The Virgin Climate Change Fund

Final Report and Financial Statements
For the year ended 30 September 2022

Contents

Management and professional services

Manager

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

Directors:

S. Bruce (resigned 30 June 2022)
J. Byrne
H. Chater
D. Mouille (appointed 30 June 2022)
F. Murphy
M. Phibbs
D. Taylor
S. Wemyss

Investment adviser

abrdn Investments Limited**
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AB10 1XL

Authorised and regulated by the Financial Conduct Authority.

Registrar

SS&C Financial Services Europe Limited
SS&C House
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SS15 5FS

Trustee

Citibank UK Limited
Citigroup Centre
Canada Square
Canary Wharf
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Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Independent auditor

KPMG LLP
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.

** The investment adviser changed from GLG Partners to abrdn Investments Limited (formerly known as Aberdeen Asset Managers Limited) with effect from 26 July 2022.

Manager's investment report

for the year ended 30 September 2022

Investment objective, policy and strategy

The investment objective of the Virgin 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 in which it invests 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 that are not participants in the UN Global Compact sustainability initiative, which focusses on principles relating to human rights, labour, environment and anti-corruption.

As the Fund is actively managed, the Investment Adviser retains freedom of which 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 14 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).

[#] 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).

Manager's investment report (continued)

for the year ended 30 September 2022

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 2022 is 1.5761p. The total accumulation for the year is 1.5761p.

Fund performance

For the year to 30 September 2022, the net asset value of each unit decreased by 11.10%** from 160.93p to 143.06p.

Significant events

On 24 February 2022, Russia launched a military offensive against Ukraine resulting in widespread sanctions on Russia and heightened security and cyber threats. Market disruptions associated with this geopolitical event have had a global impact, and uncertainty persists as to the implications. Such disruptions can adversely affect assets of funds and performance thereon, specifically Russian and Ukrainian assets. Whilst the initial impact of the conflict was captured within market prices as at 30 September 2022, the year end of the Virgin Climate Change Fund, the outlook for many capital markets remains volatile, and the Net Asset Value of the Fund has fluctuated since the period end and is likely to continue to do so. The Manager has also evaluated, and will continue to evaluate, the operational resilience of all service providers. The Manager's key suppliers do not have operations pertaining to the Manager in Ukraine or Russia and the Fund has no exposure to Russia, Belarus or Ukraine.

With effect from 26 July 2022 the Investment Adviser changed from GLG Partners LP to Aberdeen Asset Managers Limited.

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

** Based on Net Asset Value per unit.

for the year ended 30 September 2022

Assessment of Value

In keeping with Financial Conduct Authority (FCA) rules, we carry out an assessment for each of our funds to see whether they provide value for our customers. This assessment considers cost in the context of how the funds are designed, how they have performed and the other benefits too.

Below is a summary of our findings in relation to the Financial Conduct Authority (FCA) considerations for the assessment of value. For ease of reading, we have grouped our findings and conclusions across three features of value: Performance, Cost and Service, showing where we believe improvements can be made.

1. Performance

Consideration	Our Summary findings
Customer Value	Over the 12 months to end November 2022, the fund fell by 6.7%, which was behind the benchmark (BM) return of +1.8%. A key reason for the underperformance versus BM has been the strong performance from oil and gas companies which the fund does not invest in due to its environmental objectives. Despite the recent decline in value, the latest five-year return for the Fund is 4.9% per year after charges, which is ahead of the benchmark return of 4.7%. In August 2022, we successfully implemented a new investment strategy with abrdn as Investment Adviser. We removed the restriction of having to invest at least 80% in European stocks and put greater focus on companies developing solutions to tackle environmental / climate challenges. We believe the new investment strategy is better placed to deliver good investment results for investors, whilst supporting companies facing up to the world's environmental challenges.
Market Context	Investment markets around the world have fallen in 2022, against a backdrop of slowing economic growth and the threat of recession, in part caused by the war in Ukraine. Whilst recent market conditions haven't been good for most companies, higher inflation / prices favour some. Oil and gas companies have benefited from higher prices, and their shares returned close to 50% in aggregate over the last 12-months, leading calls for additional windfall taxes. Metals & mining companies also benefited from higher prices, returning 18% over the period. The Climate Change Fund doesn't invest in these types of company, and the fund won't beat the BM every year, but we do expect the fund to beat its BM over the longer term, whilst also investing in a better way for the environment.
Scope for Improvement	We are working on how we can better evidence the environmental performance of the fund, so we don't just talk about returns. We want to report on the carbon intensity of the fund and the engagement the Investment Adviser has with companies on environmental matters. We would also like to talk more about the companies the fund invests in, the products and services they provide and why the fund invests in them. We will develop additional reporting through the year, to bring the fund more to life for investors.

