The Virgin Money Climate Change Fund

Final Report and Financial Statements
For the year ended 30 September 2024

Contents

Management and professional services

Manager

Virgin Money Unit Trust Managers Limited
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NE3 4PL

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Authorised and regulated by the Financial Conduct Authority.

Directors:

J. Byrne
H. Chater (resigned 10 April 2024)
S. Hynes (appointed 11 March 2024)
P. Moore (appointed 16 April 2024)
D. Mouille (resigned 2 April 2024)
F. Murphy (resigned 2 April 2024)
A. Patrizi (appointed 10 April 2024 and resigned 28 October 2024)
M. Phibbs (resigned 2 July 2024)
C. Rhodes (appointed 29 October 2024)
D. Taylor (resigned 30 April 2024)
S. Wemyss (resigned 2 April 2024)

Investment adviser

abrdn Investments Limited
280 Bishopsgate
London
EC2M 4AG

Authorised and regulated by the Financial Conduct Authority.

Registrar

SS&C Financial Services Europe Limited**
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Essex
SS15 5FS

FNZ (UK) Limited***
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EC2M 3TP

Authorised and regulated by the Financial Conduct Authority.

Trustee

Citibank UK Limited
Citigroup Centre
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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
20 Castle Terrace
Edinburgh
EH1 2EG

* 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.
** Main Register.
***Plan register, a sub-register to the Main Register, which records persons who subscribe to a group plan for Units.

Manager’s investment report

for the year ended 30 September 2024

Investment objective, policy and strategy

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

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

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

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

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

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

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

Fund status

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

Financial instruments and key risks

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

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

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

Risk and Reward profile

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

Accumulation

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

The net accumulation per unit for the six months ended 30 September 2024 is 0.5467p. The total accumulation for the year is 0.6991p.

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

for the year ended 30 September 2024

Fund performance

For the year to 30 September 2024, the net asset value of each unit increased by 15.65% from 140.98p to 163.04p.

Significant events

There are no significant events to be reported.

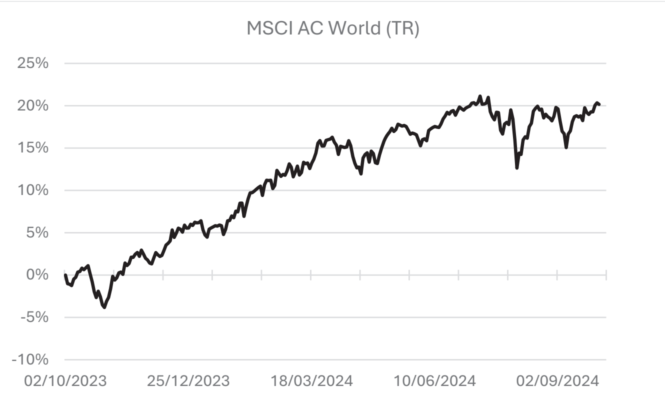
Assessment of Value

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

for the year ended 30 September 2024

Markets overview for the year ended 30 September 2024

Global stock markets gained over the 12 months to the end of September. After a prolonged period of record inflation, prices began to ease and the Bank of England (BoE), the European Central Bank (ECB) and the US Federal Reserve (Fed) started cutting interest rates. Investors were also factoring in further interest-rate reductions across most regions before the end of 2024. However, with inflationary pressures still lingering, the world's major central banks maintained a data-dependent stance. Softer economic data in the US heightened worries about a potential recession in the country as well. Elsewhere, investors remained concerned about the outlook for the Chinese economy.



- Investor sentiment was mainly driven by the timing of monetary policy easing by major central banks in the wake of easing prices. The ECB was the first to cut interest rates by 25 basis points (bps) in June and once again in September. The BoE lowered its Bank Rate by 25 bps in August as well, followed by the Fed lowering the target range for its fed funds rate by 50 bps towards the end of September.

- Elsewhere, Asian equities climbed too as investor optimism rose consistently over the 12 months under review but lagged developed markets. Chinese equities languished for much of the period before surging in September after its government announced aggressive economic stimulus, although doubts remained over the measures' sustainability. Meanwhile, India was strong with a robust domestic macro backdrop and policy reforms, and South Korea and Taiwan were supported by their relatively high weighting to the buoyant technology sector.

