ES ARDEVORA ICVC

Annual Report and Audited Financial Statements
for the year ended 31 December 2020

Authorised Corporate Director's Report and Audited Financial Statements
For the year ended 31 December 2020

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MANAGEMENT AND PROFESSIONAL SERVICE PROVIDERS' DETAILS

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* Authorised and regulated by the Financial Conduct Authority ("FCA").

** The Depositary is authorised by the Autorité de Contrôle Prudential et de Résolution and the Autorité des Marchés Financiers but in respect of its services as Depositary in the United Kingdom is authorised by the PRA and regulated by the FCA and the PRA.

Please note that telephone calls may be recorded for monitoring and training purposes and to confirm investors' instructions.

REPORT OF THE AUTHORISED CORPORATE DIRECTOR (ACD)

Equity Trustees Fund Services Limited (“ETFS”), the Authorised Corporate Director (“ACD”) of The ES Ardevora ICVC (“the Company”), is pleased to present the annual report and audited Financial Statements of the Company for the year ended 31 December 2020.

We hope that you find this report informative. If you require further information concerning your investment, please call our Registrar on 0330 024 0785.

Constitution and Authorised Status

The ES Ardevora ICVC is an investment Company with variable capital, incorporated in England and Wales on 24 February 2012 under registered number IC000938 and authorised by the FCA (Product Reference Number (PRN)575655 with effect from 24 February 2012.

The Head Office of the Company is at 4th Floor, Pountney Hill House, 6 Laurence Pountney Hill, London EC4R 0BL and is also the address of the place in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it.

The minimum Share capital of the Company shall be £1,000 and the maximum share capital shall be £10,000,000,000. The base currency for the Company is pounds sterling. The Share capital of the Company at all times equals the Net Asset Value of the Fund. The Shareholders are not liable for the debts of the Company. There were no Shares in any Fund held by any other Fund of the Company.

The Company is a “UCITS Scheme”, as defined in the FCA Rules, and is organised as an umbrella company for the purposes of the OEIC Regulations.

The sub-fund of the Company is valued on a mid-market basis, with daily single prices appearing on the ACD's website (www.equitytrustees.com). The sub-fund valuation point is 12pm.

In line with the Protected Cell Company Regime, the assets of a sub-fund of the Company belong exclusively to that sub-fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company, or any other sub-fund of the Company, and shall not be available for any such purpose.

The Fund in which shares are currently available is as follows:

• ES Ardevora UK Income Fund

Subject to the OEIC Regulations and the provisions set out in the instrument constituting the Scheme, the ACD may establish additional Funds from time to time.

The Company will not have any direct interest in any immovable property or tangible movable property.

The maximum level of management fees that may be charged to the Company, including any management fees levied on any Collective Investment Schemes in which the Company invests, will not exceed 10% per year.

As a result of the continued decrease in the sub-funds AUM and the lack of anticipated future demand for the strategy, the ACD has concluded that the sub-fund and Company are no-longer commercially viable to operate.

A proposal has been sent to shareholders that a merger with another sub-fund, where ETFS are the ACD, be effected by way of a scheme of arrangement in accordance with the FCA regulations.

The scheme of arrangement requires the passing of an Extraordinary Resolution of the Shareholders of the sub-fund to approve the merger. This is scheduled to take place on 31 March 2021.

If the Extraordinary Resolution is not passed then it is the intention of the ACD to close the sub-fund and wind up the Company in accordance with the Prospectus, following approval from the FCA.

Given the intention to cease operations within the next twelve months, the financial statements are not prepared on a going concern basis. No adjustments arose as a result of ceasing to apply the going concern basis.

UCITS V

Equity Trustees Fund Services Limited is committed to ensuring that its remuneration policies and practices are consistent with, and promote, sound and effective risk management. Its remuneration policy is designed to ensure that excessive risk taking is not encouraged by or within the Group including in respect of the risk profile of the Funds it operates, to manage the potential for conflicts of interest in relation to remuneration (having regard, inter alia, to its formal conflicts of interest policy) and to enable them to achieve and maintain a sound capital base.

REPORT OF THE AUTHORISED CORPORATE DIRECTOR (continued)

Equity Trustees Fund Services Limited delegates portfolio management for its funds to various investment management firms. The investment managers' fees and expenses for providing investment management services are paid by the ACD out of its own remuneration under the ACD agreement. The investment management firms generally also make information on remuneration publicly available in accordance with the disclosure requirements of Pillar 3 of the Capital Requirements Directive.

The remuneration strategy across ETFS is governed by the board of its holding company EQT Equity Trustees (UK & Europe) Limited. As a result of the company's size and structure, the board of ETFS has chosen not to establish a Remuneration Committee. The board has established a Remuneration Policy designed to ensure the UCITS Remuneration Code in the UK Financial Authority handbook is met proportionately for all UCITS Remuneration Code Staff.

ETFS considers its activities as non-complex due to the fact that regulation limits the activities of the UCITS and the scope of investment in such a way so as to seek that investor risk is mitigated. The activities of ETFS and the delegated Investment Manager are strictly controlled within certain pre-defined parameters as set out in the prospectus of each UCITS.

In its role as a UCITS Manager, ETFS deems itself as lower risk due to the nature of the activities it conducts. ETFS does not pay any form of variable remuneration currently based on the Investment Performance of its UCITS. Therefore, ETFS have provided a basic overview of how staff whose actions have a material impact on the Fund are remunerated.

June-2020*	Number of Beneficiaries	Total remuneration paid	Fixed remuneration	Variable remuneration paid	Carried interest paid by the UCITS
Total remuneration paid by the UCITS Manager during the financial year	12	£734,635	£734,635	£0	£0
Remuneration paid to employees of the UCITS Manager who have a material impact on the risk profile of the UCITS	6	£408,152	£408,152	£0	£0
Senior Management	3	£344,502	£344,502	£0	£0
Control functions	4	£383,502	£383,502	£0	£0
Employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers	0	£0	£0	£0	£0

*Equity Trustees Fund Services Limited annual accounts at 30 June 2020

REPORT OF THE AUTHORISED CORPORATE DIRECTOR (continued)

Certification of the annual report and audited Financial Statements by the Authorised Corporate Director, Equity Trustees Fund Services Limited.

In accordance with the requirements of the Open-Ended Investment Companies Regulations 2001(SI2001/1228) and the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL" or "COLL Sourcebook"), we hereby certify the annual report and audited Financial Statements on behalf of the ACD, Equity Trustees Fund Services Limited.

Events after the year end

The solvency statement for the proposed termination of the ES Ardevora UK Income statement under Collective Investment Sourcebook ("COLL") Section 7.3.5R (4), has been submitted to the FCA on 17 March 2021 for approval.

James Gardner
Director for and on behalf of Equity Trustees Fund Services Limited
Authorised Corporate Director of ES Ardevora ICVC

24 March 2021

STATEMENT OF THE ACD'S RESPONSIBILITIES

For the year ended 31 December 2020

The Authorised Corporate Director ("ACD") of The ES Ardevora ICVC ("the Company") is responsible for preparing the Annual Report and the Financial Statements in accordance with the Open-Ended Investment Companies Regulations 2001 ("the OEIC Regulations"), the Financial Conduct Authority's Collective Investment Schemes' Sourcebook ("COLL") and the Company's Instrument of Incorporation.