2. Cost

Consideration	Our Summary findings
Customer Value	We reduced the annual management charge (AMC) from 1.30% to 1.00% in August 2022, coinciding with the appointment of abrdn as Investment Adviser and the move to a global investment approach. This is the total cost of investing, and includes the cost of administration and service, often charged separately by other providers.
Market Context	Following the reduction in AMC, the Virgin Climate Change Fund is lower cost than most actively managed climate / environmental equity funds in the market. The average fund cost, when considering typical administration charges is 1.15% per year.
Scope for Improvement	We're looking to separate the cost of the fund from the administration and customer service, which would give our customers more transparency and enable easier price comparisons with other fund providers. It will be clearer what you are paying for. See scope for improvement under 'Service' below.

for the year ended 30 September 2022

Assessment of Value (continued)

3. Service

Consideration	Our Summary findings
Customer Value	We want to make investing as simple as possible, providing customers with jargon-free material and on and offline support. Our UK based call centre is available six days a week until 9pm on weekdays, with high customer satisfaction levels in providing the assistance our customers want. Historically, call waiting times have been short, although this deteriorated in early-mid 2022 caused by extended home working and recent market volatility, before improving towards the end of the review period. The volume of complaints received remains very low (at 0.4 per 1,000 customers) though the timeliness of complaint handling has deteriorated from the level we would like to see. Processing accuracy remains high at 99% over the last year.
Market Context	The performance of our call centre has been impacted by Covid-19 and staff working from home. Average call waiting time of just below 4 minutes is not where we would like it to be, and 14% of calls were abandoned, much higher than we would like. Our overall assessment of 'Service' is that over the last 12 months the service has taken a step backwards and is something we are keen to improve upon. We have taken steps to improve the performance of the customer call centre in recent months, and we plan to build on that as described below.
Scope for Improvement	We are looking at the overall customer experience we deliver, including new online and mobile functionality. We plan to write to customers with details of the new service this year, which will also include information about separating the fund cost from the administration cost as described above.

Summary

We've reviewed the key features of the fund and customer service provided to investors and believe the charges taken from the fund are justified in terms of the overall value delivered to investors.
We are pleased to report that, following the reduction in cost, the fund is one of the lowest-cost actively managed environmental equity funds available to UK investors.
Market conditions have been tough over the last year and investment performance has not been as good as we would have liked. We believe changing to a global investment approach provides more opportunities to invest in companies doing the most to tackle environmental and climate issues, and we believe this will be of benefit both in terms of future returns and the environmental impact of the fund.
With regards customer service, our UK-based call centre delivers consistently good experiences in terms of customer satisfaction. We have experienced some difficulties in terms of call centre availability, and speed of answering and abandonment rates have not been as good as we would have liked over the last year.
We do have big plans for our overall customer service and are working with a new provider for some services. We plan to write to you this year with information about these positive changes.

for the year ended 30 September 2022

Markets overview for the year ended 30 September 2022

It's been a tough time for global stock markets with investors concerned by high inflation, surging energy prices, rising interest rates and Russia's invasion of Ukraine.

• Inflation was initially stoked by labour shortages, supply chain issues and rebounding demand after the Covid-19 lockdowns. These pressures were then compounded by Russia's invasion of Ukraine in February which, along with the humanitarian crisis, led to reduced supply of items such as wheat that drove up food prices.

