



The Virgin Stakeholder Pension Scheme

Final Report and Financial Statements
For the year ended 15 December 2022

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Management and professional services

Manager (the 'Manager')

Virgin Money Unit Trust Managers Limited
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Directors:

S. Bruce	(Resigned 30 June 2022)
J. Byrne	
H. Chater	
D. Mouille	(Appointed 30 June 2022)
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M. Phibbs	
D. Taylor	
S. Wemyss	

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Authorised and regulated by the Financial Conduct Authority.

Investment adviser

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Authorised and regulated by the Financial Conduct Authority.

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Essex
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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

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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 of the Fund has changed its name from Aberdeen Asset Managers Limited to abrln Investments Limited with effect from 25th November 2022.

Manager's investment report

For the year ended 15 December 2022

Overview of The Virgin Stakeholder Pension Scheme (the "Scheme")

The Virgin Stakeholder Pension Scheme is an umbrella unit trust based pension scheme offering a range of seven pension feeder funds to provide unitholders with choice and flexibility. Unitholders can invest directly through one or more of the funds, or through the default Glidepath lifestyle approach. Each pension feeder fund invests solely in one other Virgin authorised unit trust, safeguarded by independent trustees.

The Scheme is categorised as an authorised Non-UCITS¹ retail scheme (feeder NURS) under the Financial Services and Markets Act 2000. The underlying Virgin unit trusts (qualifying master schemes) are categorised as authorised UK UCITS unit trusts under the Financial Conduct Authority (FCA) Collective Investments Schemes Sourcebook. The Manager of the Scheme, the pension feeder funds and the qualifying master schemes is Virgin Money Unit Trust Managers Limited (the 'Manager'). The Trustee of the Scheme, the pension feeder funds and the qualifying master schemes is Citibank UK Limited (the 'Trustee').

Pension Funds within the Scheme

The Scheme offers the following seven pension funds:

- > **The Virgin Money Pension Growth Fund 3** (invested in the Virgin Money Growth Fund 3)
- > **The Virgin Money Pension Defensive Fund** (invested in the Virgin Money Defensive Fund)
- > **The Virgin Money Pension Bond Fund** (invested in the Virgin Money Bond Fund)*
- > **The Virgin Money Pension Growth Fund 1** (invested in the Virgin Money Growth Fund 1)
- > **The Virgin Money Pension Growth Fund 2** (invested in the Virgin Money Growth Fund 2)
- > **The Virgin Pension Growth Fund** (invested in the Virgin UK Index Tracking Trust)
- > **The Virgin Pension Global Share Fund** (invested in the Virgin Global Share Fund)

The largest fund within the Scheme is the Virgin Money Pension Growth Fund 3. In the default Glidepath approach, contributions are initially invested in the Virgin Money Pension Growth Fund 3 and then, starting from age 51 over a 15 year period, some of this investment is moved into the Virgin Money Pension Defensive Fund. The majority of Scheme unitholders are invested in the default Glidepath approach. The other funds are available for Scheme unitholders who have chosen a tailored investment approach.

Details of the individual investment objectives, policy and strategy for each NURS feeder fund are on pages 13 to 24. Half-yearly and annual long reports for the Qualifying Master Schemes can be found online in the Personal Pension section of myvirginmoney.com under the header 'Helpful information', or free on request to the Manager.

The Scheme only offers accumulation unit classes to investors in each of the funds as this aligns to the overall investment objective of the Scheme, which is to achieve capital growth. As a consequence any investment income earned is reinvested.

Important Information

The Manager is planning on moving to a new type of pension structure known as a Self Invested Personal Pension (SIPP) later this year. The intention is that the current Virgin Stakeholder Pension Scheme will be closed at that time, and all pension customers will have their savings transferred into the new SIPP. The new SIPP does not require feeder funds, which simplifies operations, and pension investors will be invested directly rather than indirectly as at present. For example, instead of holding units in Virgin Money Pension Growth Fund 3 (which invests 100% into Virgin Money Growth Fund 3), customers will simply invest directly into Virgin Money Growth Fund 3.

The Manager will write to all pension customers before this happens with further details. This is a positive development and it will enable the Manager to add new functionality such as flexible drawdown. There will be no change in how customers are invested or the costs, but the new structure will allow the Manager to improve the overall service and experience. If the planned activity were not to take place, the Scheme would remain viable on an ongoing basis.

Further reference to this can be found in the review of value on page 9.

¹ Undertakings in Collective Investments in Transferable Securities (UCITS) that are established in accordance with the European Parliament and Council Directive of 13 July 2009 (No. 2009/65/EC). Where a scheme is authorised but not established in accordance with this Directive it is a Non-UCITS scheme.

* The Virgin Money Bond Fund and the Virgin Money Pension Bond Fund changed name on 01 December 2022; they were previously known respectively as the Virgin Money Bond and Gilt Fund and the Virgin Money Pension Bond and Gilt Fund. Further reference to this can be found in the review of value on page 9.

Manager's investment report

For the year ended 15 December 2022

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 impact of the conflict was captured within market prices as at 15 December 2022, the year end of the Virgin Stakeholder Pension Scheme, the outlook for many capital markets remains volatile, and the net asset value of the Fund has fluctuated since the year-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.

Manager's investment report

For the year ended 15 December 2022

Summary of Performance in the Year Ended 15 December 2022

Fund	Change in Net Asset Value per Unit	Total Income Accumulation per Unit
The Virgin Money Pension Growth Fund 3 (invested in the Virgin Money Growth Fund 3)	-7.36%	1.2876p
<i>Auto Enrolment Accumulation units²</i>	-7.27%	1.4044p
The Virgin Money Pension Defensive Fund (invested in the Virgin Money Defensive Fund)	-8.89%	0.8106p
<i>Auto Enrolment Accumulation units²</i>	-8.88%	0.8168p
The Virgin Money Pension Bond Fund (invested in the Virgin Money Bond Fund)	-17.22%	2.4079p
<i>Auto Enrolment Accumulation units²</i>	-17.14%	0.8960p
The Virgin Money Pension Growth Fund 1 (invested in the Virgin Money Growth Fund 1)	-8.86%	0.9163p
The Virgin Money Pension Growth Fund 2 (invested in the Virgin Money Growth Fund 2)	-7.52%	1.4462p
The Virgin Pension Growth Fund (invested in the Virgin UK Index Tracking Trust)	2.70%	11.5337p
<i>Auto Enrolment Accumulation units²</i>	2.70%	4.1273p
The Virgin Pension Global Share Fund (invested in the Virgin Global Share Fund)	-6.45%	2.7136p

² Auto-Enrolment units are only available to customers who are automatically enrolled into The Virgin Stakeholder Pension Scheme under Automatic Enrolment Workplace Pension Scheme Legislation.

Manager's investment report

For the year ended 15 December 2022

Markets overview for the 12 months to 15 December 2022

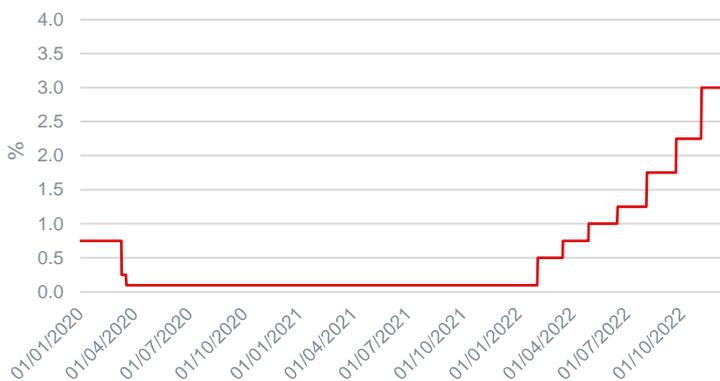
Each fund in the Scheme has its own investment strategy. This means each fund will perform differently depending on external and economic factors during the period.

It was a particularly tough year for investors, marked by a highly unusual twin sell-off in global stock and bond markets. Fears over the world economy, amid high inflation in many countries and surging interest rates, replaced initial post-pandemic investor optimism. Prices were already climbing sharply before Russia invaded Ukraine in February, which caused energy prices to soar.

Inflation bites

- Labour shortages, supply-chain issues and rebounding demand after the pandemic lockdowns initially stoked inflation. Price pressures were made much worse by Russia's invasion of Ukraine in February. Reduced energy and commodity supplies and strict sanctions against Russia sent energy and food prices even higher. This led to cost-of-living crises in many countries.
- Central banks responded to high inflation levels in Western economies by raising interest rates in an increasingly aggressive fashion. The US Federal Reserve, the most influential central bank, increased its key interest rate by 0.25% in March, its first rate hike since 2018. It then followed with a series of larger rate rises, ending the year at 4.50%. Inflation showed signs of receding late in the year, although further US interest rate rises are expected.
- The Bank of England was the first major central bank to raise interest rates since the pandemic. It increased its base rate from 0.10% to 0.25% in December 2021 and followed with several more consecutive rate increases finishing the year at 3.50%, as UK annual consumer price inflation climbed steadily to hit a 41-year high. Despite rising inflation in Europe, the European Central Bank (ECB) initially kept its main interest rate unchanged at emergency low levels. It finally raised rates by 0.50% in July and followed with sizeable rate rises in September, November and December as the central bank also sought to tame inflation. The ECB ended 2022 with an interest rate of 2.00%.

Bank of England Base Rate



Source: Lipper

- Higher energy prices were a major source of inflation and the main cause of the cost-of-living crisis. Before falling later, oil prices hit 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. Natural gas prices also surged. European countries scrambled to build their gas reserves ahead of the European winter as Russia curtailed supplies to Western Europe.

Brent Oil Prices



Source: Lipper

Stock markets struggled in 2022

- It was a challenging year for global stock markets with few bright spots. Investors had to contend with high inflation, including record energy prices, as well as rapidly rising interest rates, Russia's invasion of Ukraine and a slowing Chinese economy, which was hurt by the Chinese government's strict zero-Covid policy. Expectations of a global economic slowdown grew as interest rates climbed. Signs that global inflation pressures may be easing brought some relief to global stock markets in the final quarter of 2022.
- The UK stock market, as represented by the FTSE All-Share Index, proved resilient and rose over the 12-month period, outperforming many of its international counterparts. It is home to many defensive stocks, such as consumer staples and healthcare companies, as well to many energy and mining companies, whose share prices benefited from high commodity prices. The weakness of the pound against the US dollar also boosted the earnings of the many large international companies in the FTSE 100 Index.
- US share prices fell significantly in dollar terms, but a strong US currency and a weak pound led to a flat return from US stocks for sterling-based investors. A combination of higher interest rates and surging inflation – due in part to a booming jobs market – caused US share prices to drop from January onwards, although they recovered some ground in the fourth quarter. Growth-focused stocks, such as technology companies, which are especially sensitive to higher interest rates, were among the biggest losers.
- European shares, as measured by the FTSE World Europe ex UK Index, fell sharply over the period. The region's stock markets were buffeted by surging inflation, higher interest rates

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and the shock of the Ukraine war, with its accompanying blow to European energy supplies.

- Stock markets in the Asia Pacific (excluding Japan) region fell sharply over the 12-month period in local-currency terms but by less in sterling terms. A strong US dollar and fears that the world economy may be tipped into a recession by interest rate hikes hurt Asian shares.
- Emerging market stocks also performed poorly over the 12-month period. Chinese stock markets fell heavily as the Chinese economy was disrupted by the government's strict zero-Covid policy. Stresses in the country's heavily indebted property market also weighed on share prices, as did geopolitical tensions with the US. The Chinese government dropped the zero-Covid policy in December, which helped Chinese stock markets to rally in the final quarter.

Inflation and rising rates hit bond markets

- Government bonds endured a highly challenging 12 months overall. Following years of ultra-low interest rates, a series of rate rises by central banks, including the Bank of England, aimed at driving down inflation caused a major fall in global bond markets. The winding up of bond-buying stimulus programmes added to the downward pressure on bond prices.
- Corporate bonds fell heavily on a combination of escalating inflation, rising interest rates and worries about the health of the global economy.
- UK bond markets suffered unprecedented turbulence in late September after a badly received mini-Budget by the short-lived Truss government. Calm was restored after the proposed package of tax cuts was reversed and former chancellor Rishi Sunak replaced Liz Truss as prime minister.