The OEIC Regulations and COLL require the ACD to prepare Financial Statements for each annual accounting period which:

- are in accordance with United Kingdom Generally Accepted Accounting Practice ("United Kingdom Accounting Standards and applicable law"), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association ("IA SORP") in May 2014; and
- give a true and fair view of the financial position of the Company's sub-fund as at the end of the year and the net revenue and the net capital losses on the scheme property of the Company's sub-fund for the year.

In preparing the Financial Statements, the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the IA SORP have been followed, subject to any material departures disclosed and explained in the Financial Statements; and

The ACD is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the applicable IA SORP and United Kingdom Accounting Standards and applicable law. The ACD is also responsible for the system of internal controls, for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with COLL 4.5.8BR, the Annual Report and the audited financial statements were approved by the board of directors of the ACD of the Company and authorised for issue on 24 March 2021.

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES
For the year ended 31 December 2020

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the ES Ardevora UK Income Fund ("the Company") for the period 1 January 2020 to 31 December 2020.

The depositary is responsible for the safekeeping of all of the property of the Company (other than tangible moveable property) which is entrusted to it and for the collection of income that arises from that property.

It is the duty of the depositary to take reasonable care to ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("the Sourcebook"), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), the Company's Instrument of Incorporation and Prospectus, in relation to the pricing of, and dealings in, shares in the Company; the application of income of the Company; and the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the Authorised Corporate Director:

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Sourcebook and, where applicable, the OEIC Regulations, the Instrument Of Incorporation and Prospectus of the Company, and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

Société Generale S.A. London Branch

31 December 2020

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ES ARDEVORA ICVC

For the year ended 31 December 2020

Opinion

In our opinion the financial statements of the ES Ardevora ICVC (the 'Company'):

- give a true and fair view of the financial position of the company as at 31 December 2020 and of the net revenue and the net capital gains on the property of the company for the year ended 31 December 2020; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice "Financial Statements of UK Authorised Funds", the rules in the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

We have audited the financial statements which comprise:

- the statement of total return;
- the statement of change in net assets attributable to shareholders;
- the balance sheet;
- the accounting policies, risk management policies and individual notes 1 to 16; and
- the distribution tables.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014 as amended in June 2017, the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Financial statements prepared other than on a going concern basis

We draw attention to note 1 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The ACD is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2020

Responsibilities of Depositary and ACD

As explained more fully in the depositary's responsibilities statement and the ACD's responsibilities statement, the depositary is responsible for the safeguarding the property of the company and the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the ACD determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the ACD is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the ACD either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and those charged with governance about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Collective Investment Schemes Sourcebook and relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included The Open-Ended Investment Companies Regulations 2001.

We discussed among the audit engagement team including relevant internal specialists such as valuations and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the valuation and existence of investments. In response we have: involved our financial instruments specialists to assess the applied valuation methodologies; agreed investment holdings to independent confirmations; and agreed investment valuations to reliable independent sources.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

● enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and

● reviewing correspondence with HMRC and the FCA.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

● proper accounting records for the company and its sub-fund have been kept and the financial statements are in agreement with those records;

● we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and

● the information disclosed in the annual report for the year ended 31 December 2020 for the purpose of complying with Paragraph 4.5.9R of the Collective Investment Schemes Sourcebook is consistent with the financial statements.

Use of our report

This report is made solely to the company's shareholders, as a body, in accordance with Paragraph 4.5.12R of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the company's shareholders 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 company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP

Statutory Auditor

Glasgow, United Kingdom

24 March 2021

REPORT OF THE INVESTMENT ADVISER

For the year ended 31 December 2020

Investment Objective and Policy

The Investment objective of the ES Ardevora UK Income Fund ("the Fund") is to deliver an income equal to or greater than the income yield of the FTSE All Share Index after the deduction of all fees, over a rolling three year period (the "Benchmark"). The Sub-Fund also aims to generate capital growth for its investors.

The Fund aims to achieve its investment objective by investing at least 80% of its value in a focused portfolio (investing in between 35 and 55 companies) across a range of UK equity or equity-related securities listed or traded on Regulated Markets. "UK equity or equity-related securities" means shares in any Company that is incorporated in or has substantial business activities in the UK and may include ordinary and preference shares, issued in GBP. The portfolio is diversified, meaning the Investment Manager will select companies from a range of industry sectors and Company size.

The Fund is actively managed meaning the Investment Manager uses their expertise to select investments to achieve the Sub-fund's objectives.

The Investment Manager will, at all times, consider market valuations and the prevailing investment climate. In the event of a perceived negative investment climate the Fund may liquidate investments and hold the proceeds or may retain amounts in cash or ancillary liquid assets (including money market funds, money market instruments such as commercial paper, certificates of deposit and cash deposits) pending investment or reinvestment.

The Fund may also invest in transferable securities and money market instruments (such as short dated government backed securities, floating rate notes, commercial paper, certificates of deposit, treasury bills and treasury notes) and up to 10%, in aggregate, in other Collective Investment Schemes. Investment in collective investment schemes can include those operated and/or managed by the ACD or the Investment Manager. The Fund may use cash and derivatives and forward transactions for EPM purposes in order to reduce perceived risks.

Market Overview

We build our views from the bottom up, gauging the ebb and flow of shifting beliefs at a company level, to make wider inferences. Our approach is based on a simple philosophy: people do not like making mistakes and are often surprisingly unwilling to admit and rectify them. We believe CEOs are especially prone to this bias, given their typical personality type. Analysts suffer the bias in a slightly different way. They get swayed by anchors (either from peer groups or by history) and tend to build up anxiety or scepticism when the environment unfolds in unforeseen ways, struggling to adjust their beliefs accordingly. Analysts offer a partial insight into investors. Investors have heavy anchors too and are especially prone to anxiety and scepticism from prior scarring events: “the time when everything went wrong”, “the high-flying stock that blew up”. Analysts and investors can also succumb to excessive exuberance (but we do not think 2020 was one of those kinds of years).

We invest in stocks where we think CEOs have plans and beliefs which fit their environment and where investors and analysts may have misunderstood how unusual this is. Some of them are “growth” stocks: unusual businesses which are finding growth unusually easy. Some of them are “recovery” stocks: reasonable businesses which have gone through times difficult enough to jolt CEOs into unusual, risk reducing, realistic behaviour.

Since 2013 we have found it easier to find growth stocks rather than recovery stocks. There have been plenty of stocks with recovery plans, but most have been unrealistic, difficult to deliver and ended in failure. There may be a couple of reasons. First, we think the availability of cheap capital and advances in technology have made it easier for new business models to come in and disrupt old ones. Recovery used to be about either fixing your own reckless behaviour, coping with your peers being too reckless, or coping with your customers being unexpectedly conservative. More recently it has become common for an entire industry to get upended by behaviour from outside that industry. Recovery is a lot harder when this happens. Second, unexpectedly conservative customer behaviour usually emerges during periods of unexpected economic weakness and macro shocks have become increasingly rare. Macro shocks can be intriguing. They sort of give a free pass to CEOs to put through major plan resets for previously struggling businesses. When the environment shifts through no fault of your own and it shifts for everybody, it is much easier to accept your plans are not working. But if your customers are behaving unexpectedly and the economy is not to blame, effective recovery plans are way more difficult.