• Higher energy prices have been another key reason for inflation and a major cause of the current cost-of-living crisis. Oil prices rose steadily from early November on growing demand. They peaked at over US $120 per barrel in early May in the wake of Russia's invasion – the war led to partial bans on imports of the country's oil and coal – before dropping in recent months. Natural gas prices have also surged, with European countries scrambling to build gas reserves ahead of their winter and Russia curtailing supplies to Western Europe. The fund does not invest in fossil fuel companies, so didn't benefit from the rise in value of the oil and gas companies.

• Discussions at the 2021 United Nations Climate Change Conference (COP26) highlighted the huge amount of alternative energy solutions needed. These include the EU's target to reduce emissions by 55% by 2030 and President Biden's Build Back Better plan. Soaring energy prices kept energy in the headlines during 2022 as governments pushed for greater energy independence.

Fund improvements

• At the end of July, we made a few key changes to the Fund. We believe our changes will improve the environmental focus of the fund and deliver better investment results over the longer term.

Going global – up to the end of July the Fund invested at least 80% in European companies, but climate change is a global issue and it needs global solutions. The fund now seeks out more opportunities from around the world, investing in companies providing solutions for climate change and adopting best environmental practice. We believe investing across more countries will help deliver better returns in the future.

Clearer investment policy – the new investment policy is clearer on the types of companies we will invest in, as well as those we will not. We won't invest in companies with material revenues from fossil fuels, tobacco or prohibited weapons*. We'll also only invest in companies that are part of the UN Global Compact sustainability initiative, which focuses on human rights, labour, environment and anti-corruption principles.

New benchmark – the benchmark we measure performance against changed from MSCI Europe to MSCI All Countries World, in keeping with the new global approach.

New Investment Adviser – we replaced MAN GLG with abrdn as our Investment Adviser. abrdn are investment experts who carry out all the company-specific research and pick which shares the fund holds. abrdn do this for all our other funds and are joint owners of Virgin Money Unit Trust Managers Limited.

Reduced annual management charge – we believe the changes improve the fund, but we did not stop there. We also reduced the annual charge from 1.3% to 1.0% year.

Fund framework - Five pillars

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

"How we source & 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 & 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 group.

• 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 made several changes to the portfolio to align it to the new strategy, structure and process. We seek out companies who are addressing the climate crises through their products and services as they are uniquely positioned to create long-term value for shareholders as well as powering positive change for our planet.

• In terms of additions, we increased our position in Schneider Electric, based on our continued conviction in the electrical company's ability to provide a resilient and growing earnings stream and to contribute to electrification efforts despite macroeconomic headwinds.

• We also topped up our positions in American Water, Analog Devices, AstraZeneca, Crown, Daikin Industries, Graphic Packaging, NextEra Energy, Novo Nordisk and Tetra Tech to reflect our ongoing high conviction in their fundamentals. In addition, we took advantage of what we believe are undervalued stocks where we felt it was unjustified.

• Upon the announcement of the US Inflation Reduction Act, we trimmed several stocks to take advantage of the short-term boost provided by improved sentiment rather than company-specific fundamentals. These transactions included Ameresco, Ballard Power, Darling Ingredients, Hannon Armstrong Sustainable Infrastructure, Shoals Technologies and Vestas Wind Systems.

• Furthermore, despite continued conviction in the company, we reduced our holding of Advanced Drainage Systems after the stock reacted very positively to a strong set of results. We also reduced our exposure to SSE as, with the noise around windfall taxes, new regulations and even the potential nationalisation of energy companies, we sought to limit our exposure to downside risks after a period of stock strength.

• Finally, we trimmed the portfolio's exposure to Microsoft due to doubts over the resilience of earnings as we enter a period of economic difficulty.