Manager's investment report

For the year ended 15 December 2022

Assessment of Value

Our investment options

The Scheme offers seven pension funds (see the table below):

Pension Fund	Default Fund for Glidepath	Underlying Fund in which the Pension Fund invests	Publication date for Assessment of Value for the underlying Fund
Virgin Money Pension Growth Fund 3	Yes	Virgin Money Growth Fund 3	30 Nov 23
Virgin Money Pension Defensive Fund	Yes	Virgin Money Defensive Fund	30 Nov 23
Virgin Money Pension Bond Fund	No	Virgin Money Bond Fund	1 Feb 23
Virgin Money Pension Growth Fund 1	No	Virgin Money Growth Fund 1	30 Nov 23
Virgin Money Pension Growth Fund 2	No	Virgin Money Growth Fund 2	30 Nov 23
Virgin Pension Growth Fund	No	Virgin UK Index Tracking Trust	15 Jul 23
Virgin Pension Global Share Fund	No	Virgin Global Share Fund	30 Nov 23

In keeping with Financial Conduct Authority (FCA) rules, we carry out an assessment for the scheme to see whether it provides value for our customers.

We do not make a separate charge for investing via the pension scheme, rather each fund that the pension invests in has its own charges which vary from fund to fund. Each fund has its own annual value review, which we publish online in their respective Report & Accounts.

This review focuses on features specific to the Pension. Below is a summary of our findings in relation to the 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.

Manager's investment report

For the year ended 15 December 2022

Performance

Consideration	Our summary findings
Customer Value	<p>Most of our pension savers opt for our Glidepath strategy, which automatically adjusts how you are invested based on age. The current Glidepath was introduced in 2020, and uses two of our newest funds, Growth Fund 3 (GF3) and the Defensive Fund.</p> <p>Since its introduction in Nov 2020 up until end Feb 2023, GF3 has returned +14.3% but the Defensive Fund has fallen by 5.6%. Most pension savers will have experienced growth during this period, but at a lower rate than previous years due to market conditions.</p> <p>Looking back at 2022, the Defensive Fund fell by 9.4%. The bonds it invests in fell in value due to rising inflation and interest rates – rising interest rates make the income payable on bonds already in issuance less attractive. Interest rates in the UK rose from 0.50% at the start of the year to 4.0% (as at Feb '23), the fastest increase since the late 1980s. The Defensive Fund, despite falling 9.5%, protected investors from the worst of the falls within bond markets due to its defensive nature and focus on shorter maturity bonds. The Virgin Money Bond Fund (previously used within Glidepath before the changes in 2020) fell by 18% over the same period, whilst long-dated UK Government Bonds (Gilts with 15 years plus to maturity) fell an unprecedented 40% in 2022!</p> <p>GF3 fell by 8.8% in 2022, with global share markets falling due to the war in Ukraine exacerbating supply problems, energy costs, and concerns around the outlook for the global economy. Our Global Share Fund performed slightly better with a decline of 6.7%.</p> <p>In contrast, the Pension Growth Fund which invests in our UK Index Tracker Fund was flat in 2022, which was a good result compared to other share markets around the world. The UK stock market has relatively high allocation to companies that perform well in inflationary conditions, such as the oil & gas companies and materials sector. Also rising interest rates was a positive for the UK banking sector, helping offset losses from other sectors.</p>
Market Context	<p>As described above, most bond and share markets have had a tough time over the last year. We compare how our funds have performed against other similar funds, and most of our funds have performed relatively well.</p> <p>Whilst the Defensive Fund and Growth Fund 3 (our Glidepath funds) returned -9.4% and -8.8% in 2022, the average fund within their peer group returned -11.0% and -9.6% respectively.</p> <p>The advantage of our Glidepath is that pension savers need not worry about whether they should make changes to which funds they hold. Reacting to short-term market events can lock in losses, and it is usually better to ride out the inevitable ups and downs by focussing on the long-term, which Glidepath does automatically.</p>
Scope for Improvement	<p>All funds accessible within the Pension except Global Share have been rated Green for performance within their individual annual value assessments. A program of work has commenced to enhance the Global Share Fund and we expect to implement these changes in 2023.</p> <p>We also plan to conduct a review of Glidepath later this year, just to check whether it is as good as it can be, and what changes, if any, we might wish to make.</p>

Manager's investment report

For the year ended 15 December 2022

Cost

Consideration	Our summary findings
Customer Value	<p>There is no separate charge for investing via the pension. The cost of investing is all within the fund(s) you choose, and this differs from fund to fund.</p> <p>Each fund is subject to its own annual value review, to ensure they continue to offer value for money. Over the course of the year, we have assessed all funds, and have made some changes to further improve value.</p> <p>Most of our pension savers invest via Glidepath, which moves money between two funds: Growth Fund 3 and Defensive. We reduced the cost of investing in GF3 from 0.85% to 0.75% in January 2023, as well as Growth Funds 1 and 2 and Global Share Fund which are available outside of Glidepath.</p> <p>In addition to these cost reductions, we have been busy rolling out improvements to how the funds are managed from an environmental, social and governance (ESG) perspective. We made changes to the Bond Fund in Dec '22, the three Growth Funds in Feb '23, and are working towards similar improvements to our other funds through the remainder of this year.</p> <p>We believe all funds within the pension continue to offer good value for money, especially following implementation of the above ESG changes. You can read about these changes on our website.</p>
Market Context	<p>For our Growth Funds 1-3, we note that cost is above average (by about 0.10% per year) compared against passive multi-asset funds, but below average (by about 0.15% per year) when compared against both passive and active multi-asset funds.</p> <p>We think this is about right, when considering our global strategy, dynamic management of the asset mix, and the ESG enhancements described above.</p> <p>For the Pension Growth Fund which invests in UK Index Tracker, the cost is slightly above average compared to other funds tracking the FTSE All Share Index, but we plan to enhance the fund from an ESG perspective as a way of enhancing value.</p> <p>For the Bond Fund, we note that the annual cost is below average compared to other similar bond funds. In December '22 we made changes to the fund to give it more flexibility in what bonds it invests in, including ESG integration, and believe the fund is fairly priced.</p>
Scope for Improvement	<p>Roll out of further ESG enhancements to the fund range as described above.</p> <p>As mentioned below, we are looking at changing the administrator of the pension which will provide better digital functionality. At this time we also plan on splitting the cost of each fund from the cost of the administration (this will make it easier to compare our fund charges, and the cost of supporting services, with other providers where unbundled charges are the norm).</p>

Manager's investment report

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Service

Consideration	Our summary findings
Customer Value	<p>We want to make investing as simple as possible, providing customers with jargon-free material and both online and offline support.</p> <p>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.</p> <p>During 2022 we continued to experience low levels of complaints (0.33 complaints for every 1000 customers) and positive feedback from customers when they interact with our Team.</p>
Market Context	<p>We experienced challenges in Q2/Q3 2022 as a knock-on consequence of staff attrition and working from home during the pandemic. Performance of the call centre has been restored in the later part of the year with the % of calls abandoned at 2% since Sept and over 79% of customers calls answered in less than 10 seconds.</p> <p>Our overall assessment of 'Service' is that over the last 12 months it hasn't always been as good as we would have liked it. We took steps to improve the performance of the customer call centre and are pleased performance improved in the last quarter of the year and we plan to build on that as described below.</p>
Scope for Improvement	<p>We are planning on moving the structure of your pension from the current Stakeholder Pension Scheme to a more modern Personal Pension known as a SIPP (Self Invested Personal Pension). These changes will coincide with a change in administrator, and also new online and mobile functionality. We plan to start rolling out this new functionality later this year and will write to investors with details of the new service in the months ahead. We also plan to add flexible income drawdown functionality to your Pension in the future.</p>

Summary

We've reviewed the key features of the pension and customer service provided to investors. We are confident that the charges remain fair, reflective of the cost reductions detailed above and improvements to how the funds are managed already delivered and scheduled for this year.

However, we know the online experience and mobile device functionality can be improved upon and are working hard on that. We are also working on a new personal pension structure and flexible income drawdown, to replace the Stakeholder Pension Scheme, which we will automatically move all our pension savers into.

We are excited about the changes, and we will re-open the pension to new pension savers too, as we think the overall proposition will stack up well compared to the market. We will write to you with details of the new pension product later this year.

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Investment objectives and strategy of the Funds in the Scheme

The Scheme offers a range of seven pension funds, each of which has its own investment objective, policy and strategy. Each pension fund invests solely in an associated Virgin authorised unit trust with a corresponding investment objective. As a result, the performance of each pension fund is affected by different external market and economic conditions. An overview of each pension fund is provided below. Further details on fund policies and strategy are available in the prospectus for the Master Funds, which is available from the Manager free of charge on request.

Virgin Money Pension Growth Fund 3

The investment objective of the Fund is to invest solely into the Virgin Money Growth Fund 3 (the Master Scheme), an authorised unit trust scheme which is a UK UCITS fund. The investment objective and policy of the Virgin Money Growth Fund 3 is stated below.

Master Scheme Investment Objective

The aim of the Virgin Money Growth Fund 3 is to generate capital growth over the longer term (5 years or more) from a multi-asset portfolio of shares and bonds from around the world (i.e. globally invested). The Fund is the highest risk fund in the Virgin Money Growth range, which offers three funds with different levels of risk and potential return.

Policy and Strategy

The Virgin Money Growth Fund 3 aims to achieve the objective by investing in other funds, rather than investing directly in individual shares and bonds. This means that the Fund is what's often known as a 'fund-of-funds'. The funds which it invests in may be managed by us, our Investment Adviser, or any other authorised fund manager.

The Fund invests:

- > at least 80% in funds that have a higher return potential (compared to other investments in the Fund) – but which carry a higher level of risk, such as shares (from both developed and emerging countries) and higher yielding bonds. This includes company shares, property shares, and higher yielding bonds such as corporate bonds rated by the leading credit agencies as below investment grade (BB or lower); and
- > the rest in funds that have a lower return potential (compared to other investments in the Fund) – but which carry a lower level of risk. This includes government bonds (loans to a government) from developed countries, investment grade corporate bonds (loans to a company) with relatively strong credit ratings (BBB or higher), and cash.

The split between higher and lower risk investments, and the types of investment (for example, geography and types of bonds) are chosen so that risk (measured by how much the Fund's value fluctuates, known as 'volatility') is expected to remain within the range 80% to 100% of the risk of world stock markets over 10 year periods. The Fund uses the MSCI All Countries World Index GBP to represent world stock markets.

The underlying funds are chosen to implement the desired mix of assets as per the bullet points above. Normally at least 80% of the funds that the Fund invests in will be passively managed. This means that they aim to track the performance of a particular share index or bond index. The rest will be actively managed funds – this is where the fund manager chooses individual shares / bonds and as a result returns may be higher (or lower) than the market.

As well as investing in bond and share funds, the Fund may also hold cash or funds investing in cash and money-market investments.

The Fund's mix of investments will be reviewed at least annually, and may change in consideration of the outlook for each investment type, but it will always include at least 80% in funds with higher risk/return potential.

The Fund has undergone a strategy review which will be implemented in February 2023. The new strategy will incorporate Environmental, Social and Governance (ESG) considerations into the investment selection process; this means that the Fund will tilt away from companies with poor ESG ratings and towards those in the same sector with good ratings.

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Policy and Strategy (continued)

We will not invest in companies that:

- > have material revenues (>5%) from tobacco products, thermal coal or unconventional oil and gas
- > are involved in the manufacture or distribution of controversial weapons (such as cluster munitions or anti-personnel landmines) or
- > violate the UN Global Compact principles on human rights, labour, the environment and anti-corruption.

To continue to improve the value we provide customers we are also reducing the ongoing costs of the Fund from 85bps to 75bps from 9th January 2023.

Performance:

Change in net assets value per unit during the year

-7.36% (Auto Enrolment Accumulation units -7.27%).

Total income accumulation per unit for the year

1.2876p (Auto Enrolment Accumulation units 1.4044p).

Commentary

Global stock markets suffered a tough year. US, European and Asian stock markets all fell heavily in the face of soaring inflation, rapidly rising interest rates and worries over a global economic slowdown. Growth-focused US technology stocks, which have performed strongly in recent years, were hit particularly hard by higher interest rates. Elsewhere, Chinese stock markets sold off sharply, partly due to the Chinese government's strict zero-Covid policy and its disruptive effect on the Chinese economy. The government dropped the policy in December. More positively, the UK stock market finished higher for the year, helped by its exposure to large defensive stocks and energy and commodities companies.

Government and corporate bonds recorded heavy losses in the face of the highest inflation rates in decades in many economies and a rapid rise in interest rates after years of record-low rates. The Bank of England was the first major central bank to raise rates since the pandemic when it increased its base rate from 0.15% to 0.25% in December 2021. It followed with several consecutive, and larger, rate increases, as UK annual consumer price inflation climbed to a 41-year high. The Bank of England base rate ended 2022 at 3.50%.

In response to high inflation, the US Federal Reserve, the world's most influential central bank, slowly, and then more aggressively, increased its key interest rate to try and bring prices under control. The central bank increased interest rates by a less aggressive 0.50% in December on signs that US inflation had peaked and was now falling.