2020 was a year of macro shocks. At the start of 2020 there were not many credible recovery plans, and many were quite difficult to pull off. By the summer of 2020 there were a lot of recovery plans and they were a lot easier to deliver. Macro shocks also tend to impact growth plans. Generally, they are a lot harder to achieve. But 2020 was not a regular macro shock: while some growth plans crumbled to dust, many others became amazingly easy. For us, being able to accept such a peculiar shift in environment was important. It was easy to be wrong last year: to be confident and relaxed at the wrong time, to be anxious and cautious at the wrong time; to have wildly swinging, confusing beliefs over which stocks would do well or badly and to change your mind at just the wrong time.

REPORT OF THE INVESTMENT ADVISER (Continued)
For the year ended 31 December 2020

Portfolio Review

We started the year cautiously. We formed a view on where we thought the consensus was for 2020. It seemed too relaxed, too trusting for stocks reliant on recovery plans, too dismissive of the risks which had built during 2019. Our first set of changes to the portfolio focused on reducing risk. We decided to be less trusting of recovery plans, and more comfortable with conservative growth plans. The mix in our portfolio shifted accordingly. In February we became more nervous about growth orientated stocks in the electronics industry. We saw signs the environment was getting harder, from an unexpected source. Factories in China had remained closed after Chinese New Year, to cope with an outbreak of an unknown new virus. The factory closures were immediately and significantly impactful to many of our stocks exposed to electronic components. Their supply chains were heavily reliant on Chinese factories. We had not seen this kind of supply shock before. We suspected CEOs had not either. This new environment made CEO mistakes to the downside much easier. In our experience this is risky, so we reduced exposure. By reacting to the shift in investor and analyst sentiment through 2019, and to a new source of unexpected risk in early Q1, we ended up with quite a defensive portfolio mix. We had no idea what was coming. Our portfolios got clobbered in the sell-off, but despite our skew away from mega-caps (we aim to equally weight our positions and mega-caps generally do better in sharp sell-offs) we fell less than most.We started the second quarter feeling very uncomfortable. We had quickly worked out COVID-19 was a big deal. The rest of the world had caught up. Real time economic statistics were literally off the charts. People were panic buying basic products, like loo roll. The end of capitalism or the Great Depression were surprisingly easy to imagine. We concluded uncertainty was unusually high and it was going to be very easy to be wrong. We fiddled a little with our portfolios, trying to keep changes to a minimum. We sold what was left of our energy exposure. We bought a few, comfort stocks; some in software, some in video gaming. We worked from home and wrestled with video conferencing and generally felt quite gloomy. News was swamped with statistics about COVID-19. We tried to get a grip on CEO behaviour. Having been dismissive of the pandemic in Q1, almost every CEO appeared to be battening down the hatches and accepting their start-of-year plans were useless. Analysts and investors appeared to be in panic. Analysts were slashing forecasts and rolling out recommendations based on safety. Investors were panicky and confused, anxious on down days, sceptical on up days. Stock markets rallied hard in April and May as governments intervened heavily. Initially we made the same mistake as many: we waited and watched and felt somehow it was unfair stocks were going up because governments were interfering.

In May, we got our wits together and focused on what really matters: investor anxiety looked unusually high, CEO behaviour unusually conservative and risk averse, governments unusually responsive and supportive. It was hard not to conclude recovery plans were more likely to work at a time when scepticism towards them was unusually high. It felt uncomfortable, but for the first time in six years we decided to back recovery more vigorously. We also sold a few growth stocks which had performed especially well.

Stock markets performed exceptionally well in Q2, despite all the terrible economic news. We also did well, through a mixture of recovery stocks and growth stocks. Already we were getting a taste for what an unusual recovery this was. We waited in Q3, leaving our portfolios largely untouched. Stock markets rose again but were more jittery, as virus news ebbed and flowed around the world. Real time economic stats showed activity recovering sharply from the Q2 lows, but then flat-lining as governments balanced healthcare system stress with economic activity. We performed reasonably well, through a mix of both recovery and growth. We sifted through our recovery stocks, trying to evaluate how their recovery plans were doing. In early November we finished another review. We were reasonably happy with our balanced mix of recovery and growth. It had become clear there were plenty of growth stocks where the pandemic had accelerated favourable trends and growth was still easy, despite life being generally tough. At the same time, recovery plans for the many businesses hit by the pandemic appeared to be working. It felt right to have a foot in both camps. We were relaxed about where we found our new ideas, but were careful to maintain an even mix in the portfolio. We weeded out tired investment cases and recovery stocks too dependent on a quick return to normality, especially in commercial aerospace.

Everything went a bit bonkers at the end of the quarter on the news of viable vaccines. Recovery stocks performed especially well. We managed to perform even better, finally helped by our skew away from mega-cap stocks.

Thus ended a very strange year. Overall, we were happy (and relieved) with how we coped. We made plenty of mistakes, as always. But we got more right than wrong and generally coped well with our errors. We wish we had been a bit quicker at embracing recovery in Q2, but we do like to ponder our way through problems, and it was unusually difficult to think clearly.

2021 is likely to be a challenge. There is still plenty of unpredictability. We are in a recovery, but the path and duration will be unusual. A little like the start of 2020 we are more inclined to be cautious. Hopes for a quick recovery, now we have a vaccine, may be a little ahead of themselves. A true recovery may be more of a 2022 event. Stock markets represent what the future economy will look like, not how it looks now. At the start of 2021, the trickiest thing to evaluate is how patient and forward looking the consensus is right now. Will it tolerate a lacklustre 2021, comforted by the hope of a pandemic free 2022? It feels right to keep a balanced portfolio again some growth, some recovery, but perhaps be a little more demanding on those recovery plans again.

REPORT OF THE INVESTMENT ADVISER (Continued)
For the year ended 31 December 2020

Outlook

2021 brings hope. Brexit has finally passed, having stalled initiative for the last few years. The UK has an unusually well-developed vaccine program. There is a reasonable chance we can achieve effective herd immunity in the second half of the year, likely well ahead of most other countries. The recovery potential is significant, given the structure of our economy. We are a lot less anxious than a year ago. Our main quandary is how patient other investors will be. We think the UK will be in a full-blooded recovery by the end of the year, but there is still a tricky transition period to navigate: the vaccine program must go flawlessly, and we believe a final wave of infections will put stress on the health care system, as herd immunity is approached. The current lockdown is likely to persist longer than is probably hoped for and a second wave of summer restrictions is probably on the cards too. Recovery remains tantalisingly visible, but just out of reach.

We think it is sensible to keep a good mix of stocks on both sides of the book: recovery and growth in the longs; value traps and unrealistic growth in the shorts. Roll on 2022.