New climate records and their impact

- Climate records were broken month after month over the year under review. This summer was the Earth's warmest on record, as well as the warmest across Europe at 1.54 degrees Celsius (°C) above the 1991-2020 long term average. Elsewhere in the US, Las Vegas had its temperature record broken at 49°C. The UK, however, had the coolest summer since 2015 because the jet stream had not moved far enough north. It is not unusual for it to rain in the UK during summer, but it was unusually persistent and a stark contrast to the year before.

- This resulted in more frequent and more severe extreme weather events, which started to have a real impact on people's pockets. For instance, UK home insurance rose 36% in 2023 and between 40-60% in the US, depending on the state. This was due to a rise in house prices and building material and labour costs, as well as a rise in claims from weather-related incidents, including falling roof tiles and sometimes even needing to rebuild entire sections of homes.

- Our belief is that companies that are providing solutions to mitigate climate impacts or helping us adapt to a world of more extreme weather events, have an under-appreciated structural growth opportunity to capitalise on financially, while having a positive impact on society and the planet.

Portfolio changes

- We introduced Veralto, a company that addresses pressing water quality and water efficiency issues in the US. There has been increased spending and improving policy and regulation to resolve the problem of water contamination in the country, of which Veralto is a beneficiary.

- We added semiconductor player ASML, whose technology enables greater processing and output for the same level of energy consumed.

- We bought Hubbell, a solution provider related to power grid efficiency. It has a multi-year growth opportunity as electricity demand doubles and there is greater need for decarbonisation and electricity grid modernisation.

- We initiated Carlisle Companies which provides solutions for energy efficient buildings in the US. Its leading position in a relatively consolidated market enables it to earn superior returns, and increasing regulation and demand for energy efficient buildings support organic growth.

- We initiated Nextracker, the market leader in utility scale solar tracking devices with a large backlog of over US $3bn in orders. Utility scale solar has good demand for the next several years, which Nextracker is uniquely placed to capture in an essentially duopoly market in the US.

- We added WSP Global, the largest environmental consultant globally which has shown consistent growth for over a decade. Given various recently passed green stimulus policies in the US, we believe WSP's backlog will continue to grow, with additional accretive mergers and acquisitions along the way.

- We introduced Coats, a leading provider of recycled fibre and sustainable materials to the apparel and footwear industries, with limited exposure to fast fashion. It has good market share due to its innovative products and the uptick in demand for sustainable clothing and footwear, as well as appealing valuation.

- We initiated BYD, the largest EV manufacturer in the world with a unique cost and scale advantage over its peers. It has a leading position in Plug-in Hybrid Electric Vehicles (PHEV) which we believe are poised for outsized growth. BYD is also looking to increase its share in international markets and more premium vehicles with a significantly higher margin.

- We bought Novonesis, a global leader in industrial enzymes that extend product shelf-life and improve the taste and texture of food items. We believe revenue and cost synergies could follow the creation of the company which is a merger between Chr. Hansen and Novozymes.

- We added Taiwan Semiconductor Manufacturing Company, the global foundry producing the most advanced semiconductor chips in the world with a monopoly in production. It enables significantly more efficiency in semiconductors.

- We sold Darling Ingredients as the outlook for profitability from renewable fuels in the medium term was weaker than expected due to less supportive regulatory developments and excess competition.

- We divested Hannon Armstrong Sustainable Infrastructure Capital on concerns that the it may be unable to deliver good returns.

for the year ended 30 September 2024

Markets overview for the year ended 30 September 2024 (continued)

- We exited North American aluminum can maker Crown Holdings as it reported weak results and poor guidance for the year. We also sold Ameresco due to disappointment in its ability to deliver contracts on time and to budget.

- We sold Alfen after yet another misstep from the relatively young company with limited visibility on growth and weakening fundamentals. The announcement of yet another management change also weakened our conviction.

- We sold renewable developer Orsted as we lacked confidence in its execution after several mishaps and the shares still pricing in solid execution of the company’s backlog.

- We divested Nextera Energy Partners as it continued to face a tough funding environment with elevated risks which were particularly heightened due to the presidential election this year.

- We exited European battery materials player Umicore because of several management missteps and weakening confidence in its strategy.

- We divested ReNew Energy Global, the leading renewable power company in India. Its rapid growth led to concerns over cash generation and a weakening balance sheet. Asset performance was more volatile than expected too.

- We sold dsm-firmenich, formed through a merger between Firmenich and DSM. The group’s restructuring activities meant that its impactful products no longer met our threshold for inclusion in the Fund.