Despite rising inflation in Europe, the European Central Bank (ECB) kept its main interest rate unchanged at emergency negative levels for many months. It finally raised rates by 0.50% in July and followed with back-to-back 0.75% hikes in September and October. The ECB ended the year with a more modest 0.50% hike in December as European inflation also looked to have peaked.

The Fund returned -7.36% over the 12-month review period.

Manager's investment report

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Virgin Money Pension Defensive Fund

The investment objective of the Fund is to invest solely into the Virgin Money Defensive Fund (the Master Scheme), an authorised unit trust scheme which is a UK UCITS fund. The investment objective and policy of the Virgin Money Defensive Fund is stated below.

Master Scheme Investment Objective

The Virgin Money Defensive Fund aims to grow investors' money over the medium term (3 years or more) whilst limiting ups and downs in value by investing mainly in assets considered to be lower risk or 'defensive' in nature.

Policy and Strategy

The Virgin Money Defensive Fund aims to achieve the objective by investing in other funds, rather than investing directly in individual bonds and shares. This means that the Fund is what's often known as a 'fund-of-funds'. The funds which it invests in may be managed by us, our Investment Adviser, or any other authorised fund manager.

The Fund invests:

- > at least 75% in funds that have a lower risk and return potential compared to other investments in the Fund. This includes government bonds (loans to a government) from developed countries, investment grade corporate bonds (loans to a company) with relatively strong credit ratings (BBB or higher), and cash;
- > the rest in funds that have a higher return potential compared to other investments in the Fund – but which carry a higher level of risk, such as shares (from both developed and emerging countries) and higher yielding bonds. This includes company shares, property shares, and higher yielding bonds such as corporate bonds rated by the leading credit agencies as below investment grade (BB or lower).

The split between higher and lower risk investments, and the types of investment (for example, geography and types of bonds) are chosen so that risk (measured by how much the Fund's value fluctuates, known as 'volatility') is expected to remain within the range 2% to 5% per year, measured over five year periods.

The underlying funds are chosen to implement the desired mix of assets as per the bullet points above. Normally at least 80% of the funds that the Fund invests in will be passively managed. This means that they aim to track the performance of a particular share index or bond index. The rest will be actively managed funds – this is where the fund manager chooses individual shares / bonds and as a result returns may be higher (or lower) than the market.

As well as investing in bond and share funds, the Fund may also hold cash or funds investing in cash and money-market investments.

The Fund's mix of investments will be reviewed at least annually, and may change in consideration of the outlook for each investment type, but it will always include at least 75% in funds with lower risk/return potential.

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Performance:

Change in net assets value per unit during the year

-8.89% (Auto Enrolment Accumulation units -8.88%).

Total income accumulation per unit for the year

0.8106p (Auto Enrolment Accumulation units 0.8168p).

Commentary

Government and corporate bonds recorded heavy losses in the face of the highest inflation rates in decades in many economies and a rapid rise in interest rates after years of record-low rates.

The Bank of England was the first major central bank to raise rates since the pandemic when it increased its base rate from 0.15 to 0.25% in December 2021. It followed with several consecutive, and larger, rate increases, as UK annual consumer price inflation climbed to a 41-year high. The Bank of England base rate ended 2022 at 3.50%.

In response to high inflation, the US Federal Reserve, the world's most influential central bank, slowly, and then more aggressively, increased its key interest rate to try and bring prices under control. The central bank increased interest rates by a less aggressive 0.50% in December on signs that US inflation had peaked and was now falling.

Despite rising inflation in Europe, the European Central Bank (ECB) kept its main interest rate unchanged at emergency negative levels for many months. It finally raised rates by 0.50% in July and followed with back-to-back 0.75% hikes in September and October. The ECB ended the year with a more modest 0.50% hike in December as European inflation also looked to have peaked.

Global stock markets also suffered a tough year. US, European and Asian stock markets all fell heavily in the face of soaring inflation, rapidly rising interest rates and worries over a global economic slowdown. Growth-focused US technology stocks, which have performed strongly in recent years, were hit particularly hard by higher interest rates. Elsewhere, Chinese stock markets sold off sharply, partly due to the Chinese government's strict zero-Covid policy and its disruptive effect on the Chinese economy. The government dropped the policy in December. More positively, the UK stock market finished higher for the year, helped by its exposure to large defensive stocks and energy and commodities companies.

The Fund returned -8.89% over the 12-month review period.

Manager's investment report

For the year ended 15 December 2022

Virgin Money Pension Bond Fund

The objective and policy of the Fund is to solely invest in the Virgin Money Bond Fund, an authorised unit trust scheme which is a UCITS fund. The investment objective and policy of the Virgin Money Bond Fund following a change on 1st December 2022 is stated below.

Master Scheme Investment Objective

The Virgin Money Bond Fund aims to provide a total return (income and capital growth) over the longer term (5 years or more) by investing mainly in sterling denominated bonds. The Fund aims to match or beat the performance of its benchmark (50% the FTSE 5-15 Year Gilt Index and 50% the ICE Bank of America Merrill Lynch 5-15 Year Non-Gilt Index), after charges, measured over periods of three years or more.

Policy and Strategy

The Virgin Money Bond Fund will invest in:

- > corporate bonds
- > bonds issued by governments and government agencies
- > bonds issued by supranational organisations, such as the European Investment Bank.

All bonds are denominated in sterling.

At least 80% of the Fund's assets will be denominated in sterling or hedged back to sterling. Investment will mainly be directly in individual bonds, but the Fund can also invest up to 20% in other investment funds, which themselves invest in bonds.

Whilst the benchmark (see Objective) provides a starting point, the Investment Adviser has discretion over which bonds to invest in. The Fund can also invest in bonds which aren't part of the benchmark, including non-investment grade bonds (as rated by the leading credit rating agencies). Non-investment grade bonds, often called 'high-yield' bonds, won't exceed 10% of the value of the Fund.

The amount a Fund's returns differ from its benchmark is known as tracking error. It's calculated as the standard deviation of the difference in annual returns. This is low (0% to 0.5%) for index-tracking funds and higher (4%+) for active stock-picking funds. The Fund is expected to have relatively low tracking error of 1-3%, meaning returns will differ from the benchmark, but not by a large amount.

One way in which the Fund will differ from its benchmark is due to some exclusions and Environmental, Social and Governance (ESG) considerations.

- > The Fund won't invest in bonds issued by companies that make more than 5% of their earnings from the manufacture or sale of tobacco products, extraction or processing of thermal coal or unconventional fossil fuels (such as oil sands), and the manufacture of controversial weapons. It also excludes bonds issued by companies that violate the UN Global Compact principles on human rights, labour, the environment and anti-corruption.
- > Using third party data and in-house research, the Fund will compare companies, against others in their industry and/or with similar credit rating / maturity profiles, on a range of ESG measures. Based on this analysis, the Fund will either not invest in companies within the benchmark or increase / decrease the amount it does invest. In this way, we expect the Fund to have a better ESG rating and lower carbon footprint than the benchmark itself.
- > The Fund will engage with companies to encourage better ESG practices and as part of the transition to a low carbon economy. You can read about our 'investor engagement policy' on virginmoney.com

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 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.

Typical Fund Mix

50% in UK Government Gilts and 50% in corporate bonds.

Manager's investment report

For the year ended 15 December 2022

Performance:

Change in net assets value per unit during the year -17.22% (Auto Enrolment Accumulation units -17.14%).

Total income accumulation per unit for the year 2.4079p (Auto Enrolment Accumulation units 0.8960p).

Commentary

Rising interest rates and inflation are typically a bad combination for bond markets. This was certainly the case in 2022. Government and corporate bonds recorded heavy losses in the face of the highest inflation rates in decades in many economies and a rapid rise in interest rates after years of record-low rates.

The Bank of England was the first major central bank to raise rates since the pandemic when it increased its base rate from 0.15% to 0.25% in December 2021. It followed with several consecutive, and larger, rate increases, as UK annual consumer price inflation climbed to a 41-year high. The Bank of England base rate ended 2022 at 3.50%.

In response to high inflation, the US Federal Reserve, the world's most influential central bank, slowly, and then more aggressively, increased its key interest rate to try and bring prices under control. The central bank increased interest rates by a less aggressive 0.50% in December on signs that US inflation had peaked and was now falling.

Despite rising inflation in Europe, the European Central Bank (ECB) kept its main interest rate unchanged at emergency negative levels for many months. It finally raised rates by 0.50% in July and followed with back-to-back 0.75% hikes in September and October. The ECB ended the year with a more modest 0.50% hike in December as European inflation also looked to have peaked.

The Fund returned -17.22% over the 12-month review period.

Manager's investment report

For the year ended 15 December 2022

Virgin Money Pension Growth Fund 1

The investment objective and policy of the Fund is to invest solely in the Virgin Money Growth Fund 1 (the Master Scheme), an authorised unit trust scheme which is a UK UCITS fund. The investment objective and policy of the Virgin Money Growth Fund 1 is stated below.

Master Scheme Investment Objective

The investment objective of the Virgin Money Growth Fund 1 is to generate a total return (income and capital growth) over the longer term (5 years or more) from a multi-asset portfolio of shares and bonds from around the world (i.e. globally invested). The Fund is the lowest risk fund in the Virgin Money Growth range, which offers three funds with different levels of risk and potential return.

Policy and Strategy

The Virgin Money Growth Fund 1 aims to achieve the objective by investing in other funds, rather than investing directly in individual shares and bonds. This means that the Fund is what's often known as a 'fund-of-funds'. The funds which it invests in may be managed by us, our Investment Adviser, or any other authorised fund manager.

The Fund invests:

- > at least 30% in funds that have a higher return potential (compared to other investments in the Fund) – but which carry a higher level of risk, such as shares (from both developed and emerging countries) and higher yielding bonds. This includes company shares, property shares, and higher yielding bonds such as corporate bonds rated by the leading credit agencies as below investment grade (BB or lower); and
- > the rest in funds that have a lower return potential (compared to other investments in the Fund) – but which carry a lower level of risk. This includes government bonds (loans to a government) from developed countries, investment grade corporate bonds (loans to a company) with relatively strong credit ratings (BBB or higher), and cash.

The split between higher and lower risk investments, and the types of investment (for example, geography and types of bonds) are chosen so that risk (measured by how much the Fund's value fluctuates, known as 'volatility') is expected to remain within the range 30% to 50% of the risk of world stock markets over 10 year periods. The Fund uses the MSCI All Countries World Index GBP to represent world stock markets.

The underlying funds are chosen to implement the desired mix of assets as per the bullet points above. Normally at least 80% of the funds that the Fund invests in will be passively managed. This means that they aim to track the performance of a particular share index or bond index. The rest will be actively managed funds – this is where the fund manager chooses individual shares / bonds and as a result returns may be higher (or lower) than the market.

As well as investing in bond and share funds, the Fund may also hold cash or funds investing in cash and money-market investments.

The Fund's mix of investments will be reviewed at least annually, and may change in consideration of the outlook for each investment type, but it will always include at least 30% in funds with higher risk/return potential.

The Fund has undergone a strategy review which will be implemented in February 2023. The new strategy will incorporate Environmental, Social and Governance (ESG) considerations into the investment selection process; this means that the Fund will tilt away from companies with poor ESG ratings and towards those in the same sector with good ratings.

We will not invest in companies that:

- > have material revenues (>5%) from tobacco products, thermal coal or unconventional oil and gas
- > are involved in the manufacture or distribution of controversial weapons (such as cluster munitions or anti-personnel landmines) or
- > violate the UN Global Compact principles on human rights, labour, the environment and anti-corruption.

To continue to improve the value we provide customers we are also reducing the ongoing costs of the Fund from 85bps to 75bps from 9th January 2023.

Manager's investment report

For the year ended 15 December 2022

Performance:

Change in net assets value per unit during the year -8.86%

Total income accumulation per unit for the year 0.9163p

Commentary

Government and corporate bonds recorded heavy losses in the face of the highest inflation rates in decades in many economies and a rapid rise in interest rates after years of record-low rates.

The Bank of England was the first major central bank to raise rates since the pandemic when it increased its base rate from 0.15% to 0.25% in December 2021. It followed with several consecutive, and larger, rate increases, as UK annual consumer price inflation climbed to a 41-year high.

In response to high inflation, the US Federal Reserve, the world's most influential central bank, slowly, and then more aggressively, increased its key interest rate to try and bring prices under control. The central bank increased interest rates by a less aggressive 0.50% in December on signs that US inflation had peaked and was now falling.