* Cluster munitions and anti-personnel landmines, and any other weapons prohibited under international conventions.

for the year ended 30 September 2022

Markets overview for the year ended 30 September 2022 (continued)

• In terms of exits, we closed our position in Ballard Power. The manufacturer of hydrogen fuel cell-powered transport systems has experienced a difficult period in which orders have failed to scale meaningfully. In addition, we are concerned about Ballard's ability to retain its technological differentiation and believe the lack of hydrogen infrastructure will provide a barrier to further growth. Therefore, we exited the position due to our lower conviction and continue to look for attractive opportunities elsewhere within the hydrogen space.

• Meanwhile, the US Inflation Reduction Act is dramatically improving the outlook for many decarbonization solutions, including clean energy, green hydrogen, and electrification of transport. A number of stocks within the portfolio stand to benefit from the Act's support, which includes a host of tax credits and provides greater demand clarity.

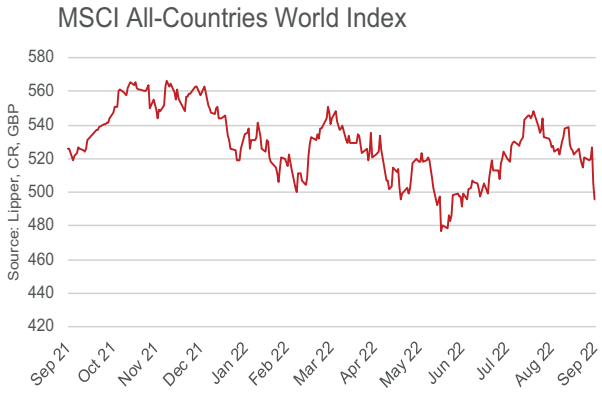
Outlook

• Economic and political uncertainty persists and there continue to be challenges for policymakers as they raise interest rates in an attempt to combat rising inflation. This is indicative of the year-to-date trend continuing.

• As a result, there is an expectation that corporate earnings will start to fall back. Indeed, the ratio of stocks seeing upgrades to downgrades is lower than normal and especially in the industrial and construction sectors.

• In addition, higher interest rates, rising bond yields, power prices falling from recent high levels all combine to create a difficult situation for renewable energy companies.

• However, long-term fundamentals remain intact, and policies continue to support decarbonisation in the construction sector and renewable infrastructure. We remain confident in the capital expenditure growth that will drive revenues, profits, and cash flows for the solution providers.



Fund performance

• In a highly volatile and challenging year, the net asset value of each unit decreased by 11.10%.

Comparative table

Change in net asset per unit for the year ending	Accumulation Units 30 September 2022 (p)	30 September 2021 (p)	30 September 2020 (p)
Opening net asset value per unit	160.93	135.81	128.03
Return before operating charges*	(15.89)	27.11	9.46
Operating charges	(1.98)	(1.99)	(1.68)
Return after operating charges	(17.87)	25.12	7.78
Distributions	(1.58)	(0.97)	(1.16)
Retained distributions on accumulation units	1.58	0.97	1.16
Closing net asset value per unit	143.06	160.93	135.81
*After direct transaction costs of	(0.27)	(0.26)	(0.26)
Performance			
Return after charges (%)	(11.10)	18.50	6.08

Other information	30 September 2022	30 September 2021	30 September 2020
Closing net asset value (£)	99,680,012	105,970,255	75,783,806
Closing number of units	69,676,402	65,847,056	55,803,298
Operating charges (%)**	1.25	1.30	1.30
Direct transaction costs (%)	0.17	0.17	0.20
Prices for the accounting year			
Highest unit price (p)***	170.42	167.14	141.63
Lowest unit price (p)***	143.98	128.27	95.32