Outlook

- Macroeconomic factors remain at large, with investors scrutinising the latest data and trying to predict when a pause or pivot in the direction of interest rates might occur. The Chinese economy continues to be vulnerable and geopolitical pressures persist globally. Recessionary concerns have reduced but also stay all too present as global growth stagnates against a backdrop of elevated inflationary pressures.

- We use a unique five-pillar framework that ensures that we invest across the entire opportunity set. This allows for the construction of a diversified portfolio and enables us to allocate capital to the areas where solution providers will have the most positive impact on climate change. The increased cost pressures across the economy only serves to enhance opportunities for the portfolio over the medium to long term.

Comparative table

Change in net asset per unit for the year ending	Accumulation Units 30 September 2024 (p)	30 September 2023 (p)	30 September 2022 (p)
Opening net asset value per unit	140.98	143.06	160.93
Return before operating charges[1]	23.26	(0.59)	(15.89)
Operating charges	(1.20)	(1.49)	(1.98)
Return after operating charges	22.06	(2.08)	(17.87)
Distributions	(0.70)	(0.67)	(1.58)
Retained distributions on accumulation units	0.70	0.67	1.58
Closing net asset value per unit	163.04	140.98	143.06
[1]After direct transaction costs of	(0.09)	(0.08)	(0.27)
Performance			
Return after charges (%)	15.65	(1.45)	(11.10)
Other information	**30 September 2024**	**30 September 2023**	**30 September 2022**
Closing net asset value (£)	138,177	127,973,118	99,680,012
Closing number of units	84,749,269	90,772,634	69,676,402
Operating charges (%)[2]	0.78[3]	1.00	1.25
Direct transaction costs (%)	0.06	0.05	0.17
Prices for the accounting year			
Highest unit price (p)	166.64	159.59	170.42
Lowest unit price (p)[4]	132.53	140.91	143.98

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

[2] The Operating charges 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.

[3] Effective 6 January 2024, the Annual Management Charge (AMC) changed from 1.00% to 0.70%, leading to a reduction in the Operating Charges Figure (OCF). The OCF of 0.78% includes the weighted average AMC for the reporting period.

[4] 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 2024

Holding	Stock description	Market Value £'000	% of Net Assets
	United Kingdom Equities 10.72% (2023 - 8.76%)		
38,774	AstraZeneca	4,492	3.25
4,293,074	Coats	4,302	3.11
29,477	Croda International	1,243	0.90
253,476	SSE	4,773	3.46
		14,810	**10.72**
	Overseas Equities 88.50% (2023 - 89.58%)		
	Belgium Equities 0.00% (2023 - 1.61%)		
	Canada Equities 2.84% (2023 - 0.00%)		
29,722	WSP Global	**3,923**	**2.84**
	China Equities 2.44% (2023 - 0.00%)		
124,000	BYD	**3,378**	**2.44**
	Denmark Equities 5.33% (2023 - 8.04%)		
27,086	Novo Nordisk	2,378	1.72
41,134	Novonesis (Novozymes) B	2,223	1.61
167,478	Vestas Wind Systems	2,762	2.00
		7,363	**5.33**
	France Equities 6.68% (2023 - 7.62%)		
11,184	L'Oreal	3,741	2.71
27,944	Schneider Electric	5,489	3.97
		9,230	**6.68**
	Germany Equities 1.16% (2023 - 1.36%)		
71,637	Jungheinrich	**1,607**	**1.16**
	India Equities 0.00% (2023 - 1.80%)		
	Ireland Equities 10.08% (2023 - 8.49%)		
18,106	Accenture	4,770	3.45
49,927	Kingspan	3,500	2.53
19,538	Trane Technologies	5,659	4.10
		13,929	**10.08**
	Netherlands Equities 2.43% (2023 - 0.59%)		
5,415	ASML	**3,359**	**2.43**
	South Korea Equities 0.73% (2023 - 2.13%)		
4,654	Samsung SDI	**1,004**	**0.73**