Despite rising inflation in Europe, the European Central Bank (ECB) kept its main interest rate unchanged at emergency negative levels for many months. It finally raised rates by 0.50% in July and followed with back-to-back 0.75% hikes in September and October. The ECB ended the year with a more modest 0.50% hike in December as European inflation also looked to have peaked.

Global stock markets also suffered a tough year. US, European and Asian stock markets all fell heavily in the face of soaring inflation, rapidly rising interest rates and worries over a global economic slowdown. Growth-focused US technology stocks, which have performed strongly in recent years, were hit particularly hard by higher interest rates. Elsewhere, Chinese stock markets sold off sharply, partly due to the Chinese government's strict zero-Covid policy and its disruptive effect on the Chinese economy. The government dropped the policy in December. More positively, the UK stock market finished higher for the year, helped by its exposure to large defensive stocks and energy and commodities companies.

The Fund returned -8.86% over the 12-month review period.

Manager's investment report

For the year ended 15 December 2022

Virgin Money Pension Growth Fund 2

The investment objective and policy of the Fund is to invest solely into the Virgin Money Growth Fund 2 (the Master Scheme), an authorised unit trust scheme which is a UK UCITS fund. The investment objective and policy of the Virgin Money Growth Fund 2 is stated below.

Master Scheme Investment Objective

The investment objective of the Virgin Money Growth Fund 2 is to generate a total return (income and capital growth) over the longer term (5 years or more) from a multi-asset portfolio of shares and bonds from around the world (i.e. globally invested). The Fund is the middle risk fund in the Virgin Money Growth range, which offers three funds with different levels of risk and potential return.

Policy and Strategy

The Virgin Money Growth Fund 2 aims to achieve the objective by investing in other funds, rather than investing directly in individual shares and bonds. This means that the Fund is what's often known as a 'fund-of-funds'. The funds which it invests in may be managed by us, our Investment Adviser, or any other authorised fund manager.

The Fund invests:

- > at least 60% in funds that have a higher return potential (compared to other investments in the Fund) – but which carry a higher level of risk, such as shares (from both developed and emerging countries) and higher yielding bonds. This includes company shares, property shares, and higher yielding bonds such as corporate bonds rated by the leading credit agencies as below investment grade (BB or lower); and
- > the rest in funds that have a lower return potential (compared to other investments in the Fund) – but which carry a lower level of risk. This includes government bonds (loans to a government) from developed countries, investment grade corporate bonds (loans to a company) with relatively strong credit ratings (BBB or higher), and cash.

The split between higher and lower risk investments, and the types of investment (for example, geography and types of bonds) are chosen so that risk (measured by how much the Fund's value fluctuates, known as 'volatility') is expected to remain within the range 60% to 80% of the risk of world stock markets over 10 year periods. The Fund uses the MSCI All Countries World Index GBP to represent world stock markets.

The underlying funds are chosen to implement the desired mix of assets as per the bullet points above. Normally at least 80% of the funds that the Fund invests in will be passively managed. This means that they aim to track the performance of a particular share index or bond index. The rest will be actively managed funds – this is where the fund manager chooses individual shares / bonds and as a result returns may be higher (or lower) than the market.

As well as investing in bond and share funds, the Fund may also hold cash or funds investing in cash and money-market investments.

The Fund's mix of investments will be reviewed at least annually, and may change in consideration of the outlook for each investment type, but it will always include at least 60% in funds with higher risk/return potential.

The Fund has undergone a strategy review which will be implemented in February 2023. The new strategy will incorporate Environmental, Social and Governance (ESG) considerations into the investment selection process; this means that the Fund will tilt away from companies with poor ESG ratings and towards those in the same sector with good ratings.

We will not invest in companies that:

- > have material revenues (>5%) from tobacco products, thermal coal or unconventional oil and gas
- > are involved in the manufacture or distribution of controversial weapons (such as cluster munitions or anti-personnel landmines) or
- > violate the UN Global Compact principles on human rights, labour, the environment and anti-corruption.

To continue to improve the value we provide customers we are also reducing the ongoing costs of the Fund from 85bps to 75bps from 9th January 2023.

Manager's investment report

For the year ended 15 December 2022

Performance:

Change in net assets value per unit during the year -7.52%

Total income accumulation per unit for the year 1.4462p

Commentary

Global stock markets suffered a tough year. US, European and Asian stock markets all fell heavily in the face of soaring inflation, rapidly rising interest rates and worries over a global economic slowdown. Growth-focused US technology stocks, which have performed strongly in recent years, were hit particularly hard by higher interest rates. Elsewhere, Chinese stock markets sold off sharply, partly due to the Chinese government's strict zero-Covid policy and its disruptive effect on the Chinese economy. The government dropped the policy in December. More positively, the UK stock market finished higher for the year, helped by its exposure to large defensive stocks and energy and commodities companies.

Government and corporate bonds recorded heavy losses in the face of the highest inflation rates in decades in many economies and a rapid rise in interest rates after years of record-low rates. The Bank of England was the first major central bank to raise rates since the pandemic when it increased its base rate from 0.15% to 0.25% in December 2021. It followed with several consecutive, and larger, rate increases, as UK annual consumer price inflation climbed to a 41-year high. The Bank of England base rate ended 2022 at 3.50%.

In response to high inflation, the US Federal Reserve, the world's most influential central bank, slowly, and then more aggressively, increased its key interest rate to try and bring prices under control. The central bank increased interest rates by a less aggressive 0.50% in December on signs that US inflation had peaked and was now falling.

Despite rising inflation in Europe, the European Central Bank (ECB) kept its main interest rate unchanged at emergency negative levels for many months. It finally raised rates by 0.50% in July and followed with back-to-back 0.75% hikes in September and October. The ECB ended the year with a more modest 0.50% hike in December as European inflation also looked to have peaked.

The Fund returned -7.52% over the 12-month review period.

Manager's investment report

For the year ended 15 December 2022

Virgin Pension Growth Fund

The objective and policy of the Fund is to invest solely in the Virgin UK Index Tracking Trust (the Master Scheme), an authorised unit trust scheme which is a UK UCITS fund. The investment objective and policy of the Virgin UK Index Tracking Trust is stated below.

Master Scheme Investment Objective	The investment objective of the Virgin UK Index Tracking Trust is to provide a total return (income and capital growth) from UK Shares. The Fund aims to achieve this by tracking the performance of the FTSE ³ All-Share Index, measured annually, less charges.
Policy and Strategy	<p>The Virgin UK Index Tracking Trust aims to achieve the objective by holding the 600+ stocks that comprise the benchmark index, in similar proportions to the index.</p> <p>To manage costs, some company shares which make up a very small part of the index may not always be held, whilst stock index futures are used to manage money coming in and out of the Fund.</p>
Typical Fund Mix	100% in UK shares, across the 600+ companies on the FTSE All-Share Index.
Performance:	
Change in net assets value per unit during the year	2.70% (Auto Enrolment Accumulation units 2.70%).
Total income accumulation per unit for the year	11.5337p (Auto Enrolment Accumulation units 4.1273p).
Commentary	<p>The UK stock market rose over the review period, bucking the downward trend in global stock markets in a turbulent year for the global economy and financial markets. UK shares were helped by a weaker pound that boosted the value of UK companies' overseas earnings, particularly the many international companies found in the FTSE 100 Index. The UK stock market was also aided by its high concentration of so-called defensive shares. These shares tend to hold their value better in market falls, such as seen in 2022. The UK market also contains many oil, gas and mining companies. These companies profited from high energy and commodity prices, particularly in the wake of Russia's invasion of Ukraine in late February.</p> <p>On the economic front, high inflation and rising interest rates were the main features of the period. Annual consumer inflation climbed sharply month after month to hit a 41-year high of 11.1% for the 12 months to October. The Bank of England reacted to surging inflation by steadily raising interest rates, increasing the base rate from 0.15% in December 2021 to 3.50% in December 2022.</p> <p>The Fund returned 2.70% over the 12-month review period.</p>

³ The Scheme has been developed solely by Virgin Money Unit Trust Managers Limited. The Scheme is not in any way connected to or sponsored, endorsed, sold or promoted by the London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). FTSE Russell is a trading name of certain of the LSE Group companies. All rights in the FTSE All-Share Index (the "Index") vest in the relevant LSE Group company which owns the Index. "FTSE®" is a trade mark of the relevant LSE Group company and is used by any other LSE Group company under license. The Index is calculated by or on behalf of FTSE International Limited or its affiliate, agent or partner. The LSE Group does not accept any liability whatsoever to any person arising out of (a) the use of, reliance on or any error in the Index or (b) investment in or operation of the Trust. The LSE Group makes no claim, prediction, warranty or representation either as to the results to be obtained from the Scheme or the suitability of the Index for the purpose to which it is being put by Virgin Money Unit Trust Managers Limited.

Manager's investment report

For the year ended 15 December 2022

Virgin Pension Global Share Fund

The investment objective of the Fund is to invest solely into the Virgin Global Share Fund (the Master Scheme), an authorised unit trust scheme which is a UK UCITS fund. The investment objective and policy of the Virgin Global Share Fund is stated below:

Master Scheme Investment Objective

The investment objective of the Virgin Global Share Fund is to provide a total return (income and capital growth) from UK and overseas shares. The Fund aims to achieve this by tracking the performance of a composite index, comprising 25% FTSE All-Share Index, 12.5% FTSE World North America Index, 12.5% MSCI Europe ex UK Index, 12.5% MSCI Japan Index, 12.5% FTSE All-World Developed Asia Pacific ex Japan Index, and 25% MSCI Emerging Markets Index, measured annually, less charges.

Policy and Strategy

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

The Fund's investments are funds which invest in shares.

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

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

To continue to improve the value we provide customers we are also reducing the ongoing costs of the Fund from 85bps to 75bps from 9th January 2023.

Typical Fund Mix

25% in UK shares, 50% in overseas shares and 25% in emerging market shares.

Performance:

Change in net assets value per unit during the year

-6.45%

Total income accumulation per unit for the year

2.7136p

Commentary

Global stock markets suffered a tough year. US, European and Asian stock markets all fell heavily in the face of soaring inflation, rapidly rising interest rates and worries over a global economic slowdown. Growth-focused US technology stocks, which have performed strongly in recent years, were hit particularly hard by higher interest rates. Elsewhere, Chinese stock markets sold off sharply, partly due to the Chinese government's strict zero-Covid policy and its disruptive effect on the Chinese economy. The government dropped the policy in December. More positively, the UK stock market finished higher for the year, helped by its exposure to large defensive stocks and energy and commodities companies.

Overall, it was a downhill path for global stocks from the start of 2022 as interest rates in Western economies rose faster and further than previously anticipated. Russia's invasion of Ukraine in February brought further volatility and fears for the global economic outlook after energy and other commodity prices surged.

After several monthly falls in stock markets over the first half of 2022, there was another major sell-off in stock markets in June. This was triggered by mounting gloom over the outlook for the global economy, after the US Federal Reserve took a tougher stance in its battle against inflation. September brought further significant falls in global stock markets, as central banks continued to tackle high inflation with interest rate rises.

On a more positive note, the fourth quarter saw a significant rebound in global stock markets that helped to trim the year's market falls. This move was triggered by better-than-expected US inflation data. This raised hopes that US inflation may be peaking and that an end to the US interest-rate hiking cycle might be in sight.

The Fund returned -6.45% over the 12-month review period.

Comparative tables

As at 15 December 2022

Virgin Money Pension Growth Fund 3						
Change in net assets per unit for	Accumulation Units			AE Accumulation Units		
	15 Dec 22 (p)	15 Dec 21 (p)	15 Dec 20 (p)	15 Dec 22 (p)	15 Dec 21 (p)	15 Dec 20 (p)
Opening net asset value per unit	119.74	105.10	100.00	119.83	105.09	100.00
Return before operating charges	(8.81)	14.64	5.10	(8.71)	14.74	5.09
Operating charges	-	-	-	-	-	-
Return after operating charges	(8.81)	14.64	5.10	(8.71)	14.74	5.09
Distributions	(1.29)	(0.19)	-	(1.40)	(0.26)	-
Retained distributions on accumulation units	1.29	0.19	-	1.40	0.26	-
Closing net asset value per unit	110.93	119.74	105.10	111.12	119.83	105.09
Performance						
Return after operating charges (%)*	(7.36)	13.93	5.10	(7.27)	14.03	5.09
Other information						
	15 Dec 22	15 Dec 21	15 Dec 20	15 Dec 22	15 Dec 21	15 Dec 20
Closing net asset value (£)	939,566,363	1,034,485,191	923,934,106	21,272,542	24,401,061	22,470,559
Closing number of units	846,956,023	863,941,652	879,132,835	19,143,061	20,362,346	21,381,337
Operating Charges (%) [‡]	0.85	0.85	0.85	0.75	0.75	0.75
Direct transaction costs (%)	0.00	0.00	0.00	0.00	0.00	0.00
Prices						
Highest price (p)	121.40	122.30	105.90	121.60	122.40	105.90
Lowest price (p)	104.60	104.80	100.00	104.80	104.80	100.00

Virgin Money Pension Growth Fund 3 was launched on 5 November 2020.