Ardevora Asset Management LLP

XXX March 2021

Important information

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COMPARATIVE TABLE, OCF AND RISK AND REWARD PROFILE
for the year ended 31 December 2020

Institutional Accumulation Shares

	31.12.20 (pence per share)	31.12.19 (pence per share)	31.12.18 (pence per share)
Change in net assets per share			
Opening net asset value per share	212.37	181.00	203.07
Return before operating charges*	(18.82)	33.91	(19.17)
Operating charges	(2.74)	(2.54)	(2.90)
Return after operating charges*	(21.56)	31.37	(22.07)
Distributions on accumulation shares	(4.60)	(9.19)	(7.91)
Retained distribution on accumulation shares	4.60	9.19	7.91
Closing net asset value per share	190.81	212.37	181.00
*after direct transaction costs of:	0.60	0.35	0.30
Performance			
Return after charges	(10.15)%	17.33%	(10.87)%
Other information			
Closing net asset value (£)	4,617,340	7,052,169	9,691,107
Closing number of shares	2,419,921	3,320,621	5,354,085
Operating charges	1.52%	1.27%	1.12%
Direct transaction costs	0.33%	0.18%**	0.15%
Prices			
Highest share price (pence)	216.73	216.01	209.69
Lowest share price (pence)	142.42	180.17	178.09

** Restated (31.12.19 0.08%); due to the transactions costs for purchases and sales were netted as opposed to aggregated.

COMPARATIVE TABLE, OCF AND RISK AND REWARD PROFILE (continued)
For the year ended 31 December 2020

Institutional Income Shares

	31.12.20 (pence per share)	31.12.19 (pence per share)	31.12.18 (pence per share)
Change in net assets per share			
Opening net asset value per share	155.22	138.32	161.72
Return before operating charges*	(13.91)	25.77	(14.88)
Operating charges	(1.99)	(1.92)	(2.27)
Return after operating charges*	(15.90)	23.85	(17.15)
Distributions on income shares	(3.34)	(6.95)	(6.25)
Closing net asset value per share	135.98	155.22	138.32
*after direct transaction costs of:	0.44	0.26	0.25
Performance			
Return after charges	(10.24)%	17.24%	(10.61)%
Other information			
Closing net asset value (£)	1,463,416	2,280,752	2,161,408
Closing number of shares	1,076,161	1,469,357	1,562,659
Operating charges	1.52%	1.27%	1.12%
Direct transaction costs	0.33%	0.18%**	0.15%
Prices			
Highest share price (pence)	158.43	160.76	166.70
Lowest share price (pence)	104.11	137.68	138.37

**Restated (31.12.19 0.08%); due to the transactions costs for purchases and sales were netted as opposed to aggregated.

COMPARATIVE TABLE, OCF AND RISK AND REWARD PROFILE (continued)
For the year ended 31 December 2020

Retail Accumulation Shares

	31.12.20 (pence per share)	31.12.19 (pence per share)	31.12.18 (pence per share)
Change in net assets per share			
Opening net asset value per share	207.61	177.34	199.52
Return before operating charges*	(18.43)	33.27	(19.24)
Operating charges	(3.12)	(3.00)	(2.94)
Return after operating charges*	(21.55)	30.27	(22.18)
Distributions on accumulation shares	(4.49)	(9.00)	(7.77)
Retained distribution on accumulation shares	4.49	9.00	7.77
Closing net asset value per share	**186.06**	**207.61**	**177.34**
*after direct transaction costs of:	0.57	0.34	0.29
Performance			
Return after charges	(10.38)%	17.07%	(11.12)%
Other information			
Closing net asset value (£)	65,619	107,578	124,241
Closing number of shares	35,268	51,816	70,057
Operating charges	1.77%	1.52%	1.37%
Direct transaction costs	0.33%	0.18%**	0.15%
Prices			
Highest share price (pence)	211.84	211.18	205.74
Lowest share price (pence)	139.15	176.56	174.54

**Restated (31.12.19 0.08%); due to the transactions costs for purchases and sales were netted as opposed to aggregated.

COMPARATIVE TABLE, OCF AND RISK AND REWARD PROFILE (continued)
For the year ended 31 December 2020

Retail Income Shares

	31.12.20** (pence per share)	31.12.19 (pence per share)	31.12.18 (pence per share)
Change in net assets per share			
Opening net asset value per share	152.84	136.88	160.06
Return before operating charges*	(148.92)	25.09	(12.30)
Operating charges	(2.33)	(2.28)	(4.71)
Return after operating charges*	(151.25)	22.81	(17.01)
Distributions on income shares	(1.59)	(6.85)	(6.17)
Closing net asset value per share	-	152.84	136.88
*after direct transaction costs of:	-	0.26	0.16
Performance			
Return after charges	-	16.66%	(10.63)%
Other information			
Closing net asset value (£)	-	9,586	14,466
Closing number of shares	-	6,271	10,576
Operating charges	-	1.52%	1.37%
Direct transaction costs	-	0.18%***	0.15%
Prices			
Highest share price (pence)	-	158.30	164.77
Lowest share price (pence)	-	135.91	136.60

**Retail Income shares closed on 10 November 2020.

***Restated (31.12.19 0.08%); due to the transactions costs for purchases and sales were netted as opposed to aggregated.

Ongoing Charges Figure (OCF)

The OCF figure is the ratio of the relevant annualised total disclosable costs of shares from the most recent reporting period to the average net asset value for the shares over the same period. This is calculated in accordance with CESR/10-674.

The OCF for Institutional Shares as at 31 December 2020 was 1.52%.
The OCF for Retail Shares as at 31 December 2020 was 1.77%.

Risk and Reward profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward, but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

← Typically lower rewards, lower risk | Typically higher rewards, higher risk →

1	2	3	4	**5**	6	7

This Fund is ranked at 5 because Funds of this type have experienced medium to high rises and falls in value in the past.

The following risks may not be fully captured by the risk score:

The risk and reward score is based on past performance and calculated in accordance with European legislation. It may not be reliable indication of the future risk profile.

The risk and reward score is not guaranteed and may change over time.

The lowest category does not mean risk free.

A limited number of shares may be held at certain times which could increase the volatility of the Fund.

The Fund could hold significant cash or near cash weightings. If investment markets generally rose during this period, against the Investment Manager's expectation, then the Fund performance would be reduced.

The Fund is actively managed and the Investment Manager will use its skill and judgement to identify companies which offer value. There is no guarantee that the Investment Manager will be successful.

Top Ten Purchases and Sales

For the year ended 31 December 2020

The top ten purchases and total sales during the year were as follows:

Purchases	Costs £	Sales	Proceeds £
AstraZeneca	454,381	BP	505,302
Barclays	268,785	British American Tobacco	436,250
Nat West Group Plc	202,029	GlaxoSmithKline	395,614
Taylor Wimpey	186,226	Glencore	192,847
Persimmon	180,338	Imperial Brands	170,200
Melrose Industries	130,598	Rio Tinto	169,390
International Consolidated Airlines Group	128,453	HSBC Holdings	153,774
Tesco	124,513	Rentokil Initial	150,086
Carnival	122,882	Experian	142,156
ITV	117,294	Halma	140,725
Total purchases during the year were	**4,027,508**	**Total sales during the year were**	**5,953,207**