* 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 2022

Holding	Stock description	Market Value £'000	% of Net Assets
	United Kingdom Equities 9.73% (2021 - 19.17%)		
26,021	AstraZeneca	2,587	2.60
38,970	Croda International	2,512	2.52
582,325	DS Smith	1,496	1.50
203,104	SSE	3,102	3.11
		9,697	**9.73**
	Overseas Equities 88.53% (2021 - 72.92%)		
	Australia Equities 2.63% (2021 - 0.00%)		
288,248	Goodman	**2,620**	**2.63**
	Belgium Equities 2.02% (2021 - 0.00%)		
76,383	Umicore	**2,015**	**2.02**
	Denmark Equities 7.10% (2021 - 3.76%)		
32,371	Novo Nordisk	2,916	2.92
34,407	Orsted	2,455	2.46
102,310	Vestas Wind Systems	1,710	1.72
		7,081	**7.10**
	Finland Equities 0.00% (2021 - 2.88%)		
	France Equities 6.42% (2021 - 23.31%)		
7,184	L'Oreal	2,079	2.09
42,121	Schneider Electric	4,320	4.33
		6,399	**6.42**
	Germany Equities 2.82% (2021 - 13.09%)		
84,999	HelloFresh	1,629	1.64
64,462	Jungheinrich	1,180	1.18
		2,809	**2.82**
	India Equities 1.09% (2021 - 0.00%)		
202,711	ReNew Energy Global	**1,090**	**1.09**
	Ireland Equities 3.66% (2021 - 0.83%)		
31,568	Kingspan	1,284	1.29
18,232	Trane Technologies	2,368	2.37
		3,652	**3.66**
	Israel Equities 1.48% (2021 - 0.00%)		
61,868	Kornit Digital	**1,474**	**1.48**

Portfolio statement (continued)

as at 30 September 2022

Holding	Stock description	Market Value £'000	% of Net Assets
	Japan Equities 2.36% (2021 - 0.00%)		
17,100	Daikin Industries	**2,347**	**2.36**
	Netherlands Equities 4.28% (2021 - 7.25%)		
13,999	Alfen Beheer	1,164	1.17
30,108	Koninklijke DSM	3,101	3.11
		4,265	**4.28**
	Portugal Equities 0.00% (2021 - 3.58%)		
	South Korea Equities 2.57% (2021 - 0.00%)		
7,494	Samsung SDI	**2,557**	**2.57**
	Spain Equities 0.00% (2021 - 4.84%)		
	Switzerland Equities 0.00% (2021 - 5.66%)		
	United States Equities 52.10% (2021 - 7.72%)		
22,500	Advanced Drainage Systems	2,507	2.51
22,878	Alphabet	1,961	1.97
44,170	Ameresco	2,630	2.64
19,236	American Water Works	2,243	2.25
26,890	Analog Devices	3,356	3.37
15,895	Autodesk	2,660	2.67
34,238	Crown	2,485	2.49
45,054	Darling Ingredients	2,672	2.68
11,912	Deere & Co	3,566	3.58
16,101	Ecolab	2,084	2.09
4,957	Equinix	2,526	2.53
148,013	Graphic Packaging	2,616	2.62
71,936	Hannon Armstrong Sustainable Infrastructure Capital	1,929	1.94
15,871	Microsoft	3,310	3.32
40,415	NextEra Energy Partners LP	2,617	2.63
27,918	Prologis	2,544	2.55
101,289	Shoals Technologies	1,958	1.96
38,927	Tetra Tech	4,482	4.50
26,385	Waste Management	3,790	3.80
		51,936	**52.10**
	Foreign Exchange Forward Contracts 0.00% (2021 - (0.60)%)		
	Portfolio of investments (2021 - 91.49%)	**97,942**	**98.26**
	Net other assets (2021 - 8.51%)	**1,738**	**1.74**
	Total net assets	**99,680**	**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 2021.