* The Scheme incurs no direct operating charges (see note 1 (c) on page 38).

‡ No charges are levied at the NURS feeder fund level and these operating charges are the total expenses paid by the relevant Qualifying Master Scheme.

Comparative tables

As at 15 December 2022

Virgin Money Pension Defensive Fund						
Change in net assets per unit for	Accumulation Units			AE Accumulation Units		
	15 Dec 22 (p)	15 Dec 21 (p)	15 Dec 20 (p)	15 Dec 22 (p)	15 Dec 21 (p)	15 Dec 20 (p)
Opening net asset value per unit	103.77	101.59	100.00	103.78	101.59	100.00
Return before operating charges	(9.22)	2.18	1.59	(9.22)	2.19	1.59
Operating charges	-	-	-	-	-	-
Return after operating charges	(9.22)	2.18	1.59	(9.22)	2.19	1.59
Distributions	(0.81)	(0.34)	-	(0.82)	(0.34)	-
Retained distributions on accumulation units	0.81	0.34	-	0.82	0.34	-
Closing net asset value per unit	94.55	103.77	101.59	94.56	103.78	101.59
Performance						
Return after operating charges (%)*	(8.89)	2.15	1.59	(8.88)	2.16	1.59
Other information						
	15 Dec 22	15 Dec 21	15 Dec 20	15 Dec 2022	15 Dec 21	15 Dec 20
Closing net asset value (£)	120,976,651	113,283,478	87,129,235	1,873,718	1,897,290	1,528,903
Closing number of units	127,944,688	109,166,350	85,765,008	1,981,539	1,828,267	1,504,967
Operating Charges (%) [‡]	0.70	0.70	0.70	0.70	0.70	0.70
Direct transaction costs (%)	0.00	0.00	0.00	0.00	0.00	0.00
Prices						
Highest price (p)	103.90	104.40	101.90	104.00	104.50	101.90
Lowest price (p)	90.91	99.71	100.00	90.92	99.71	100.00

Virgin Money Pension Defensive Fund was launched on 5 November 2020.

* The Scheme incurs no direct operating charges (see note 1 (c) on page 38).

‡ No charges are levied at the NURS feeder fund level and these operating charges are the total expenses paid by the relevant Qualifying Master Scheme.

Comparative tables

As at 15 December 2022

Virgin Money Pension Bond Fund						
Change in net assets per unit for	Accumulation Units			AE Accumulation Units		
	15 Dec 22 (p)	15 Dec 21 (p)	15 Dec 20 (p)	15 Dec 22 (p)	15 Dec 21 (p)	15 Dec 20 (p)
Opening net asset value per unit	310.25	318.64	303.50	115.83	119.02	113.33
Return before operating charges	(53.44)	(8.39)	15.14	(19.85)	(3.19)	5.69
Operating charges	-	-	-	-	-	-
Return after operating charges	(53.44)	(8.39)	15.14	(19.85)	(3.19)	5.69
Distributions	(2.41)	(2.16)	(2.99)	(0.90)	(0.80)	(1.11)
Retained distributions on accumulation units	2.41	2.16	2.99	0.90	0.80	1.11
Closing net asset value per unit	256.81	310.25	318.64	95.98	115.83	119.02
Performance						
Return after operating charges (%)*	(17.22)	(2.63)	4.99	(17.14)	(2.68)	5.02
Other information						
	15 Dec 22	15 Dec 21	15 Dec 20	15 Dec 22	15 Dec 21	15 Dec 20
Closing net asset value (£)	95,264,809	136,421,517	171,052,100	326,103	929,168	1,839,764
Closing number of units	37,095,210	43,971,504	53,682,671	339,755	802,177	1,545,799
Operating Charges (%) [‡]	0.60	0.60	0.60	0.60	0.60	0.60
Direct transaction costs (%)	0.00	0.00	0.00	0.00	0.00	0.00
Prices						
Highest price (p)	309.80	320.90	320.70	115.70	119.90	119.60
Lowest price (p)	230.70	300.30	295.50	86.18	112.30	110.30

* The Scheme incurs no direct operating charges (see note 1 (c) on page 38).

‡ No charges are levied at the NURS feeder fund level and these operating charges are the total expenses paid by the relevant Qualifying Master Scheme.

Comparative tables

As at 15 December 2022

Change in net assets per unit for	Virgin Money Pension Growth Fund 1			Virgin Money Pension Growth Fund 2		
	Accumulation Units			Accumulation Units		
	15 Dec 22 (p)	15 Dec 21 (p)	15 Dec 20 (p)	15 Dec 22 (p)	15 Dec 21 (p)	15 Dec 20 (p)
Opening net asset value per unit	123.09	117.14	117.68	143.50	130.96	129.27
Return before operating charges	(10.91)	5.95	(0.54)	(10.79)	12.54	1.69
Operating charges	-	-	-	-	-	-
Return after operating charges	(10.91)	5.95	(0.54)	(10.79)	12.54	1.69
Distributions	(0.92)	(1.67)	(1.90)	(1.45)	(2.24)	(2.37)
Retained distributions on accumulation units	0.92	1.67	1.90	1.45	2.24	2.37
Closing net asset value per unit	112.18	123.09	117.14	132.71	143.50	130.96
Performance						
Return after operating charges (%) [*]	(8.86)	5.08	(0.46)	(7.52)	9.58	1.31
Other information						
	15 Dec 22	15 Dec 21	15 Dec 20	15 Dec 22	15 Dec 21	15 Dec 20
Closing net asset value (£)	3,271,619	3,371,199	3,186,945	6,894,963	7,174,448	6,271,140
Closing number of units	2,916,495	2,738,873	2,720,631	5,195,529	4,999,449	4,788,697
Operating Charges (%) [‡]	0.85	0.85	1.00	0.85	0.85	1.00
Direct transaction costs (%)	0.00	0.00	0.00	0.00	0.00	0.00
Prices						
Highest price (p)	123.50	124.30	120.80	144.70	146.00	134.10
Lowest price (p)	106.70	115.70	99.61	126.10	130.50	102.50

* The Scheme incurs no direct operating charges (see note 1 (c) on page 38).

‡ No charges are levied at the NURS feeder fund level and these operating charges are the total expenses paid by the relevant Qualifying Master Scheme.

Comparative tables

As at 15 December 2022

Virgin Pension Growth Fund						
Change in net assets per unit for	Accumulation Units			AE Accumulation Units		
	15 Dec 22 (p)	15 Dec 21 (p)	15 Dec 20 (p)	15 Dec 22 (p)	15 Dec 21 (p)	15 Dec 20 (p)
Opening net asset value per unit	376.46	330.80	361.13	134.38	118.13	129.05
Return before operating charges	10.17	45.66	(30.33)	3.63	16.25	(10.92)
Operating charges	-	-	-	-	-	-
Return after operating charges	10.17	45.66	(30.33)	3.63	16.25	(10.92)
Distributions	(11.53)	(9.94)	(8.30)	(4.13)	(3.55)	(2.96)
Retained distributions on accumulation units	11.53	9.94	8.30	4.13	3.55	2.96
Closing net asset value per unit	386.63	376.46	330.80	138.01	134.38	118.13
Performance						
Return after operating charges (%)*	2.70	13.80	(8.40)	2.70	13.76	(8.46)
Other information						
	15 Dec 22	15 Dec 21	15 Dec 20	15 Dec 22	15 Dec 21	15 Dec 20
Closing net asset value (£)	203,272,487	200,794,798	185,375,271	2,334,049	2,551,380	2,847,770
Closing number of units	52,575,988	53,337,606	56,038,980	1,691,189	1,898,682	2,410,624
Operating Charges (%) [‡]	0.60	0.60	0.60	0.60	0.60	0.60
Direct transaction costs (%)	0.00	0.00	0.00	0.00	0.00	0.00
Prices						
Highest price (p)	397.50	388.80	375.80	141.90	138.70	134.20
Lowest price (p)	352.50	326.90	243.30	125.80	116.70	86.96

* The Scheme incurs no direct operating charges (see note 1 (c) on page 38).

‡ No charges are levied at the NURS feeder fund level and these operating charges are the total expenses paid by the relevant Qualifying Master Scheme.

Comparative tables

As at 15 December 2022

Virgin Pension Global Share Fund			
Accumulation Units			
Change in net assets per unit for	15 Dec 22	15 Dec 21	15 Dec 20
	(p)	(p)	(p)
Opening net asset value per unit	164.22	150.41	139.41
Return before operating charges	(10.60)	13.81	11.00
Operating charges	-	-	-
Return after operating charges	(10.60)	13.81	11.00
Distributions	(2.71)	(2.39)	(2.61)
Retained distributions on accumulation units	2.71	2.39	2.61
Closing net asset value per unit	153.62	164.22	150.41
Performance			
Return after operating charges (%) [*]	(6.45)	9.18	7.89
Other information			
	15 Dec 22	15 Dec 21	15 Dec 20
Closing net asset value (£)	18,810,249	20,305,267	18,309,305
Closing number of units	12,244,784	12,364,812	12,172,651
Operating Charges (%) [‡]	0.85	0.85	1.00
Direct transaction costs (%)	0.00	0.00	0.00
Prices			
Highest price (p)	166.30	168.60	151.60
Lowest price (p)	145.50	149.80	108.50

^{*} The Scheme incurs no direct operating charges (see note 1 (c) on page 38).

[‡] No charges are levied at the NURS feeder fund level and these operating charges are the total expenses paid by the relevant Qualifying Master Scheme.

Portfolio Statements

As at 15 December 2022

	Holdings	Market Value £'000	% of Net Assets
Virgin Money Pension Growth Fund 3			
Virgin Money Growth Fund 3 Income Units (97.70%*)	810,669,856	939,566	97.79
Virgin Money Growth Fund 3 AE Income Units (2.30%*)	18,322,603	21,273	2.21
Portfolio of investments		960,839	100.00
Net other assets		-	-
Net assets		960,839	100.00
Virgin Money Pension Defensive Fund			
Virgin Money Defensive Fund Income Units (98.35%*)	126,929,652	120,976	98.47
Virgin Money Defensive Fund AE Income Units (1.65%*)	1,965,919	1,874	1.53
Portfolio of investments		122,850	100.00
Net other assets		-	-
Net assets		122,850	100.00
Virgin Money Pension Bond Fund			
Virgin Money Bond Fund Income Units (99.31%*)	86,589,624	95,249	99.64
Virgin Money Bond Fund AE Income Units (0.68%*)	372,719	326	0.34
Portfolio of investments		95,575	99.98
Net other assets		16	0.02
Net assets		95,591	100.00

Portfolio Statements

As at 15 December 2022

	Holdings	Market Value £'000	% of Net Assets
Virgin Money Pension Growth Fund 1			
Virgin Money Growth Fund 1 (100%*)	3,220,089	3,272	100.00
Portfolio of investments		3,272	100.00
Net other assets		-	-
Net assets		3,272	100.00
Virgin Money Pension Growth Fund 2			
Virgin Money Growth Fund 2 (100%*)	5,853,110	6,895	100.00
Portfolio of investments		6,895	100.00
Net other assets		-	-
Net assets		6,895	100.00
Virgin Pension Growth Fund			
Virgin UK Index Tracking Trust Income Units (98.75%*)	75,008,298	203,273	98.87
Virgin UK Index Tracking Trust AE Income Units (1.25%*)	2,122,580	2,333	1.13
Portfolio of investments		205,606	100.00
Net other assets		1	-
Net assets		205,607	100.00

Portfolio Statements

As at 15 December 2022

	Holdings	Market Value £'000	% of Net Assets
Virgin Pension Global Share Fund			
Virgin Global Share Fund (100.00%*)	13,700,109	18,810	100.00
Portfolio of investments		18,810	100.00
Net other assets		-	-
Net assets		18,810	100.00

*Comparative figures shown in brackets relate to percentage of total net assets at 15 December 2021. Investments in Collective Investment Schemes are a related party to the funds (see note 10 on page 44).