PORTFOLIO STATEMENT

As at 31 December 2020

Holdings or Normal Value	Investments	Market Value £	% of Total Net Assets
	BANKS 12.58% (9.15%)		
114,995	Barclays	168,675	2.74
84,891	HSBC Holdings	321,567	5.23
458,467	Lloyds Banking Group	167,065	2.72
69,228	NatWest Group Plc	115,957	1.89
		773,264	**12.58**
	BASIC RESOURCES 7.39% (8.07%)		
10,379	BHP Group	199,796	3.25
4,655	Rio Tinto	254,629	4.14
		454,425	**7.39**
	CHEMICALS 1.54% (2.81%)		
4,040	Victrex	94,778	1.54
		94,778	**1.54**
	FINANCIAL SERVICES 4.89% (2.72%)		
15,387	Howden Joinery Group	106,109	1.73
1,051	London Stock Exchange Group	94,674	1.54
38,198	Syncona	99,702	1.62
		300,485	**4.89**
	FOOD & BEVERAGE 7.87% (6.55%)		
4,474	Associated British Foods	101,291	1.65
2,585	Cranswick	90,992	1.48
10,116	Diageo	291,138	4.74
		483,421	**7.87**
	HEALTH CARE 8.62% (8.36%)		
6,901	Abcam	106,827	1.74
4,484	AstraZeneca	328,406	5.33
2,270	Genus	95,249	1.55
		530,482	**8.62**
	INDUSTRIAL GOODS & SERVICES 14.40% (14.41%)		
4,609	Diploma	100,845	1.64
1,057	Ferguson	93,883	1.53
55,914	International Consolidated Airlines Group	89,351	1.45
23,234	Meggitt	108,387	1.76
56,227	Melrose Industries	100,084	1.63
31,600	QinetiQ Group	101,057	1.64
29,970	Rotork	95,305	1.55
3,613	Spectris	101,814	1.66
7,025	Travis Perkins	94,627	1.54
		885,353	**14.40**
	INSURANCE 4.33% (3.36%)		
38,678	Aviva	125,781	2.05
52,661	Legal & General Group	140,131	2.28
		265,912	**4.33**

PORTFOLIO STATEMENT

As at 31 December 2020

Holdings or Normal Value	Investments	Market Value £	% of Total Net Assets
	MEDIA 3.38% (5.44%)		
17,532	Auto Trader Group	104,491	1.70
15,868	Rightmove	103,205	1.68
		207,696	**3.38**
	OIL & GAS 5.12% (13.11%)		
12,926	Royal Dutch Shell A	167,754	2.73
11,647	Royal Dutch Shell B	146,682	2.39
		314,436	**5.12**
	PERSONAL & HOUSEHOLD GOODS 8.97% (10.58%)		
1,998	Berkeley Group Holdings	94,745	1.54
4,062	Persimmon	112,396	1.83
65,019	Taylor Wimpey	107,704	1.75
5,384	Unilever	236,465	3.85
		551,310	**8.97**
	RETAIL 3.15% (1.40%)		
34,745	Kingfisher	93,950	1.53
42,961	Tesco	99,412	1.62
		193,362	**3.15**
	TECHNOLOGY 1.52% (1.98%)		
2,909	AVEVA Group	93,117	1.52
		93,117	**1.52**
	TELECOMMUNICATIONS 4.56% (2.60%)		
88,709	ITV	94,741	1.54
153,313	Vodafone Group	185,417	3.02
		280,158	**4.56**
	TRAVEL, LEISURE & RESTAURANT 4.68% (2.85%)		
7,204	Carnival	98,479	1.60
6,947	Compass Group	94,688	1.54
2,076	Wizz Air Holdings	94,749	1.54
		287,916	**4.68**
	UTILITIES 5.82% (3.87%)		
202,939	Centrica	94,428	1.54
20,197	National Grid	174,704	2.84
3,869	Severn Trent	88,523	1.44
		357,655	**5.82**
	Portfolio of Investments	**6,073,770**	**98.82**
	Net Other Assets	72,605	1.18
	Net Assets	**6,146,375**	**100.00**

Note: Comparative figures shown in brackets relate to 31 December 2019.

All investments are ordinary shares unless otherwise stated and admitted to official stock exchange listings.

There were no cross holdings between sub-fund in the ES Ardevora ICVC as at 31 December 2020.

STATEMENT OF TOTAL RETURN

For the year ended 31 December 2020

		31.12.20		31.12.19	
	Notes	**£**	**£**	**£**	**£**
Income:					
Net capital (losses)/gains	2		(1,192,854)		1,433,532
Revenue	3	176,794		486,389	
Expenses:	4	(99,858)		(130,711)	
Interest payable and similar charges		(35)		(65)	
Net revenue before taxation		76,901		355,613	
Taxation	5	(1,014)		-	
Net revenue after Taxation			75,887		355,613
Total return before distributions			(1,116,967)		1,789,145
Distributions	6		(175,745)		(486,324)
Change in net assets attributable to Shareholders from investment activities			**(1,292,712)**		**1,302,821**

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 December 2020

	31.12.20		31.12.19	
	£	**£**	**£**	**£**
Opening net assets attributable to Shareholders		**9,450,085**		**11,991,222**
Amounts receivable on issue of Shares	394,592		842,798	
Less: Amounts paid on cancellation of Shares	(2,529,288)		(5,037,717)	
		(2,134,696)		(4,194,919)
Dilution Levy		1,541		2,870
Change in net assets attributable to Shareholders from investment activities		(1,292,712)		1,302,821
Retained distribution on accumulation shares		122,157		348,091
Closing net assets attributable to Shareholders		**6,146,375**		**9,450,085**

BALANCE SHEET
As at 31 December 2020

	Note	31.12.20 £	31.12.20 £	31.12.19 £	31.12.19 £
Assets					
Fixed assets:					
Investments			6,073,770		9,190,869
Current assets:					
Debtors	7	26,291		56,596	
Cash and bank balances	8	98,183		293,654	
Total current assets			124,474		350,250
Total assets			**6,198,244**		**9,541,119**
Liabilities					
Creditors:					
Distribution payable on income shares		(18,545)		(41,766)	
Other creditors	9	(33,324)		(49,268)	
Total creditors			(51,869)		(91,034)
Total liabilities			**(51,869)**		**(91,034)**
Net assets attributable to Shareholders			**6,146,375**		**9,450,085**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

1A. ACCOUNTING BASIS AND POLICIES

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

As described further in the Certification of Financial Statements by Directors of the ACD on page 5, the fund will be merged or wound up within the next twelve months. Therefore the financial statements have been prepared on a basis other than going concern. No adjustments arose as a result of ceasing to apply the going concern basis.

(b) Realised and unrealised gains and losses
Realised gains or losses have been calculated as the proceeds from disposal less book cost. Where realised gains or losses have arisen in previous years, a corresponding reversal of such previously recognised loss or gain is recognised in unrealised gains or losses.

Unrealised gain/losses are calculated with reference to the original recorded value of the asset or liability, and only the element of gain/loss within the accounting year is recorded in the Financial Statements. All unrealised and realised gains are capital in nature and do not form part of the Fund’s distributable income.

(c) Recognition of revenue
Dividends on quoted equities and preference shares are recognised when the securities are quoted ex dividend and are recognised net of attributable tax credits.

Interest on bank and other cash deposits is recognised on an accruals basis.

All revenue includes withholding taxes but excludes irrecoverable tax credits.

(d) Treatment of stock and special dividends
The ordinary element of stock dividends received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue. The tax treatment follows the treatment of the principal amount.

(e) Treatment of expenses
Expenses are recorded on an accrual basis, but the Fund may incur additional allowable expenses which are charged as and when they are incurred.

Expenses of the Fund are charged against capital including the costs associated with the purchase and sale of investments.