as at 30 September 2024

Holding	Stock description	Market Value £'000	% of Net Assets
	Switzerland Equities 0.00% (2023 - 2.96%)		
	Taiwan Equities 1.51% (2023 - 0.00%)		
16,167	Taiwan Semiconductor Manufacturing ADR	**2,093**	**1.51**
	United States Equities 55.30% (2023 - 54.98%)		
39,021	Advanced Drainage Systems	4,571	3.31
39,094	American Water Works	4,262	3.08
37,602	Analog Devices	6,452	4.67
21,764	Autodesk	4,469	3.23
13,541	Carlisle Companies	4,541	3.29
13,397	Deere	4,168	3.02
24,876	Ecolab	4,734	3.43
5,793	Equinix	3,834	2.78
213,573	Graphic Packaging	4,710	3.41
10,398	Hubbell	3,320	2.40
22,714	Microsoft	7,282	5.27
51,194	Nextracker	1,429	1.03
41,121	Prologis	3,871	2.80
181,905	Tetra Tech	6,389	4.62
43,565	Veralto	3,632	2.63
26,667	Waste Management	4,124	2.99
34,088	Westinghouse Air Brake Technologies	4,618	3.34
		76,406	**55.30**
	Portfolio of investments (2023 - 98.34%)	**137,102**	**99.22**
	Net other assets (2023 - 1.66%)	**1,075**	**0.78**
	Total net assets	**138,177**	**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 2023.

Total purchases and sales of investments

for the year ended 30 September 2024

The table below shows the total amount of purchases and sales during the year.

Purchases	Cost £'000
ASML	4,260
Carlisle Companies	3,852
Coats	3,715
WSP Global	3,632
BYD	2,920
Hubbell	2,764
Veralto	2,727
Nextracker	2,173
Novonesis (Novozymes) B	2,112
Taiwan Semiconductor Manufacturing	2,107
Vestas Wind Systems	1,950
Prologis	1,156
Kingspan	904
Wabtec	886
Accenture	772
Deere	750
Microsoft	108
Tetra Tech	101
Analog Devices	92
Schneider Electric	75
Other Purchases	**835**
Total for the year	**37,891**

Sales	Proceeds £'000
DSM-Firmenich	5,389
Crown	4,577
Novo Nordisk	4,537
Orsted	3,422
Darling Ingredients	2,756
Schneider Electric	2,714
Tetra Tech	2,369
ReNew Energy Global	2,331
Ameresco	2,250
NextEra Energy Partners LP	1,544
Umicore	1,525
Croda International	1,386
Equinix	1,315
Deere	1,273
Trane Technologies	1,259
Hannon Armstrong Sustainable Infrastructure Capital	1,217
Kingspan	1,131
ASML	1,048
Samsung SDI	946
Graphic Packaging	673
Other Sales	**1,802**
Total for the year	**45,464**

Statement of total return

for the year ended 30 September 2024

	Notes	£'000	2024 £'000	£'000	2023 £'000
Income					
Net capital gains/(losses)	2		18,803		(4,857)
Revenue	3	1,815		1,924	
Expenses	4	(1,050)		(1,234)	
Interest payable and similar charges	5	(2)		-	
Net revenue before taxation		763		690	
Taxation	6	(164)		(67)	
Net revenue after taxation			599		623
Total return before distributions			**19,402**		**(4,234)**
Distributions	7		(608)		(623)
Change in unitholders' funds from investment activities			**18,794**		**(4,857)**

Statement of change in unitholders' funds

for the year ended 30 September 2024

	£'000	2024 £'000	£'000	2023 £'000
Opening net assets		**127,973**		**99,680**
Amounts received on issue of units	4,890		41,961	
Amounts paid on cancellation of units	(14,076)		(9,424)	
		(9,186)		32,537
Change in unitholders' funds from investment activities		18,794		(4,857)
Retained distribution on accumulation units		596		613
Closing net assets		**138,177**		**127,973**

Notes to the financial statements are on pages 12 to 23.

Balance sheet

as at 30 September 2024

	Notes	£'000	2024 £'000	£'000	2023 £'000
Assets					
Fixed assets					
Investments			137,102		125,849
Current assets					
Debtors	8	248		4,430	
Cash and bank balances	9	1,008		243	
Total other assets			**1,256**		**4,673**
Total assets			**138,358**		**130,522**
Liabilities					
Investment liabilities			-		-
Creditors					
Other creditors	10	(181)		(2,549)	
Total other liabilities			(181)		(2,549)
Total liabilities			(181)		(2,549)
Net assets			**138,177**		**127,973**
Unitholders' funds			**138,177**		**127,973**

Notes to the financial statements are on pages 12 to 23.

