of investments at 31 July 2020 compared to the fair value reported would have caused net capital gains to increase by £367,740 (2019: £355,180) and the net asset value to increase by £367,740 (2019: £355,180). A decrease would have had an equal and opposite effect.

Notes to the financial statements

For the year ended 31 July 2020

14. Reconciliation of the unit movements in the year

	31 Jul 20
	Income Units
Opening units in issue on 1 Aug 19	31,696,603
Creations during the year	6,091,574
Cancellations during the year	(2,243,789)
Closing units in issue on 31 Jul 20	35,544,388

15. Fair value hierarchy

Valuation technique - Investments	31 Jul 20		31 Jul 19	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
Level 1	11,611	-	15,952	-
Level 2	25,163	-	19,566	-
Level 3	-	-	-	-
	36,774	-	35,518	-

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: 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.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

16. Subsequent event

Investments in financial markets are affected by many factors, many of which have shifted following the outbreak of coronavirus, officially known as COVID-19. The Fund invests in a portfolio of assets, whose values have been volatile since the year end, primarily on concerns about how COVID-19 will affect the economy and economic growth around the world. Global growth is likely to be slower as efforts to contain the virus are implemented.

The spread and impact of COVID-19 is considered as a non-adjusting event after the reporting period. As at the close of business on the balance sheet date the Net Asset Value was 103.05p. The Net Asset Value as at close of business on 20 November 2020 was 106.90p. This represents an increase of 3.74% from the year end value. However, the uncertainty caused by the emergence and spread of COVID-19 means that the impact in the longer term is unknown.

Distribution tables

For the year ended 31 July 2020

Distribution in pence per unit

Interim distribution paid 31 March 2020

Group 1	Units purchased prior to 1 August 2019
Group 2	Units purchased from 1 August 2019 to 31 January 2020 inclusive

	Revenue (p)	Equalisation (p)	Distribution paid 31 Mar 20 (p)	Distribution paid 29 Mar 19 (p)
Income units				
Group 1	1.2903	-	1.2903	2.1345
Group 2	0.5969	0.6934	1.2903	2.1345

Final distribution payable 30 September 2020

Group 1	Units purchased prior to 1 February 2020
Group 2	Units purchased from 1 February 2020 to 31 July 2020 inclusive

	Revenue (p)	Equalisation (p)	Distribution payable 30 Sep 20 (p)	Distribution paid 30 Sep 19 (p)
Income units				
Group 1	0.5116	-	0.5116	0.5623
Group 2	0.2191	0.2925	0.5116	0.5623

Equalisation

Equalisation applies only to units purchased during the distribution period (Group 2 units). It is the average amount of income 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 31 July 2020

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;
- > keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- > assessing the Fund and its sub-funds' 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 its sub-funds or to cease operations, or have no realistic alternative but to do so;
- > managing such internal control as they determine 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 the Trust Deed, Prospectus and the Regulations.

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



Lan Tu
Director
27 November 2020



Hugh Chater
Director
27 November 2020

Independent auditor's report to the unitholders of the Virgin Bond, Gilt and UK Share Fund (the 'Trust')

For the year ended 31 July 2020

Opinion

We have audited the financial statements of the Trust for the year ended 31 July 2020 which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the Related Notes and Distribution Tables and the accounting policies set out on pages 17 and 18.

In our opinion the 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 31 July 2020 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").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. 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. We have nothing to report in these respects.

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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Trust will continue in operation.

Other Information

The Manager (Virgin Money Unit Trust Managers Limited) 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.

Independent auditor's report to the unitholders of the Virgin Bond, Gilt and UK Share Fund (the 'Trust')

For the year ended 31 July 2020

Manager's Responsibilities

As explained more fully in their statement set out on page 28, 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.


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.



Grant Archer
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St Vincent Plaza
319 St Vincent Street
Glasgow
G2 5AS

27 November 2020

Manager's remuneration

For the year ended 31 July 2020

In accordance with the UCITS Directive, 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 UCITS funds that it manages ("Code Staff"). All staff involved in the management of the Trust are employed by the Virgin Money Group or by Standard Life Aberdeen PLC. The Manager therefore applies the remuneration policies, practices and procedures of the Virgin Money group of companies (Virgin Money Group) and Standard Life Aberdeen PLC, as applicable, and these are reviewed annually.

The Remuneration Policies:

- (i) are consistent with and promote sound and effective risk management;
- (ii) do not encourage risk taking that exceeds the level of tolerated risk of the Manager or that is inconsistent with the risk profile of the funds the Manager manages; and
- (iii) encourage behaviour that delivers results which are aligned to the interests of the UCITS funds managed by the Manager.

Remuneration for all Code Staff is reviewed by the parent companies of VMUTM, which are represented on the VMUTM Board, through the Virgin Money Group Remuneration Committee and the Standard Life Aberdeen Remuneration Committee. The Remuneration Committees ensure that remuneration is linked to the performance of the Virgin Money Group, Standard Life Aberdeen PLC and VMUTM itself, including taking into account material current and future risks.

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 Bond, Gilt and UK Share 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 the Virgin Money Group or Standard Life Aberdeen PLC who are seconded full-time to VMUTM. It may also include employees of entities to which investment advice has been delegated.

The Virgin Money Group has a performance period running from 1 October to 30 September each year. Standard Life Aberdeen PLC has a performance period running from 1 January to 31 December each year. Given the different accounting periods for the entities and funds concerned, amounts shown below reflect payments made from 1 January 2019 to 31 December 2019 inclusive.

Virgin Bond, Gilt and UK Share Fund Reporting period: 1/08/19-31/07/20	Headcount	Total Remuneration £'000 ¹	Proportion relevant to Virgin Bond, Gilt and UK Share Fund £'000 ²
VMUTM Code staff ³	16		
Total remuneration		1,075	10
of which			
Fixed remuneration		793	7
Variable remuneration		282	3

¹ These figures represent the total remuneration paid by VMUTM to Code Staff as defined in footnote 3

² These figures represent the proportion of the amounts in the previous column, based on the average assets under management of the Virgin Bond, Gilt and UK Share Fund in 2019 compared to the average total assets under management in 2019 of all funds of which VMUTM is the manager

³ Code Staff comprises:

- i) Directors of VMUTM, including the Chair (fees invoiced directly to VMUTM), non-executive directors appointed by the parent companies of VMUTM which are Virgin Money Group and Standard Life Aberdeen PLC (these directors are not remunerated for carrying out this role, which is an immaterial part of the work they do for Virgin Money Group or Standard Life Aberdeen PLC), and the Chief Executive Officer of VMUTM (seconded from Standard Life Aberdeen PLC)
- ii) Other members of the VMUTM Executive Committee, which includes individuals with significant influence functions (all seconded from Virgin Money Group or Standard Life Aberdeen PLC)

Statement of the Trustee's responsibilities

in respect of the Scheme and Report of the Trustee to the Unitholders of the Virgin Bond, Gilt and UK Share Fund (“the Trust”)

For the year ended 31 July 2020

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 Europe plc,
UK Branch London
27 November 2020**

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