(f) Allocation of revenue and expenses to multiple Share Classes
Any revenue or expenses not directly attributable to a particular Share Class will normally be allocated prorata to the net assets of the relevant Share Classes.

(g) Taxation
Tax is provided for using tax rates and laws which have been enacted or substantively enacted at the balance sheet date.

Corporation tax is provided for on the income liable to corporation tax less deductible expenses.

Where tax has been deducted from revenue that tax can, in some instances, be set off against the corporation tax payable, by way of double tax relief.

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

1A. ACCOUNTING BASIS AND POLICIES (continued)

(h) Distribution policy

The net revenue after taxation, as disclosed in the Financial Statements, after adjustment for all expenses, is distributable to Shareholders as dividend distributions. Any revenue deficit is deducted from capital.

In addition, the portfolio transaction charges will be charged wholly to the capital of the Fund. Accordingly, the imposition of such charges may constrain the capital growth of the Fund.

The ACD has elected to pay all revenue less expenses charged to revenue and taxation as a final distribution at the end of the annual accounting period.

(i) Basis of valuation of investments

Listed investments are valued at close of business bid prices excluding any accrued interest in the case of fixed interest securities, on the last business day of the accounting period.

Market value is defined by the SORP as fair value which is the bid value of each security.

All investments are recognised and derecognised on trade date, and any trades that occur between valuation point and close of business are included in the Financial Statements.

Non-observable entity specific data is only used where relevant observable market data is not available. Typically, this category will include single broker-priced instruments, suspended/unquoted securities, private equity, unlisted close- ended funds and open-ended funds with restrictions on redemption rights.

(j) Exchange rates

Transactions in foreign currencies are recorded in Sterling “the functional currency” at a rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into Sterling at the closing mid- market exchange rates ruling on that date.

(k) Dilution Adjustment

The ACD may require a dilution adjustment on the sale and redemption of Shares if, in its opinion, the existing Shareholders (for sales) or remaining Shareholders (for redemptions) might otherwise be adversely affected. In particular, the dilution adjustment may be charged in the following circumstances: where the scheme property is in continual decline; on a Fund experiencing large levels of net sales relative to its size; on ‘large deals’; in any case where the ACD is of the opinion that the interests of remaining Shareholders require the imposition of a dilution adjustment.

(l) Equalisation

Equalisation applies only to Shares purchased during the distribution period (Group 2 Shares). It represents the accrued revenue included in the purchase price of the Shares.

After averaging it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the Shares for Capital Gains tax purposes.

1B. RISK MANAGEMENT POLICIES

In pursuing the investment objectives, a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations.

The main risks from the Company’s holding of financial instruments, together with the ACD’s policy for managing these risks, are disclosed below:

(a) Foreign currency risk

A significant portion of the Company’s assets or the equities in which the Company invests may be denominated in a currency other than the base currency of the Company or Class. There is the risk that the value of such assets and/or the value of any dividends from such assets may decrease if the underlying currency in which assets are traded falls relative to the base currency in which Shares of the relevant Fund are valued and priced.

It is not the intention of the Company to enter into any contracts to manage Currency Risk. All foreign currencies are exchanged into/out of Sterling without delay.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

1B RISK MANAGEMENT POLICIES (continued)

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

The interest rate risk is the risk that the value of the Company's investments will fluctuate due to changes in the interest rate.

The manager manages this risk by maintaining a balanced portfolio with due consideration to interest rates.

The Company did not have any long term financial liabilities at the balance sheet date.

(c) Credit risk

The Company may find that companies in which it invests fail to settle their debts on a timely basis. The value of securities issued by such companies may fall as a result of the perceived increase in credit risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit credit risk.

(d) Liquidity risk

This is the risk that there is insufficient liquidity which would restrict a Fund's investment opportunities or ability to pay liabilities at short notice. This risk is managed by ensuring that overdrafts are monitored and maintained within investment limits and exposure to unquoted or illiquid securities is limited.

(e) Market price risk

Market price risk represents the potential loss the Fund may suffer through holding market positions in the face of price movements. The Fund investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objectives and policies. Adherence to investment guidelines and avoidance of excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of stocks can mitigate market risk.

(f) Counterparty risk

Transactions in securities entered into by the Company give rise to exposure to the risk that the counterparties may not be able to fulfill their responsibility by completing their side of the transaction. The Investment Manager minimises this risk by conducting trades through only the most reputable counterparties.

Counterparty risk is also managed by limiting the exposure to individual counterparties through adherence to the investment spread restrictions included within the Company's prospectus and COLL.

(g) Operational risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot eliminate operational risks but, through the continual review and assessment of its control environment, by monitoring and responding to potential risks, they can be managed.

High level controls include effective segregation of duties, trade confirmation checking and reconciliation procedures, incident reporting and oversight of delegated functions.

(h) Leverage

In accordance with the IA SORP issued in May 2014, as ACD we are required to disclose any leverage of the Fund. Leverage is defined as any method by which the Fund increases its exposure through borrowing or the use of derivatives (calculated as the sum of the net asset value and the incremental exposure through the derivatives and in accordance with the IA SORP commitment approach (CESR/10-788)) divided by the net asset value.

The Fund's exposure is defined with reference to the 'Commitment' method. Commitment method exposure is calculated as the sum of all positions of the Fund, after netting off derivative and security positions and is disclosed within the Financial Statements Note 13(d).

(i) Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

2. NET CAPITAL (LOSSES)/GAINS

	31.12.20	31.12.19
	£	£
The net capital (losses)/gains during the year comprise:		
Non-derivative securities	(1,191,401)	1,434,819
Currency gains	570	813
Transaction costs & handling charges	(2,023)	(2,100)
Net capital (losses)/gains	**(1,192,854)**	**1,433,532**

3. REVENUE

	31.12.20	31.12.19
	£	£
UK dividends	175,603	486,255
Overseas dividends	1,180	45
Bank interest	11	89
	176,794	**486,389**

4. EXPENSES

	31.12.20	31.12.19
	£	£
Payable to the ACD, associates of the ACD and agents of either of them		
ACD's fees	51,058	78,681
	51,058	78,681
Payable to the Depositary, associates of the Depositary and agents of either of them		
Administration Fees	1,803	6,815
Depositary's fees	18,000	17,901
Safe custody fees	14,845	13,233
Registration fees	4,498	5,230
	39,146	43,179
Other expenses		
Audit fees	9,838	8,402
FCA fees	(234)	449
Other expenses	50	-
	9,654	8,851
Total expenses	**99,858**	**130,711**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

5. TAXATION

(a) The tax charge comprises

	31.12.20	31.12.19
	£	£
Current tax:		
Overseas Tax	1,014	-
Total current tax charge (Note 5 (b))	1,014	-
Total taxation	**1,014**	**-**

(b) Factors affecting the tax charge for the year

The tax charge for the year differs from the 20% rate of corporation tax applicable to Open-Ended Investment Companies (OEIC). The differences are explained below:

	31.12.20	31.12.19
	£	£
Net revenue before taxation	76,901	355,613
Net revenue for the period multiplied by the standard rate of corporation tax	15,380	71,123
Effects of:		
Revenue not subject to corporation tax	(35,356)	(97,260)
Movement in excess management expenses	19,976	26,137
Overseas Tax	1,014	-
Total tax charge (note 5 (a))	**1,014**	**-**

c) Provision for deferred tax

There is no provision required for deferred taxation at the Balance Sheet date in the current year.