Notes to the financial statements

for the year ended 30 September 2024

1. Accounting policies

(a) Basis of preparation

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

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

(b) Revenue recognition

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

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

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

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

(c) Treatment of stock dividends

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

(d) Special dividends

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

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

(e) Treatment of expenses

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

(f) Distribution policy

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

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

(g) Equalisation

Equalisation applies only to Group 2 units, being units that were purchased during the distribution periods (as detailed on page 24). 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

Listed investments are valued at bid market value, at close of business on the last working day of the accounting year. Where applicable, investment valuations exclude any element of accrued revenue.

All purchases and sales are accounted for on trade date.

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 2024

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 mark to market value.

for the year ended 30 September 2024

2. Net capital gains/(losses)

Net capital gains/(losses) during the year comprise:	2024 £'000	2023 £'000
Gains/(losses) on non-derivative securities	18,765	(4,788)
Currency exchange losses	(6)	(70)
Property gains on US REITs	44	1
Net capital gains/(losses)	**18,803**	**(4,857)**

3. Revenue

	2024 £'000	2023 £'000
Bank interest	17	18
Overseas dividends	1,283	1,321
Stock dividends	95	59
UK dividends	199	312
US REIT dividends	221	189
Taxable non-US overseas REIT dividends	-	25
Total revenue	**1,815**	**1,924**

4. Expenses

	2024 £'000	2023 £'000
Payable to the Manager, associates of the Manager, and agents of either of them:		
Manager's service charge	1,050	1,234
Total expenses	**1,050**	**1,234**

During the year, and the comparative period, the Manager has borne the auditor's fee of £17,482 (2023: £16,083) 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

	2024 £'000	2023 £'000
Interest	2	-
Total Interest	**2**	**-**

for the year ended 30 September 2024

6. Taxation

(a) Analysis of charge in year

	2024 £'000	2023 £'000
Overseas tax	164	67
Total tax charge for the year (see note 6(b))	**164**	**67**

(b) Factors affecting tax charge for the year

	2024 £'000	2023 £'000
The taxation assessed for the year is higher (2023: lower) than the standard rate of corporation tax in the UK for a unit trust which is 20% (2023: 20%). The differences are explained below:		
Net revenue before taxation	763	690
Corporation tax at 20% (2023: 20%)	153	138
Effects of:		
Capitalised income subject to tax	9	-
Movement in unrecognised tax losses	160	206
Overseas tax	164	67
Relief on overseas tax expensed	(7)	(6)
Revenue not subject to tax	(315)	(338)
Total tax charge for the year (see note 6(a))	**164**	**67**

(c) Deferred taxation

There is no provision required for deferred taxation at the balance sheet date (2023: none).

(d) Factors that may affect future tax charges

At 30 September 2024 the Fund had tax losses of £18,564,747 (2023: £17,762,706). 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 £3,712,949 (2023: £3,552,541) has not been recognised.

for the year ended 30 September 2024

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:

	2024 £'000	2023 £'000
Interim	133	157
Final	463	456
	596	613
Add: revenue deducted on cancellation of units	20	12
Less: revenue received on creation of units	(8)	(2)
Net distribution	**608**	**623**
Reconciliation of distributions:		
Net revenue after taxation	599	623
Capitalised income subject to tax	9	-
Net distribution	**608**	**623**

8. Debtors

	2024 £'000	2023 £'000
Accrued revenue	82	82
Amounts receivable on open currency contracts	13	2,104
Overseas tax recoverable	153	164
Sales awaiting settlement	-	2,080
Total debtors	**248**	**4,430**

9. Cash and bank balances

	2024 £'000	2023 £'000
Cash and bank balances	1,008	243
Total cash and bank balances	**1,008**	**243**

10. Other creditors

	2024 £'000	2023 £'000
Accrued expenses	81	228
Amounts payable for redemption of units	87	208
Amounts payable on open currency contracts	13	2,113
Total creditors	**181**	**2,549**

for the year ended 30 September 2024

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 £81,340 (2023: £228,487).

12. Capital commitments and contingent liabilities

At 30 September 2024, the Fund had no capital commitments and no contingent liabilities (2023: none).