Purchases of investments

For the year ended 15 December 2022

	Cost £'000
Virgin Money Pension Growth Fund 3	
Virgin Money Growth Fund 3 Income Units	24,880
Virgin Money Growth Fund 3 AE Income Units	272
	25,152
Virgin Money Pension Defensive Fund	
Virgin Money Defensive Fund Income Units	26,289
Virgin Money Defensive Fund AE Income Units	480
	26,769
Virgin Money Pension Bond Fund	
Virgin Money Bond Fund Income Units	4,726
Virgin Money Bond Fund AE Income Units	5
	4,731
Virgin Money Pension Growth Fund 1	
Virgin Money Growth Fund 1	467
	467
Virgin Money Pension Growth Fund 2	
Virgin Money Growth Fund 2	879
	879
Virgin Pension Growth Fund	
Virgin UK Index Tracking Trust Income Units	18,618
Virgin UK Index Tracking Trust AE Income Units	102
	18,720
Virgin Pension Global Share Fund	
Virgin Global Share Fund	4,011
	4,011

The above constitutes all purchases of investments in the period.

Sales of investments

For the year ended 15 December 2022

	Proceeds £'000
Virgin Money Pension Growth Fund 3	
Virgin Money Growth Fund 3 Income Units	43,977
Virgin Money Growth Fund 3 AE Income Units	1,630
	45,607
Virgin Money Pension Defensive Fund	
Virgin Money Defensive Fund Income Units	7,845
Virgin Money Defensive Fund AE Income Units	324
	8,169
Virgin Money Pension Bond Fund	
Virgin Money Bond Fund Income Units	22,621
Virgin Money Bond Fund AE Income Units	489
	23,110
Virgin Money Pension Growth Fund 1	
Virgin Money Growth Fund 1	232
	232
Virgin Money Pension Growth Fund 2	
Virgin Money Growth Fund 2	551
	551
Virgin Pension Growth Fund	
Virgin UK Index Tracking Trust Income Units	15,497
Virgin UK Index Tracking Trust AE Income Units	318
	15,815
Virgin Pension Global Share Fund	
Virgin Global Share Fund	3,865
	3,865

The above constitutes all sales of investments in the period.

Statements of total return

For the year ended 15 December 2022

	Notes	Virgin Money Pension Growth Fund 3		Virgin Money Pension Defensive Fund		Virgin Money Pension Bond Fund		Virgin Money Pension Growth Fund 1		Virgin Money Pension Growth Fund 2		Virgin Pension Growth Fund		Virgin Pension Global Share Fund	
		15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income															
Net capital (losses)/gains	2	(88,914)	129,355	(11,917)	2,006	(23,381)	(5,716)	(334)	115	(606)	497	(627)	20,130	(1,640)	1,404
Revenue	4	11,322	1,682	987	353	967	1,045	26	46	73	106	6,168	5,534	338	291
Expenses	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net revenue		11,322	1,682	987	353	967	1,045	26	46	73	106	6,168	5,534	338	291
Total return before accumulation		(77,592)	131,037	(10,930)	2,359	(22,414)	(4,671)	(308)	161	(533)	603	5,541	25,664	(1,302)	1,695
Accumulation distributions	6	(11,322)	(1,682)	(987)	(353)	(967)	(1,045)	(26)	(46)	(73)	(106)	(6,168)	(5,534)	(338)	(291)
Change in unitholders' funds from investment activities		(88,914)	129,355	(11,917)	2,006	(23,381)	(5,716)	(334)	115	(606)	497	(627)	20,130	(1,640)	1,404

Statements of change in unitholders' funds

For the year ended 15 December 2022

	Notes	Virgin Money Pension Growth Fund 3		Virgin Money Pension Defensive Fund		Virgin Money Pension Bond Fund		Virgin Money Pension Growth Fund 1		Virgin Money Pension Growth Fund 2		Virgin Pension Growth Fund		Virgin Pension Global Share Fund	
		15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening net assets		1,058,886	946,405	115,181	88,658	137,351	172,892	3,371	3,187	7,174	6,271	203,346	188,223	20,305	18,309
Amounts receivable on issue of units		25,038	24,082	26,693	30,400	3,760	4,312	439	442	802	1,115	12,443	9,255	3,645	2,903
Amounts payable on cancellation of units		(45,416)	(42,626)	(8,141)	(6,256)	(23,071)	(35,147)	(231)	(418)	(549)	(817)	(15,713)	(19,684)	(3,836)	(2,605)
		(20,378)	(18,544)	18,552	24,144	(19,311)	(30,835)	208	24	253	298	(3,270)	(10,429)	(191)	298
Change in unitholders' funds from investment activities		(88,914)	129,355	(11,917)	2,006	(23,381)	(5,716)	(334)	115	(606)	497	(627)	20,130	(1,640)	1,404
Income retained on accumulation units	6	11,245	1,670	1,034	373	932	1,010	27	45	74	108	6,158	5,422	336	294
Closing net assets		960,839	1,058,886	122,850	115,181	95,591	137,351	3,272	3,371	6,895	7,174	205,607	203,346	18,810	20,305

Balance sheets

As at 15 December 2022

	Notes	Virgin Money Pension Growth Fund 3		Virgin Money Pension Defensive Fund		Virgin Money Pension Bond Fund		Virgin Money Pension Growth Fund 1		Virgin Money Pension Growth Fund 2		Virgin Pension Growth Fund		Virgin Pension Global Share Fund	
		15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Assets															
Fixed assets															
Investment Assets		960,839	1,058,886	122,850	115,181	95,575	137,333	3,272	3,371	6,895	7,174	205,606	203,345	18,810	20,305
Current assets															
Debtors	7	118	139	162	17	146	3	1	1	1	1	10	31	3	2
Cash and bank balances	8	-	-	-	-	16	17	-	-	-	-	1	1	-	-
Total current assets		118	139	162	17	162	20	1	1	1	1	11	32	3	2
Total assets		960,957	1,059,025	123,012	115,198	95,737	137,353	3,273	3,372	6,896	7,175	205,617	203,377	18,813	20,307
Liabilities															
Current liabilities															
Creditors	9	(118)	(139)	(162)	(17)	(146)	(2)	(1)	(1)	(1)	(1)	(10)	(31)	(3)	(2)
Total liabilities		(118)	(139)	(162)	(17)	(146)	(2)	(1)	(1)	(1)	(1)	(10)	(31)	(3)	(2)
Net assets attributable to unitholders		960,839	1,058,886	122,850	115,181	95,591	137,351	3,272	3,371	6,895	7,174	205,607	203,346	18,810	20,305

Notes to the financial statements are on pages 38 to 54.

Notes to the financial statements

For the year ended 15 December 2022

1. Accounting policies

(a) Basis of accounting

The Financial Statements have been prepared on a historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by the Investment Association in May 2014, FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Due to the planned activity detailed in the Manager's Investment Report under "Important Information" (page 4) and the consequent plan to wind up the Scheme, the Scheme is no longer considered a going concern and therefore the financial statements were not prepared on a going concern basis. No adjustments were required to the financial statements to adjust assets or liabilities to their realisable values, or to provide for liabilities arising from the decision to wind up the Scheme. No liabilities have been recorded for costs of the terminations as the intention is that the Manager will bear any such costs which may arise. The accounts for the previous reporting period ending 15 December 2021 were also not prepared on a going concern basis, as it was previously anticipated the Scheme would be wound up in 2022, a decision which has subsequently been delayed.

The Manager has undertaken a detailed assessment of, and continues to monitor, the Scheme'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 Scheme continues to be open for trading and the Manager is satisfied the Scheme has adequate financial resources to continue in operation for the next 12 months. This assessment is separate to and notwithstanding the strategic intention to wind up the Scheme within that time period, which forms the basis of the accounts not being prepared on a going concern basis as described above.

(b) Revenue recognition

Distributions receivable from the underlying unit trusts are credited to revenue, net of attributable tax credits, when the underlying unit trust is quoted ex-dividend.

Accumulation of revenue relating to accumulation units or shares held in underlying funds is recognised as revenue and included in the amount available for accumulation.

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.

(c) Treatment of expenses

All expenses of the Scheme have been borne by the Manager.

(d) Basis of valuation of investments

Investments have been valued using the bid price of their creation and cancellation prices as at 5pm on Thursday 15 December 2022.

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

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

(e) Taxation

Registered pension schemes are unable to reclaim tax suffered on investment revenue. As a result, tax on revenue received by the Scheme from its Fund investments is irrecoverable. The Scheme is an approved personal pension plan for tax purposes. Consequently income and gains arising from investments are not subject to corporation tax.

(f) Accumulation

The policy of the Scheme is to accumulate the net revenue of each Fund to the capital account two months after the accounting period end.

Notes to the financial statements

For the year ended 15 December 2022

2. Net capital (Losses)/Gains on Investments

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

	Virgin Money Pension Growth Fund 3		Virgin Money Pension Defensive Fund		Virgin Money Pension Bond Fund		Virgin Money Pension Growth Fund 1		Virgin Money Pension Growth Fund 2		Virgin Pension Growth Fund		Virgin Pension Global Share Fund	
	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Non-derivative securities*	(88,914)	129,355	(11,917)	2,006	(23,381)	(5,716)	(334)	115	(606)	497	(627)	20,130	(1,640)	1,404
*Non-derivative securities comprise:														
Realised	3,515	4,092	(418)	98	(750)	2,972	(8)	16	31	71	3,488	4,263	306	371
Unrealised	(92,429)	125,263	(11,499)	1,908	(22,631)	(8,688)	(326)	99	(637)	426	(4,115)	15,867	(1,946)	1,033

Notes to the financial statements

For the year ended 15 December 2022

3. Portfolio Transaction Costs

	Virgin Money Pension Growth Fund 3		Virgin Money Pension Defensive Fund		Virgin Money Pension Bond Fund		Virgin Money Pension Growth Fund 1		Virgin Money Pension Growth Fund 2		Virgin Pension Growth Fund		Virgin Pension Global Share Fund	
	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Purchases including transaction costs	25,152	24,096	26,769	30,429	4,731	5,364	467	491	879	1,228	18,720	14,843	4,011	3,216
Sales net of transaction costs	45,607	42,652	8,169	6,264	23,110	35,188	232	421	551	821	15,815	19,844	3,865	2,616

Transaction costs for unit trusts cannot be separately identified as they form part of the dealing spread. The dealing spread represents the difference between the values determined for investments by reference to the bid and offer prices, expressed as a percentage of the value determined by reference to the offer price. Dealing spreads vary considerably depending on the transaction value and market sentiment.

The average dealing spread of the investments at the balance sheet date was 0.00% (2021: 0.00%).

4. Revenue

	Virgin Money Pension Growth Fund 3		Virgin Money Pension Defensive Fund		Virgin Money Pension Bond Fund		Virgin Money Pension Growth Fund 1		Virgin Money Pension Growth Fund 2		Virgin Pension Growth Fund		Virgin Pension Global Share Fund	
	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Distributions from unit trusts	11,322	1,682	987	353	967	1,045	26	46	73	106	6,168	5,534	338	291

5. Expenses

During the year, all expenses of the Virgin Stakeholder Pension Scheme have been borne by the Manager including an audit fee of £30,703 (2021: £29,809).

Notes to the financial statements

For the year ended 15 December 2022

6. Accumulation distributions

The accumulation takes account of income received on the creation of units and income deducted on the cancellation of units, and comprises:

	Virgin Money Pension Growth Fund 3		Virgin Money Pension Defensive Fund		Virgin Money Pension Bond Fund		Virgin Money Pension Growth Fund 1		Virgin Money Pension Growth Fund 2		Virgin Pension Growth Fund		Virgin Pension Global Share Fund	
	15 Dec 22 £'000	15 Dec 21 £'000	15 Dec 22 £'000	15 Dec 21 £'000	15 Dec 22 £'000	15 Dec 21 £'000	15 Dec 22 £'000	15 Dec 21 £'000	15 Dec 22 £'000	15 Dec 21 £'000	15 Dec 22 £'000	15 Dec 21 £'000	15 Dec 22 £'000	15 Dec 21 £'000
Interim	7,016	-	329	-	448	536	14	29	31	63	2,221	2,007	171	206
Final	4,229	1,670	705	373	484	474	13	16	43	45	3,937	3,415	165	88
	11,245	1,670	1,034	373	932	1,010	27	45	74	108	6,158	5,422	336	294
Add: Equalisation deducted on cancellation of units	192	27	28	8	39	41	1	3	2	5	101	160	29	11
Deduct: Equalisation received on issue of units	(115)	(15)	(75)	(28)	(4)	(6)	(2)	(2)	(3)	(7)	(91)	(48)	(27)	(14)
Net accumulation for the year	11,322	1,682	987	353	967	1,045	26	46	73	106	6,168	5,534	338	291

Details of the accumulation per unit are set out in the Accumulation tables on pages 55 to 60.