At the year end, the fund has unutilised management expenses of £3,140,841 (2019: £3,040,916). It is unlikely the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

6. FINANCE COSTS

Distributions

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

	31.12.20	31.12.19
	£	£
Income		
Interim	18,973	53,731
Final	18,545	41,766
Accumulation		
Interim	63,554	219,861
Final	58,603	128,230
Total Distribution	159,675	443,588
Add: Revenue deducted on cancellation of shares	19,726	56,887
Deduct: Revenue received on issue of shares	(3,656)	(14,151)
Net distribution for the year	**175,745**	**486,324**

Reconciliation of net revenue after taxation to distributions		
Net revenue after taxation	75,887	355,613
Charges deducted from Capital	99,858	130,711
Net distribution for the year	**175,745**	**486,324**

7. DEBTORS

	31.12.20	31.12.19
	£	£
Accrued revenue	20,237	28,677
Amounts receivable for issue of shares	6,054	12,447
Other debtors	-	15,472
Total debtors	**26,291**	**56,596**

8. CASH AND BANK BALANCES

	31.12.20	31.12.19
	£	£
Sterling	75,482	281,525
US Dollar	7,095	7,311
Euro	15,606	4,818
Total cash and bank balances	**98,183**	**293,654**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

9. OTHER CREDITORS

	31.12.20	31.12.19
	£	£
Accrued ACD's periodic charge	3,975	6,189
Accrued Depositary's Fees	6,098	3,008
Amounts payable for cancellation of shares	6,432	16,722
Other expenses	16,819	23,349
Total creditors	**33,324**	**49,268**

10. RELATED PARTY TRANSACTIONS

ACD fixed admin fee and the Registrar's periodic fees are payable to the ACD. A further ACD variable fee is payable to the Investment Adviser, who is an associate of the ACD. Details are disclosed in note 4 and note 9. Details of the shares created and cancelled by the ACD are shown in the Statement of Change in Shareholders' Net Assets.

As at 31 December 2020 directors of the ACD and directors of other group companies of the ACD held nil shares in the ES ARDEVORA UK INCOME Fund (2020:nil) with a total value of £nil (2019:nil).

11. SHARE CLASSES

The Fund currently has three share classes, the annual management charge for these are as follows:

Institutional Accumulation Shares	0.75%
Institutional Income Shares	0.75%
Retail Accumulation Shares	1.00%

The reconciliation of the opening and closing number of Shares of each class is shown below :

	31.12.19	Issued	Cancelled	Converted	31.12.20
Institutional Income Shares	1,469,357	112,952	(506,148)	-	1,076,161
Institutional Accumulation Shares	3,320,621	141,795	(1,042,496)	-	2,419,921
Retail Income Shares*	6,271	-	(6,271)	-	-
Retail Accumulation Shares	51,816	1	(16, 550)	-	35,268

The distribution per share class is given in the distribution tables on page 37.

*Retail Income shares closed on the 10 November 2020

12. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

There were no contingent liabilities or outstanding commitments at the balance sheet date (2019: £nil).

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

13. RISK DISCLOSURES

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 1B on pages 25 and 26.

(a) Foreign currency risk

Currency	Portfolio of Investments £	Net other assets £	Total £
31.12.20			
Euro	-	21,782	21,782
US Dollar	-	7,095	7,095
Total foreign currency exposure	-	28,877	28,877
Sterling	6,073,770	43,728	6,117,498
Total Net Assets	**6,073,770**	**72,605**	**6,146,375**

Currency	Portfolio of Investments £	Net other assets £	Total £
31.12.19			
Euro	-	21,190	21,190
US Dollar	-	7,311	7,311
Total foreign currency exposure	-	28,501	28,501
Sterling	9,190,869	230,715	9,421,584
Total Net Assets	**9,190,869**	**259,216**	**9,450,085**

The Fund does not have significant foreign exposure and as such no sensitivity analysis has been presented.

If Sterling to foreign currency exchange rates had strengthened/increased by 10% as at balance sheet date, the net asset value of the Fund would have increased by the following amounts set out in the table below. If Sterling to foreign currency exchange rates had weakened/decreased by 10% as at balance sheet date, the net asset value of the Fund would have decreased by the following amounts set out in the table below.

These calculations assume all other variables remain constant.

Currency	Increase £	Decrease £
2020	2,888	2,888
2019	2,850	2,850

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

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

The only interest bearing financial assets of the sub-fund are bank balances, on which interest is calculated at a variable rate by reference to sterling bank deposit rates or the international equivalent.

Currency	Floating rate financial assets	Financial assets not carrying interest	Total
Assets	**£**	**£**	**£**
31.12.20			
Euro	15,606	6,175	21,782
US Dollar	7,095	-	7,095
Sterling	75,481	6,093,886	6,169,367
Total	**98,183**	**6,100,061**	**6,198,244**

Currency	Floating rate financial liabilities	Financial liabilities not carrying interest	Total
Liabilities	**£**	**£**	**£**
31.12.20			
Sterling	-	(51,869)	(51,869)
Total	**-**	**(51,869)**	**(51,869)**

Currency	Floating rate financial assets	Financial assets not carrying interest	Total
Assets	**£**	**£**	**£**
31.12.19			
Euro	4,818	16,372	21,190
US Dollar	7,311	-	7,311
Sterling	281,525	9,231,093	9,512,618
Total	**293,654**	**9,247,465**	**9,541,119**

Currency	Floating rate financial liabilities	Financial liabilities not carrying interest	Total
Liabilities	**£**	**£**	**£**
31.12.19			
Sterling	-	(91,034)	(91,034)
Total	**-**	**(91,034)**	**(91,034)**

The Fund does not have any significant direct exposure to interest rates risk and as such no sensitivity analysis has been presented.

The floating rate financial assets and liabilities comprise bank balances, which earn or pay interest at rates linked to the UK base rate.

There are no material amounts of non-interest bearing financial assets and liabilities.

(c) Market Risk

If market prices had increased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by the following amounts set out in the table below.

If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by the following amounts set out in the table below.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

These calculations have been applied to non-derivative securities only (see note 1B (h) for an explanation of the Fund's leverage during the year). These calculations assume all other variables remain constant.

	Increase	Decrease
	£	£
2020	607,377	607,377
2019	919,087	919,087

(d) Leverage

The Fund did not employ any significant leverage as at 31 December 2020, other than that available to the Fund as a result of its ability to borrow up to 10% of its value on a permanent basis.

14. PORTFOLIO TRANSACTION COSTS

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs please refer to the additional portfolio transaction cost information on pages 14 to 18.