Total purchases and sales of investments

for the year ended 30 September 2022

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

Purchases	Cost £'000	Sales	Proceeds £'000
UBS	5,366	EDP - Energias de Portugal	6,082
Microsoft	4,890	Roche	5,732
Tetra Tech	4,866	Sanofi	5,402
Genmab	4,547	UBS	5,373
EssilorLuxottica	4,532	AstraZeneca	5,207
SSE	4,430	Lloyds Banking	5,188
Cie de Saint-Gobain	4,082	Genmab	5,114
Koninklijke DSM	3,832	London Stock Exchange	4,841
Analog Devices	3,739	TotalEnergies	4,691
Waste Management	3,569	Apple	4,403
Goodman	3,386	Reckitt Benckiser	4,282
Orsted	3,294	EssilorLuxottica	4,177
Deere & Co	3,231	Credit Agricole	4,141
Vestas Wind Systems	3,092	ASML	4,122
Novo Nordisk	3,033	Vestas Wind Systems	4,033
Prologis	3,020	Smith & Nephew	3,967
Equinix	2,867	Kering	3,471
Darling Ingredients	2,827	SAP	3,455
Crown	2,802	International Flavors & Fragrances	3,147
Croda International	2,775	Neste	2,948
Other Purchases	**66,475**	**Other Sales**	**37,143**
Total for the year	**140,655**	**Total for the year**	**126,919**

Statement of total return

for the year ended 30 September 2022

	Notes	£'000	2022 £'000	£'000	2021 £'000
Income					
Net capital (losses)/gains	2		(13,775)		14,063
Revenue	3	2,607		2,112	
Expenses	4	(1,360)		(1,198)	
Interest payable and similar charges	5	(4)		(1)	
Net revenue before taxation		1,243		913	
Taxation	6	(136)		(312)	
Net revenue after taxation			1,107		601
Total return before distributions			**(12,668)**		**14,664**
Distributions	7		(1,107)		(601)
Change in unitholders' funds from investment activities			**(13,775)**		**14,063**

Statement of change in unitholders' funds

for the year ended 30 September 2022

	£'000	2022 £'000	£'000	2021 £'000
Opening net assets		**105,970**		**75,784**
Amounts received on issue of units	10,303		16,663	
Amounts paid on cancellation of units	(3,916)		(1,181)	
		6,387		15,482
Change in unitholders' funds from investment activities		(13,775)		14,063
Retained distribution on accumulation units		1,098		641
Closing net assets		**99,680**		**105,970**

Notes to the financial statements are on pages 14 to 24.

Balance sheet

as at 30 September 2022

	Notes	£'000	2022 £'000	£'000	2021 £'000
Assets					
Fixed assets					
Investments			97,942		97,600
Current assets					
Debtors	8	220		373	
Cash and bank balances	9	1,786		8,761	
Total other assets			**2,006**		**9,134**
Total assets			**99,948**		**106,734**
Liabilities					
Investment liabilities			-		(647)
Creditors					
Other creditors	10	(268)		(117)	
Total other liabilities			(268)		(117)
Total liabilities			(268)		(764)
Net assets			**99,680**		**105,970**
Unitholders' funds			**99,680**		**105,970**

Notes to the financial statements are on pages 14 to 24.

Notes to the financial statements

for the year ended 30 September 2022

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 considered the impact of the emergence and spread of COVID-19 and potential implications on future operations of the Fund of reasonably plausible downside scenarios. 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 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 25). 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 30 September 2022, 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 2022

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 2022

2. Net capital (losses)/gains

Net capital (losses)/gains during the year comprise:	2022 £'000	2021 £'000
(Losses)/gains on non-derivative securities	(13,324)	10,467
(Losses)/gains on currency derivatives	(248)	3,575
Currency (losses)/gains	(203)	21
Net capital (losses)/gains	**(13,775)**	**14,063**

3. Revenue

	2022 £'000	2021 £'000
Bank interest	16	-
Overseas dividends	2,213	1,746
UK dividends	344	366
US REIT dividends	34	-
Total revenue	**2,607**	**2,112**

4. Expenses

	2022 £'000	2021 £'000
Payable to the Manager, associates of the Manager, and agents of either of them:		
Manager's service charge	1,360	1,198
Total expenses	**1,360**	**1,198**

During the year, and the comparative period, the Manager has borne the auditor's fee of £14,258 (2021: £13,843) 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

	2022 £'000	2021 £'000
Interest	4	1
Total Interest	**4**	**1**

6. Taxation

(a) Analysis of charge in year

	2022 £'000	2021 £'000
Overseas tax	136	312
Total tax charge for the year (see note 6(b))	**136**	**312**

for the year ended 30 September 2022

6. Taxation (continued)

(b) Factors affecting tax charge for the year

The taxation assessed for the year is lower (2021: higher) than the standard rate of corporation tax in the UK for a unit trust which is 20% (2021: 20%). The differences are explained below:

	2022 £'000	2021 £'000
Net revenue before taxation	1,243	913
Corporation tax at 20% (2021: 20%)	249	183
Effects of:		
Movement in excess management expenses	217	212
Overseas tax	136	312
Prior year adjustment to excess management expenses	16	-
Relief on overseas tax expensed	(6)	(5)
Revenue not subject to tax	(476)	(390)
Total tax charge for the year (see note 6(a))	**136**	**312**

(c) Deferred taxation

There is no provision required for deferred taxation at the balance sheet date (2021: none).

(d) Factors that may affect future tax charges

At 30 September 2022 the Fund had surplus management expenses of £16,731,747 (2021: £15,645,891). 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 £3,346,349 (2021: £3,129,178) 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:

	2022 £'000	2021 £'000
Interim	-	-
Final	1,098	641
	1,098	641
Add: revenue deducted on cancellation of units	26	4
Less: revenue received on creation of units	(17)	(44)
Net distribution	**1,107**	**601**

for the year ended 30 September 2022

8. Debtors

	2022 £'000	2021 £'000
Accrued revenue	60	99
Amounts receivable for creation of units	-	28
Overseas tax recoverable	160	246
Total debtors	**220**	**373**

9. Cash and bank balances

	2022 £'000	2021 £'000
Cash and bank balances	1,786	8,761
Total cash and bank balances	**1,786**	**8,761**

10. Other creditors

	2022 £'000	2021 £'000
Accrued expenses	193	117
Amounts payable for redemption of units	75	-
Total creditors	**268**	**117**

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 £193,553 (2021: £116,773).

12. Capital commitments and contingent liabilities

At 30 September 2022, the Fund had no capital commitments and no contingent liabilities (2021: none).

13. Securities on loan

There were no securities on loan during the year (2021: none).

for the year ended 30 September 2022

14. 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).

for the year ended 30 September 2022

14. 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 gains to increase by £4,897,000 (2021: £4,879,000) and the net asset value to increase by £4,897,000 (2021: £4,879,000).

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

for the year ended 30 September 2022

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

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

As at 30 September 2022:

Fund	Counterparty	FX Forward contracts £'000	Total £'000
		-	-

As at 30 September 2021:

Fund	Counterparty	FX Forward contracts £'000	Total £'000
Virgin Climate Change Fund	The Bank of New York Mellon	(630)	(630)
		(630)	**(630)**

No collateral has been received from or pledged to the counterparty noted above in respect of these derivative contracts.

(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 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**

for the year ended 30 September 2022

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

(d) Currency exposures (continued)

As at 30 September 2021 the Fund had the following net currency exposure:

Currency	Net foreign currency assets/(liabilities)		
	Monetary exposures 2021 £'000	Non-Monetary exposures 2021 £'000	Total 2021 £'000
Danish Krone	-	111	111
Euro	824	(1,428)	(604)
Norwegian Krone	-	6	6
Swiss Franc	-	(58)	(58)
US Dollar	-	(407)	(407)
Total	**824**	**(1,776)**	**(952)**

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

Interest rates applicable on the cash balances of the Fund as at the year end are as follows: GBP 1.75%, Euro 0.60% and USD 2.80%. The Fund did not have any long term financial liabilities.

(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.

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.

for the year ended 30 September 2022

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

(g) Fair value hierarchy

Valuation technique

	Assets 2022 £'000	Liabilities 2022 £'000	Assets 2021 £'000	Liabilities 2021 £'000
Level 1^	97,942	-	97,583	-
Level 2^^	-	-	17	(647)
Level 3^^^	-	-	-	-
	97,942	**-**	**97,600**	**(647)**

^ Fair value based on a quoted price for an identical instrument in an active market and generally will include quoted equities, some highly liquid bonds and exchange traded derivatives.