Notes to the financial statements

For the year ended 15 December 2022

7. Debtors

	Virgin Money Pension Growth Fund 3		Virgin Money Pension Defensive Fund		Virgin Money Pension Bond Fund		Virgin Money Pension Growth Fund 1		Virgin Money Pension Growth Fund 2		Virgin Pension Growth Fund		Virgin Pension Global Share Fund	
	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Sales awaiting settlement	-	139	-	17	146	-	-	-	-	-	-	31	-	-
Amounts receivable for creation of units	118	-	162	-	-	3	1	1	1	1	10	-	3	2
Total debtors	118	139	162	17	146	3	1	1	1	1	10	31	3	2

8. Cash and Bank Balances

	Virgin Money Pension Growth Fund 3		Virgin Money Pension Defensive Fund		Virgin Money Pension Bond Fund		Virgin Money Pension Growth Fund 1		Virgin Money Pension Growth Fund 2		Virgin Pension Growth Fund		Virgin Pension Global Share Fund	
	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cash and bank balances	-	-	-	-	16	17	-	-	-	-	1	1	-	-

Notes to the financial statements

For the year ended 15 December 2022

9. Creditors

	Virgin Money Pension Growth Fund 3		Virgin Money Pension Defensive Fund		Virgin Money Pension Bond Fund		Virgin Money Pension Growth Fund 1		Virgin Money Pension Growth Fund 2		Virgin Pension Growth Fund		Virgin Pension Global Share Fund	
	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Purchases awaiting settlement	118	-	162	-	-	2	1	1	1	1	10	-	3	2
Amounts payable for cancellation of units	-	139	-	17	146	-	-	-	-	-	-	31	-	-
Total creditors	118	139	162	17	146	2	1	1	1	1	10	31	3	2

Notes to the financial statements

For the year ended 15 December 2022

10. Related Party Transactions

Virgin Money Unit Trust Managers Limited manages the following:

NURS Feeder Fund

Virgin Money Pension Growth Fund 3
 Virgin Money Pension Defensive Fund
 Virgin Money Pension Bond Fund
 Virgin Money Pension Growth Fund 1
 Virgin Money Pension Growth Fund 2
 Virgin Pension Growth Fund
 Virgin Pension Global Share Fund

Qualifying Master Scheme

Virgin Money Growth Fund 3
 Virgin Money Defensive Fund
 Virgin Money Bond Fund
 Virgin Money Growth Fund 1
 Virgin Money Growth Fund 2
 Virgin UK Index Tracking Trust
 Virgin Global Share Fund

The details of units created and cancelled by Virgin Money Unit Trust Managers Limited are shown in the Statements of change in net assets attributable to unitholders.

The details of investment held in the Virgin Money Growth Fund 3; Virgin Money Defensive Fund; Virgin Money Bond Fund; Virgin Money Growth Fund 1; Virgin Money Growth Fund 2; Virgin UK Index Tracking Trust and Virgin Global Share Fund are shown in the Portfolio statement.

Outstanding purchases and sales in the relevant qualifying master fund as at the end of the accounting year are included in notes 7 and 9.

All expenses are borne by the Manager of the fund.

11. Capital Commitments and Contingent Liabilities

At 15 December 2022, the Scheme had no capital commitments (2021: £nil) and no contingent liabilities (2021: £nil).

Notes to the financial statements

For the year ended 15 December 2022

12. Financial Risk Management, Derivatives and Other Financial Instruments

The Scheme has limited exposure to credit or cash flow risk, and as there are no borrowings or unlisted securities, exposure to liquidity risk is minimal. The main risks to the Scheme are the risks applicable to the underlying unit trusts which are set out below.

(a) Financial Risk Management of the Underlying Unit Trusts

Financial risk can be separated into the following components: market risk, credit risk and liquidity risk. The tables below and overleaf are provided to enable users of these financial statements to assess and understand the risks that arise in connection with the underlying unit trusts (the financial instruments held by the Funds) and how these risks are managed.

Financial risks inherent to the Virgin Money Bond Fund differ to those of the other six underlying unit trusts as no equity investments are held.

Disclosures for the other underlying unit trusts, all of which hold equity investments, have been aggregated.

Risks are set out in order of significance.

Virgin Money Bond Fund

Risk	Risk definition	Risk background and significance	Mitigation technique
1) Market risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: other price risk, interest rate risk and currency risk.	See below.	See below.

Notes to the financial statements

For the year ended 15 December 2022

Risk	Risk definition	Risk background and significance	Mitigation technique
1(a) Other price risk	This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk and currency risk), whether those changes are caused by factors specific to individual financial instruments or its issuer, or other factors affecting similar financial instruments traded in the market.	Other price risk arises from uncertainty about future prices of financial instruments the Fund holds. It represents the potential loss the Funds might suffer through holding market positions in the face of price movements.	The investment approach for the corporate bond side of the Funds is to only invest in A grade Corporate Bonds. The Investment Adviser regularly carries out a review of the portfolio and replaces any bonds which have dropped below the A grade requirement. The Manager carries out a separate regular review of the portfolio holdings to ensure they are in line with this approach and that all relevant regulations are being met.
1(b) 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.	As the Funds invests in fixed rate securities, any change to the prevailing interest rates may result in the future income potential of the Funds increasing or decreasing and the value of securities already held increasing or decreasing. If expectations of future interest rates rise, the potential income yield on new securities purchased will rise. However, such a change would initially have a negative impact, as the value of fixed rate securities already held by the Funds would decline. A decline in interest rates (or expectations of future rates) will, in general, have the opposite potential income and valuation effects to those described above.	The Manager of the Funds sets limits for interest rate risk. The Investment Advisor monitors this risk continuously, using a measure called modified duration, to ensure that the risk remains within the limits prescribed.

Notes to the financial statements

For the year ended 15 December 2022

Risk	Risk definition	Risk background and significance	Mitigation technique
1(c) Currency risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.	The vast majority of the net assets of the Funds are denominated in sterling, with the effect that the balance sheet and total return cannot be materially affected by currency movements. Given this, the Manager does not consider the Funds has a significant exposure to currency risk.	As the Manager does not consider the Funds has significant exposure to currency risk, no formal mitigation techniques are adopted by the Investment Adviser or the Manager.
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 Funds 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 Funds has fulfilled its responsibilities. Given the mitigation techniques followed, the Manager does not consider the Funds has a significant exposure to counterparty risk.	The Funds 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.
3) Liquidity risk	The risk that the Funds will encounter difficulty in meeting obligations associated with financial liabilities, including redemption liability.	All of the Fund's financial assets are considered to be readily realisable in accordance with the market practices of the exchange on which they are traded. Given this, the Manager does not consider that the Funds 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 Funds may borrow up to 10% of its value to ensure settlement.

For each of the risks in the table above, quantitative analysis in relation to that risk is available in the Financial Risk Management, Derivatives and Other Financial Instruments note within the latest Final Report and Financial Statements of the underlying unit trust. These accounts can be obtained free of charge from the Manager on request or via the Virgin Money website.

Notes to the financial statements

For the year ended 15 December 2022

Virgin Money Growth Fund 3; Virgin Money Defensive Fund; Virgin Money Growth Fund 1; Virgin Money Growth Fund 2; Virgin UK Index Tracking Trust (Growth Fund); Virgin Global Share Fund

Risk	Risk definition	Risk background and significance	Mitigation technique
1) Market risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: other price risk, interest rate risk and currency risk.	See below.	See below.
1(a) 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.	<p>Other price risk arises from uncertainty about future prices of financial instruments the Fund holds. It represents the potential losses the funds might suffer through holding market positions in the face of price movements.</p> <p>As with all equity based unit trusts, the Funds are exposed to a significant level of other price risk.</p> <p>Some of the companies and/or sectors in which the Virgin UK Index Tracking Trust invests can make up a large percentage of the index, which would concentrate risk in those areas.</p> <p>The Virgin Global Share Fund and the Virgin Money Growth Fund 3 are exposed to emerging market risk, where investing in stocks (bonds and or shares) issued by companies and governments from countries outside of the major established markets involves greater risk because they may have lower standards of control, weaker market frameworks and may be prone to suffer from political changes which could result in the Funds losing value.</p>	<p>For the Virgin UK Index Tracking Trust, as the objective of the Fund is to match closely the performance of the FTSE All-Share index, the Investment Adviser (Aberdeen Asset Management) only selects portfolio holdings which are in line with the investment objective of the Fund. Market risk is managed passively by investing in line with the benchmark, which spreads investment over 600+ different companies, thus reducing impact of the Fund on the drop in value of any one company.</p> <p>In relation to emerging market risk, no formal mitigation techniques are adopted by the Investment Adviser other than (i) for Growth Fund 3, aiming for the volatility of the Fund to remain within the range of 80% to 100% of the risk of world stock markets over 10 year periods, and (ii) for the Global Share Fund, to maintain diversified company exposure by tracking the performance of a broad measure of EM shares, provided by MSCI.</p> <p>For all other Funds listed above, investment is spread across multiple markets and companies, in keeping with the investment objective of each Fund. As such, the funds provide diversification, which is a key way of mitigating market risk, in particular idiosyncratic risk – risks which affect individual companies or groups of companies rather than the whole market.</p>

Notes to the financial statements

For the year ended 15 December 2022

Risk	Risk definition	Risk background and significance	Mitigation technique
1(b) Interest rate risk	<p>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.</p>	<p>For the Virgin Money Defensive Fund and the Virgin Money Growth Fund 1, both Funds have material allocation to bonds, the vast majority of which pay a fixed rate of income. Any change in prevailing interest rates (or changing expectations) may result in the relative worth of the fixed income increasing or decreasing and thus the value of the bonds held increasing or decreasing. In general, if interest rates rise the income potential of the Fund also rises, but value of the fixed rate securities will decline. A decline in interest rates will, in general, have the opposite effect.</p> <p>For the other Funds listed above, the majority of the Funds' assets are shares which neither pay interest nor have a maturity date. Therefore, those Funds' exposure to interest rate risk is considered insignificant.</p>	<p>No formal mitigation techniques are adopted by the Investment Adviser or the Manager. Investments in fixed interest rate securities is wholly consistent with Fund objectives.</p>
1(c) Currency risk	<p>The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.</p>	<p>For the Virgin Money Growth Fund 2, Virgin Global Share Fund, and Virgin Money Growth Fund 3, as some of the investments will be in currencies other than the British Pound (GBP), changes in currency exchange rates impact the value of each Fund when expressed in GBP.</p>	<p>Small amounts of currency risk can be beneficial in that it is another source of risk / return and acts as a further way of diversifying overall risk. Where currency risk is not desirable, the Investment Adviser can invest in underlying Funds which adopt currency hedging techniques – this is currently the case with some of the overseas bond investments within the Virgin Money Growth Fund 3.</p>

Notes to the financial statements

For the year ended 15 December 2022

Risk	Risk definition	Risk background and significance	Mitigation technique
2) Credit risk	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.	<p>Certain transactions in securities the Funds enter into expose them to the risk that the counterparty will not deliver the investments for a purchase, or cash for a sale after the Funds have fulfilled their responsibilities. Given the mitigation techniques followed, the Manager does not consider the Funds have a significant exposure to counterparty risk.</p> <p>Issuer risk relates to the credit worthiness of the issuer of the security itself and their ability to make interest payments or return par value at maturity – this is relevant for the bonds held within each Fund where applicable.</p>	<p>The Funds only buy and sell 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.</p> <p>The Funds' 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.</p> <p>Credit risk relating to bonds is part of the investment process. Bonds with greater credit risk associated with yield more as their prices are lower to reflect the additional risk. Risk / return is assessed by the Investment Adviser and the Manager in determining what type of bonds to invest in for each Fund, in accordance with its Investment Objective.</p>
3) Liquidity risk	The risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities, including redemption of liabilities.	All of the Fund's financial assets are considered to be readily realisable in accordance with the practices of the markets on which they are traded. Given this, the Manager does not consider that the Funds have a significant exposure to liquidity risk.	In general, the Investment Adviser manages the Funds' cash to ensure they 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.

For each of the risks in the table above, quantitative analysis in relation to that risk is available in the Financial Risk Management, Derivatives and Other Financial Instruments note within the latest Final Report and Financial Statements of the relevant underlying unit trust. These accounts can be obtained free of charge from the Manager on request or via the Virgin Money website.

Notes to the financial statements

For the year ended 15 December 2022

(b) Other Price Risk and Fair Value of Financial Assets and Liabilities

There is no material difference between the carrying value and the fair value of the financial assets and liabilities of the Scheme disclosed in the Balance sheets.