13. Financial risk management, derivatives and other financial instruments

(a) Financial risk management

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

Risk	**Risk definition**	**Risk background and significance**	**Mitigation technique**	**Quantitative analysis**
1) Market risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: other price risk, currency risk and interest rate risk.	See below.	See below.	See below.
1a) Other price risk	This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk and currency risk), whether those changes are caused by factors specific to individual financial instruments or its issuer, or other factors affecting similar financial instruments traded in the market.	Other price risk arises from uncertainty about future prices of financial instruments the Fund holds. It represents the potential gains/losses the Fund might experience through changes to the prices of its underlying investments arising from factors other than interest rates or exchange rates.	The Investment Adviser (abrdn Investments Limited) considers any market movements during its regular reviews of the performance of the Fund portfolio and when assessing which holdings to sell and which potential holdings to purchase. The Manager also carries out regular monitoring of the performance of the Fund. The Investment Adviser only selects portfolio holdings which are in-line with the investment objective of the Fund and the Manager carries out a separate regular review of the portfolio holdings to ensure they are in-line with the investment objective and that all relevant regulations are being met.	See 13(b).

for the year ended 30 September 2024

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

(a) Financial risk management (continued)

Risk	Risk definition	Risk background and significance	Mitigation technique	Quantitative analysis
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 13(c) and 13(d).
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 13(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.

for the year ended 30 September 2024

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

(a) Financial risk management (continued)

Risk	Risk definition	Risk background and significance	Mitigation technique	Quantitative analysis
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 £6,855,000 (2023: net capital losses to decrease by £6,292,000) and the net asset value to increase by £6,855,000 (2023: £6,292,000).

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

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

The counterparty exposure of non-exchange traded derivatives as at 30 September 2024 was nil (2023: nil).

(d) Currency exposures

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

As at 30 September 2024 the Fund had the following net currency exposure:

Currency	**Net foreign currency assets/(liabilities)**		
	Monetary exposures 2024 £'000	**Non-Monetary exposures 2024 £'000**	**Total 2024 £'000**
Canadian Dollar	-	3,928	3,928
Danish Krone	-	7,397	7,397
Euro	-	17,816	17,816
Hong Kong Dollar	-	3,378	3,378
Korean Won	-	1,004	1,004
US Dollar	47	88,970	89,017
Total	**47**	**122,493**	**122,540**

for the year ended 30 September 2024

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

(d) Currency exposures (continued)

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

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

Currency sensitivity

The following tables illustrate the sensitivity of the return and net assets of the Sub-fund to a 5% (30/09/2023: 5%) strengthening or weakening of its base rate currency against other currencies to which there is significant exposure to. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis assumes all other variables are held constant.

30 September 2024

Currency	**Total Exposure £'000**	**Impact of a 5% weakening of base currency £'000**	**Impact of a 5% strengthening of base currency £'000**
Euro	17,816	938	(848)
US Dollar	89,017	4,685	(4,239)

30 September 2023

Currency	**Total Exposure £'000**	**Impact of a 5% weakening of base currency £'000**	**Impact of a 5% strengthening of base currency £'000**
Euro	21,341	1,123	(1,016)
US Dollar	80,472	4,235	(3,832)

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

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates (2023: nil).

for the year ended 30 September 2024

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

(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.

(g) Fair value hierarchy

Valuation technique

	Assets 2024 £'000	Liabilities 2024 £'000	Assets 2023 £'000	Liabilities 2023 £'000
Level 1^	137,102	-	125,849	-
Level 2^^	-	-	-	-
Level 3^^^	-	-	-	-
	137,102	**-**	**125,849**	**-**

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

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

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

(h) Leverage

The Fund did not employ any significant leverage during the year (2023: none).

for the year ended 30 September 2024

14. Portfolio transaction costs

Analysis of total trade costs:

Total transaction cost expressed as a percentage of asset class:

	Purchases		Sales	
	2024 **£'000**	**2023** **£'000**	**2024** **£'000**	**2023** **£'000**
Equity instruments	37,842	58,140	45,492	25,505
Trades in the year before transaction costs	**37,842**	**58,140**	**45,492**	**25,505**
Commissions				
Equity instruments	18	13	(26)	(10)
Total commissions	**18**	**13**	**(26)**	**(10)**
Taxes				
Equity instruments	31	39	(2)	(1)
Total taxes	**31**	**39**	**(2)**	**(1)**
Total costs	**49**	**52**	**(28)**	**(11)**
Total net trades in the period after transaction costs	**37,891**	**58,192**	**45,464**	**25,494**

	Purchases		Sales	
	2024 **%**	**2023** **%**	**2024** **%**	**2023** **%**
Commissions				
Equity instruments	0.05	0.02	0.06	0.04
Taxes				
Equity instruments	0.08	0.07	-	-

Total transaction cost expressed as a percentage of average NAV:

	2024 **%**	**2023** **%**
Commissions	0.03	0.02
Taxes	0.03	0.03
Total	**0.06**	**0.05**

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

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

for the year ended 30 September 2024

14. Portfolio transaction costs (continued)

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

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.07% (2023: 0.06%).