^^ Fair value based on a valuation technique using observable market data and will generally include evaluated pricing techniques using inputs such as quoted prices for similar instruments, interest rates, yield curves and credit spreads.

^^^ Fair value based on a valuation technique that relies significantly on non-observable market data and will generally include unquoted equities and other values not primarily derived from observable market data.

(h) Leverage

The Fund did not employ any significant leverage during the year (2021: none).

15. Portfolio transaction costs

Analysis of total trade costs:

Total transaction cost expressed as a percentage of asset class:

	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Equity instruments	140,488	53,885	126,938	36,598
Trades in the year before transaction costs	**140,488**	**53,885**	**126,938**	**36,598**
Commissions				
Equity instruments	25	14	(19)	(9)
Total commissions	**25**	**14**	**(19)**	**(9)**
Taxes				
Equity instruments	142	132	-	-
Total taxes	**142**	**132**	**-**	**-**
Total costs	**167**	**146**	**(19)**	**(9)**
Total net trades in the period after transaction costs	**140,655**	**54,031**	**126,919**	**36,589**

for the year ended 30 September 2022

15. Portfolio transaction costs (continued)

	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
Commissions				
Equity instruments	0.02	0.03	0.01	0.02
Taxes				
Equity instruments	0.10	0.24	-	-

Total transaction cost expressed as a percentage of average NAV:

	2022 %	2021 %
Commissions	0.04	0.03
Taxes	0.13	0.14
Total	**0.17**	**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.

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 0.10% (2021: 0.07%).

16. Unit reconciliation

	2022
Reconciliation of the unit movements in the year	
Opening units in issue	65,847,056
Creations during the year	6,381,808
Cancellations during the year	(2,552,462)
Closing units in issue	**69,676,402**

Distribution Tables

for the year ended 30 September 2022

Interim distribution

Group 1: Unit is purchased prior to 1 October 2021

Group 2: Unit is purchased from 1 October 2021 to 31 March 2022 inclusive

	Net revenue (p)	Equalisation* (p)	Distribution paid 31.05.2022 (p)	Distribution paid 31.05.2021 (p)
Accumulation units				
Group 1	0.0000	-	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000

Final distribution

Group 1: Unit is purchased prior to 1 April 2022

Group 2: Unit is purchased from 1 April 2022 to 30 September 2022 inclusive

	Net revenue (p)	Equalisation* (p)	Distribution paid 30.11.2022 (p)	Distribution paid 30.11.2021 (p)
Accumulation units				
Group 1	1.5761	-	1.5761	0.9736
Group 2	0.6605	0.9156	1.5761	0.9736

* 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

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

David Taylor
Director

Jonathan Byrne
Director

23 January 2023

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of the Trust for the year ended 30 September 2022 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 14 to 15.

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 2022 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 substantively tested all material post-closing entries and, based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Manager 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 (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.

Manager's responsibilities

As explained more fully in their statement set out on page 26, 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 Climate Change Fund ("the Trust") (continued)

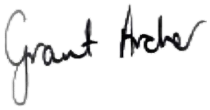
Auditor's responsibilities

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.



Grant Archer
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
319 St Vincent Street
Glasgow
G2 5AS
24 January 2023

Manager's remuneration

for the year ended 30 September 2022

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. 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 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.

Virgin Money UK PLC has a performance period running from 1 October to 30 September each year. abrdn 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 2021 to 31 December 2021 inclusive.

The Virgin Climate Change Fund

Reporting period: 02/10/2021 - 01/10/2022	Headcount	Total Remuneration £'000[1]	Proportion relevant to the Virgin Climate Change Fund £'000[2]
VMUTM Code Staff[3]	19		
Total remuneration		2,090	57
of which			
Fixed remuneration		1,815	49
Variable remuneration		275	8

[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 Climate Change Fund in 2021 compared to the average total assets under management in 2021 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.

Statement of the Trustee's Responsibilities in Respect of the Scheme and Report of the Trustee to the Unitholders of the Virgin Climate Change Fund ("the Trust") for the Period ended 30 September 2022

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

23 January 2023

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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