A 5% increase in the market price of investments at the reporting date compared to the fair value reported would have caused net capital gains to increase as shown below:

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

	Virgin Money Pension Growth Fund 3		Virgin Money Pension Defensive Fund		Virgin Money Pension Bond Fund		Virgin Money Pension Growth Fund 1		Virgin Money Pension Growth Fund 2		Virgin Pension Growth Fund		Virgin Pension Global Share Fund	
	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21	15 Dec 22	15 Dec 21
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
5% of the market value of investments	48,042	52,944	6,143	5,759	4,779	6,867	164	169	345	359	10,280	10,167	941	1,015

Notes to the financial statements

For the year ended 15 December 2022

13. Reconciliation of the Unit Movements in the Year

	Virgin Money Pension Growth Fund 3 Accumulation	AE Accumulation	Virgin Money Pension Defensive Fund Accumulation	AE Accumulation	Virgin Money Pension Bond Fund Accumulation	AE Accumulation
Opening units in issue	863,941,652	20,362,346	109,166,350	1,828,267	43,971,504	802,177
Creations during the year	22,115,748	241,719	26,909,659	491,983	1,302,652	226
Cancellations during the year	(39,101,377)	(1,461,004)	(8,131,321)	(338,711)	(8,178,946)	(462,648)
Closing units in issue	846,956,023	19,143,061	127,944,688	1,981,539	37,095,210	339,755

	Virgin Money Pension Growth Fund 1 Accumulation	Virgin Money Pension Growth Fund 2 Accumulation	Virgin Pension Growth Fund Accumulation	AE Accumulation	Virgin Pension Global Share Fund Accumulation
Opening units in issue	2,738,873	4,999,449	53,337,606	1,898,682	12,364,812
Creations during the year	382,757	601,109	3,279,897	22,165	2,364,100
Cancellations during the year	(205,135)	(405,029)	(4,041,515)	(229,658)	(2,484,128)
Closing units in issue	2,916,495	5,195,529	52,575,988	1,691,189	12,244,784

Notes to the financial statements

For the year ended 15 December 2022

14. Fair Value Hierarchy

15 Dec 22	Virgin Money Pension Growth Fund 3		Virgin Money Pension Defensive Fund		Virgin Money Pension Bond Fund		Virgin Money Pension Growth Fund 1		Virgin Money Pension Growth Fund 2		Virgin Pension Growth Fund		Virgin Pension Global Share Fund	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Valuation technique - Investments														
Level 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Level 2	960,839	-	122,850	-	95,575	-	3,272	-	6,895	-	205,606	-	18,810	-
Level 3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	960,839	-	122,850	-	95,575	-	3,272	-	6,895	-	205,606	-	18,810	-

15 Dec 21	Virgin Money Pension Growth Fund 3		Virgin Money Pension Defensive Fund		Virgin Money Pension Bond Fund		Virgin Money Pension Growth Fund 1		Virgin Money Pension Growth Fund 2		Virgin Pension Growth Fund		Virgin Pension Global Share Fund	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Level 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Level 2	1,058,886	-	115,181	-	137,333	-	3,371	-	7,174	-	203,345	-	20,305	-
Level 3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1,058,886	-	115,181	-	137,333	-	3,371	-	7,174	-	203,345	-	20,305	-

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

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

Notes to the financial statements

For the year ended 15 December 2022

15. Subsequent Events

Virgin Money Pension Growth Fund 1, Virgin Money Pension Growth Fund 2 and Virgin Money Pension Growth Fund 3.

The Funds have undergone a strategy review which will be implemented in February 2023. The new strategy will incorporate Environmental, Social and Governance (ESG) considerations into the investment selection process; this means that the Funds will tilt away from companies with poor ESG ratings and towards those in the same sector with good ratings.

We will not invest in companies that:

- > have material revenues (>5%) from tobacco products, thermal coal or unconventional oil and gas
- > are involved in the manufacture or distribution of controversial weapons (such as cluster munitions or anti-personnel landmines)
- or
- > violate the UN Global Compact principles on human rights, labour, the environment and anti-corruption.

To continue to improve the value we provide customers we are also reducing the ongoing costs of the Funds from 85bps to 75bps from 9th January 2023.

Virgin Pension Global Share Fund

To continue to improve the value we provide customers we are also reducing the ongoing costs of the Fund from 85bps to 75bps from 9th January 2023.

Accumulation tables

For the year ended 15 December 2022

Interim accumulation in pence per unit

Group 1	Units purchased prior to 16 December 2021
Group 2	Units purchased from 16 December 2021 to 15 June 2022 inclusive

Virgin Money Pension Growth Fund 3

	Revenue (p)	Equalisation (p)	Accumulation paid 15 Aug 22 (p)	Accumulation paid 13 Aug 21 (p)
Accumulation units				
Group 1	0.8005	-	0.8005	-
Group 2	0.1647	0.6358	0.8005	-

AE Accumulation units

Group 1	0.8609	-	0.8609	-
Group 2	0.0103	0.8506	0.8609	-

Virgin Money Pension Defensive Fund

	Revenue (p)	Equalisation (p)	Accumulation paid 15 Aug 22 (p)	Accumulation paid 13 Aug 21 (p)
Accumulation units				
Group 1	0.2680	-	0.2680	-
Group 2	0.0847	0.1833	0.2680	-

AE Accumulation units

Group 1	0.2696	-	0.2696	-
Group 2	0.0762	0.1934	0.2696	-

Accumulation tables

For the year ended 15 December 2022

Virgin Money Pension Bond Fund*

	Revenue (p)	Equalisation (p)	Accumulation paid 15 Aug 22 (p)	Accumulation paid 13 Aug 21 (p)
Accumulation units				
Group 1	1.1067	-	1.1067	1.0891
Group 2	0.8537	0.2530	1.1067	1.0891

AE Accumulation units

Group 1	0.4135	-	0.4135	0.4070
Group 2	0.4135	-	0.4135	0.4070

*Name changed on 1st December 2022.

Virgin Money Pension Growth Fund 1

	Revenue (p)	Equalisation (p)	Accumulation paid 15 Aug 22 (p)	Accumulation paid 13 Aug 21 (p)
Accumulation units				
Group 1	0.4605	-	0.4605	1.0785
Group 2	0.0619	0.3986	0.4605	1.0785

Virgin Money Pension Growth Fund 2

	Revenue (p)	Equalisation (p)	Accumulation paid 15 Aug 22 (p)	Accumulation paid 13 Aug 21 (p)
Accumulation units				
Group 1	0.6092	-	0.6092	1.3382
Group 2	0.1221	0.4871	0.6092	1.3382

Accumulation tables

For the year ended 15 December 2022

Virgin Pension Growth Fund

	Revenue (p)	Equalisation (p)	Accumulation paid 15 Aug 22 (p)	Accumulation paid 13 Aug 21 (p)
Accumulation units				
Group 1	4.1309	-	4.1309	3.6165
Group 2	1.9502	2.1807	4.1309	3.6165

AE Accumulation units

Group 1	1.4660	-	1.4660	1.2951
Group 2	0.4150	1.0510	1.4660	1.2951

Virgin Pension Global Share Fund

	Revenue (p)	Equalisation (p)	Accumulation paid 15 Aug 22 (p)	Accumulation paid 13 Aug 21 (p)
Accumulation units				
Group 1	1.3644	-	1.3644	1.6782
Group 2	0.3310	1.0334	1.3644	1.6782

Accumulation tables

For the year ended 15 December 2022

Final accumulation in pence per unit

Group 1	Units purchased prior to 16 June 2022
Group 2	Units purchased from 16 June 2022 to 15 December 2022 inclusive

Virgin Money Pension Growth Fund 3

	Revenue (p)	Equalisation (p)	Accumulation payable 15 Feb 23 (p)	Accumulation paid 15 Feb 22 (p)
Accumulation units				
Group 1	0.4871	-	0.4871	0.1871
Group 2	0.1153	0.3718	0.4871	0.1871

AE Accumulation units

Group 1	0.5435	-	0.5435	0.2641
Group 2	0.0435	0.5000	0.5435	0.2641

Virgin Money Pension Defensive Fund

	Revenue (p)	Equalisation (p)	Accumulation payable 15 Feb 23 (p)	Accumulation paid 15 Feb 22 (p)
Accumulation units				
Group 1	0.5426	-	0.5426	0.3362
Group 2	0.1616	0.3810	0.5426	0.3362

AE Accumulation units

Group 1	0.5472	-	0.5472	0.3396
Group 2	0.1472	0.4000	0.5472	0.3396

Accumulation tables

For the year ended 15 December 2022

Virgin Money Pension Bond Fund*

	Revenue (p)	Equalisation (p)	Accumulation payable 15 Feb 23 (p)	Accumulation paid 15 Feb 22 (p)
Accumulation units				
Group 1	1.3012	-	1.3012	1.0710
Group 2	0.7069	0.5943	1.3012	1.0710
AE Accumulation units				
Group 1	0.4825	-	0.4825	0.3968
Group 2	0.1109	0.3716	0.4825	0.3968

*Name changed on 1st December 2022.

Virgin Money Pension Growth Fund 1

	Revenue (p)	Equalisation (p)	Accumulation payable 15 Feb 23 (p)	Accumulation paid 15 Feb 22 (p)
Accumulation units				
Group 1	0.4558	-	0.4558	0.5879
Group 2	0.0751	0.3807	0.4558	0.5879

Virgin Money Pension Growth Fund 2

	Revenue (p)	Equalisation (p)	Accumulation payable 15 Feb 23 (p)	Accumulation paid 15 Feb 22 (p)
Accumulation units				
Group 1	0.8370	-	0.8370	0.8999
Group 2	0.2722	0.5648	0.8370	0.8999

Accumulation tables

For the year ended 15 December 2022

Virgin Pension Growth Fund

	Revenue (p)	Equalisation (p)	Accumulation payable 15 Feb 23 (p)	Accumulation paid 15 Feb 22 (p)
Accumulation units				
Group 1	7.4028	-	7.4028	6.3225
Group 2	3.7512	3.6516	7.4028	6.3225

AE Accumulation units

Group 1	2.6613	-	2.6613	2.2578
Group 2	1.9782	0.6831	2.6613	2.2578

Virgin Pension Global Share Fund

	Revenue (p)	Equalisation (p)	Accumulation payable 15 Feb 23 (p)	Accumulation paid 15 Feb 22 (p)
Accumulation units				
Group 1	1.3492	-	1.3492	0.7144
Group 2	0.1322	1.2170	1.3492	0.7144

Equalisation

Equalisation applies only to units purchased during the distribution period (Group 2 units). It is the average amount of income included in the purchase price of all Group 2 units and is 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.

Statement of the Manager's responsibilities

For the year ended 15 December 2022

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 Scheme and of the net income and net gains or losses on the property of the Scheme for the period.

In preparing the financial statements the Manager is responsible for:

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

The Manager is responsible for the management of the Scheme in accordance with the Trust Deed, 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.

In accordance with the requirements of the COLL sourcebook as issued and amended by the Financial Conduct Authority, we hereby certify the report on behalf of Virgin Money Unit Trust Managers Limited (The Manager), the Authorised Fund Manager.



Jonathan Byrne

Director

14 Apr 2023



David Taylor

Director

14 Apr 2023

Independent auditor's report to the unitholders of The Virgin Stakeholder Pension Scheme (the 'Scheme')

For the year ended 15 December 2022

Opinion

We have audited the financial statements of the Scheme for the year ended 15 December 2022 which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the Related Notes and Accumulation Tables for each of the Scheme's pension funds listed on page 4 and the accounting policies set out on page 38.

In our opinion the financial statements:

- > give a true and fair view, in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, of the financial position of each of the pension funds as at 15 December 2022 and of the net revenue and the net capital (losses)/gains on the property of each of the pension funds 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 Scheme 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.

Emphasis of matter – non going concern basis of preparation

In respect of the Scheme, we draw attention to the disclosure made in accounting policy 1 a. "Basis of preparation" to the financial statements which explains that the financial statements of this scheme have not been prepared on a going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

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 Scheme'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 the Manager 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 Scheme 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.

Independent auditor's report to the unitholders of The Virgin Stakeholder Pension Scheme (the 'Scheme')

For the year ended 15 December 2022

Secondly, the Scheme 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 Scheme'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 Scheme 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 61, 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 Scheme and its pension funds 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 Scheme or its pension funds or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

Independent auditor's report to the unitholders of The Virgin Stakeholder Pension Scheme (the 'Scheme')

For the year ended 15 December 2022

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

This report is made solely to the Scheme'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 Scheme'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 Scheme and the Scheme's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.



Wiqas Kaiser

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

20 Castle Terrace

Edinburgh

EH1 2EG

14 Apr 2023

Statement of the Trustee's Responsibilities

in respect of the Scheme and Report of the Trustee to the Unitholders of The Virgin Stakeholder Pension Scheme ("the Scheme")

For the year ended 15 December 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 Scheme 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 Scheme, concerning: the pricing of and dealing in Scheme Units; the application of income of the scheme; and the Scheme 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,
14 Apr 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