15. Unit reconciliation

	2024
Reconciliation of the unit movements in the year	
Opening units in issue	90,772,634
Creations during the year	3,082,156
Cancellations during the year	(9,105,521)
Closing units in issue	**84,749,269**

Distribution Table

for the year ended 30 September 2024

Interim distribution

Group 1: Units purchased prior to 1 October 2023

Group 2: Units purchased from 1 October 2023 to 31 March 2024 inclusive

	Net revenue (p)	Equalisation* (p)	Distribution paid 31.05.2024 (p)	Distribution paid 31.05.2023 (p)
Accumulation units				
Group 1	0.1524	-	0.1524	0.1672
Group 2	0.1314	0.0210	0.1524	0.1672

Final distribution

Group 1: Units purchased prior to 1 April 2024

Group 2: Units purchased from 1 April 2024 to 30 September 2024 inclusive

	Net revenue (p)	Equalisation* (p)	Distribution paid 30.11.2024 (p)	Distribution paid 30.11.2023 (p)
Accumulation units				
Group 1	0.5467	-	0.5467	0.5022
Group 2	0.2709	0.2758	0.5467	0.5022

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

Statement of the Manager's responsibilities

for the year ended 30 September 2024

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

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

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

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

Paula Moore
Director

Jonathan Byrne
Director

29 January 2025

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

Opinion

We have audited the financial statements of the Trust for the year ended 30 September 2024 which comprise the Statement of Total Return, the Statement of change in unitholders' funds, the Balance Sheet, the Related Notes and Distribution Tables for the Trust and the accounting policies set out on pages 12 to 13.

In our opinion, the Trust's financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of the Trust as at 30 September 2024 and of the net revenue and the net capital gains/(losses) on the property of the Trust for the year then ended; and

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

Basis for opinion

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

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

Going concern

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

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

Our conclusions based on this work:

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

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

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

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

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

- Reading board minutes.

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

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

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

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

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

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

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

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

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

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

Other information

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

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

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

Matters on which we are required to report by exception

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

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

Manager's responsibilities

As explained more fully in their statement set out on page 25, the Manager is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

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

This report is made solely to the Trust's unitholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') issued by the Financial Conduct Authority under section 247 of the Financial Services and Markets Act 2000. Our audit work has been undertaken so that we might state to the Trust's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Wiqas Qaiser
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
20 Castle Terrace
Edinburgh
EH1 2EG
29 January 2025

Manager's remuneration (unaudited)

for the year ended 30 September 2024

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 were provided from Virgin Money UK PLC and also from abrdn plc (previously one of 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.

Employee Remuneration Disclosure

The table below provides an overview of the following:

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

This broadly includes senior management, decision makers and control functions. VMUTM has no employees. For the purpose of this disclosure, Code Staff includes individuals employed by Virgin Money UK PLC or abrdn plc who were seconded full-time to VMUTM.

In 2023 the VMUTM secondees from both Virgin Money UK PLC and abrdn plc had a performance period running from 1 January to 31 December each year. Amounts shown below reflect payments made from 1 January 2023 to 31 December 2023 inclusive.

The Virgin Money Climate Change Fund

Reporting period: 02/10/2023 - 01/10/2024	Headcount	Total Remuneration £'000[1]	Proportion relevant to the Virgin Money Climate Change Fund £'000[2]
VMUTM Code Staff[3]	16		
Total remuneration		2,038	72
of which			
Fixed remuneration		1,560	55
Variable remuneration		478	17

[1] These figures represent the total remuneration paid by VMUTM to Code Staff as defined in note 3.
[2] These figures represent the proportion of the amounts in the previous column, based on the average assets under management of the Virgin Money Climate Change Fund in 2023 compared to the average total assets under management in 2023 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, previously, abrdn plc (these directors were not remunerated for carrying out this role, which is an immaterial part of the work they did 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.

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

for the year ended 30 September 2024

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

29 January 2025

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