	31.12.20		31.12.19	
	£	£	£	£
Analysis of total purchase costs:				
Purchase in year before transaction costs				
Collective Investment Schemes		101,320		-
Equities		3,906,345		2,869,184
		4,007,665		2,869,184
Commissions				
Collective Investment Schemes	34		-	
Equities	9,623		11,511	
Taxes				
Collective Investment Schemes	23		-	
Equities	10,163		1,845	
Total Purchase costs	**19,843**		**13,356**	
Gross Purchase total		**4,027,508**		**2,882,540**
Analysis of total sale costs:				
Gross sales in year before transaction costs				
Collective Investment Schemes		13,482		-
Equities		5,942,423		6,953,522
		5,955,905		6,953,522
Commissions				
Collective Investment Schemes	(6)		-	
Equities	(1,714)		(4,813)	
Taxes				
Collective Investment Schemes	-		-	
Equities	(978)		(85)	
Total sale costs	**(2,698)**		**(4,898)**	
Total sales net of transaction costs		**5,953,207**		**6,948,624**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

	31.12.20	31.12.19
Transaction costs as percentage of principal amounts	**%**	**%**
Purchases - Commissions		
Collective Investment Schemes	0.03	-
Equities	0.25	0.40
Purchases - Taxes		
Collective Investment Schemes	0.02	-
Equities	0.26	0.06
Sales - Commissions		
Collective Investment Schemes	0.04	-
Equities	0.03	0.07
Sales - Taxes		
Collective Investment Schemes	-	-
Equities	0.02	-
Transaction costs as percentage of average net asset value		
Commissions	0.17	0.06
Taxes	0.16	0.02

The average portfolio dealing spread as at 31 December 2020 was 0.07% (31 December 2019 : 0.04%).

15. POST BALANCE SHEET EVENTS

Since 31 December 2020, the Net Asset Value per share has increased using share prices at the year end compared to 22 March 2021.

Institutional Accumulation Shares have increased from 190.81 to 200.52, Institutional Income Shares have increased from 135.98 to 142.91, and Retail Accumulation Shares have increased from 186.06 to 195.42.

The solvency statement for the proposed termination of the ES Ardevora UK Income statement under Collective Investment Sourcebook ("COLL") Section 7.3.5R (4), has been submitted to the FCA on 17 March 2021 for approval.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

16. FAIR VALUE DISCLOSURE

There is no material difference between the carrying values and the fair values of the financial assets and liabilities of the sub-fund disclosed in the balance sheet where applicable.

	31.12.20		31.12.19	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Valuation technique	**£**	**£**	**£**	**£**
Level 1: The unadjusted quoted price in an active market for identical assets or liabilities	6,073,770	-	9,190,869	-
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	-	-	-	-
Level 3: Inputs are unobservable (i.e. for which market data in unavailable) for the asset or liability	-	-	-	-
	6,073,770	**-**	**9,190,869**	**-**

DISTRIBUTION TABLE
For the year ended 31 December 2020

Interim dividend distribution

Group 1 Shares purchased prior to 1 January 2020.
Group 2 Shares purchased between 1 January 2020 to 30 June 2020.

Institutional Accumulation Shares	Net Revenue	Equalisation	Paid 31.08.20	Paid 31.08.19
Group 1	2.2142	-	2.2142	5.3876
Group 2	0.5566	1.6576	2.2142	5.3876

Institutional Income Shares	Net Revenue	Equalisation	Paid 31.08.20	Paid 31.08.19
Group 1	1.6190	-	1.6190	4.1168
Group 2	0.6822	0.9368	1.6190	4.1168

Retail Accumulation Shares	Net Revenue	Equalisation	Paid 31.08.20	Paid 31.08.19
Group 1	2.1635	-	2.1635	5.2767
Group 2	2.1635	-	2.1635	5.2767

Retail Income Shares	Net Revenue	Equalisation	Paid 31.08.20	Paid 31.08.19
Group 1	1.5918	-	1.5918	4.0611
Group 2	1.5918	-	1.5918	4.0611

Final dividend distribution

Group 1 Shares purchased prior to 1 July 2020.
Group 2 Shares purchased between 1 July 2020 to 31 December 2020.

Institutional Accumulation Shares	Net Revenue	Equalisation	Payable 28.02.21	Paid 28.02.20
Group 1	2.3877	-	2.3877	3.8035
Group 2	0.9174	1.4703	2.3877	3.8035

Institutional Income Shares	Net Revenue	Equalisation	Payable 28.02.21	Paid 28.02.20
Group 1	1.7232	-	1.7232	2.8305
Group 2	0.6571	1.0661	1.7232	2.8305

Retail Accumulation Shares	Net Revenue	Equalisation	Payable 28.02.21	Paid 28.02.20
Group 1	2.3298	-	2.3298	3.7190
Group 2	2.3298	-	2.3298	3.7190

Retail Income Shares*	Net Revenue	Equalisation	Payable 28.02.21	Paid 28.02.20
Group 1	-	-	-	2.7888
Group 2	-	-	-	2.7888

* Retail Income Shares closed on 11 November 2020

GENERAL INFORMATION

The Company

The ES Ardevora ICVC is an investment Company with variable capital, incorporated in England and Wales on 24 February 2012 under registered number IC000938 and authorised by the FCA (Product Reference Number (PRN)575655 with effect from 24 February 2012.

The Authorised Corporate Director ('ACD')

The ACD is Equity Trustees Fund Services Limited, a private Company incorporated with limited liability in England under the Companies Act 1985. From 13 January 2020, its registered office and head office are situated at 4th Floor, Pountney Hill House, 6 Laurence Pountney Hill, London, EC4R 0BL.

The ACD is authorised and regulated to carry on regulated activities in the United Kingdom by virtue of its authorisation by the FCA.

The Depositary

The Depositary acts as the custodian for all assets relating to ES Ardevora ICVC. The Depositary at the Company period end was Societe Generale, 29 Boulevard Haussman, 75009 Paris, France (Registered Office) and Societe Generale, One Bank Street, Canary Wharf, London E14 4SG (London Office).

The Depositary is authorised by the Autorité de Contrôle Prudential et de Résolution and the Autorité des Marchés Financiers, but in respect of its services as Depositary in the United Kingdom is authorised by the PRA and regulated by the FCA and the PRA.

The Investment Manager

The Investment Manager to the Company is Ardevora Asset Management LLP.

Prospectus

Copies of the Company's Prospectus are available free of charge from the ACD upon request.

Share Type

The Company currently has three share classes available for investment:

Institutional Accumulation Shares;

Institutional Income Shares;

and Retail Accumulation Shares.

Pricing and Dealing

Mid prices are always quoted for shares in the Fund.

Shares in the Company are "single priced". This means that subject to the preliminary charge, redemption charge and any applicable dilution levy, the price of a Share for both buying and selling purposes will be the same and determined by reference to a particular Valuation Point.

In respect of large deals, which for the purpose is defined as a single purchase or redemption of shares equivalent to more than 2% of the Net Asset value of the sub-fund, the ACD may charge a dilution levy on the price of shares. In respect of a purchase, this is added to the cost and, in respect of a redemption, this is deducted from the proceeds. The amount is not retained by the ACD but is paid into the Fund.

The minimum initial investment for Shares in each Company is £1,000 for Retail Shares and £50,000 for Institutional Shares. The minimum amount required for any subsequent investment is £1,000.

Shares may be bought and sold on any business day by contacting your stockbroker, or by application in writing to FNZ Transfer Agency Services Limited, Level 7, 2 Redman Place, Stratford E20 1JQ. All transactions will be dealt on a forward pricing basis, i.e. at the next valuation point following receipt of a valid application.

Contract notes are issued for all purchases and sales of shares and will be dispatched within 24 hours of the next valuation point following receipt of application.

The shares of the Company are non-certificated.

GENERAL INFORMATION (continued)

Distribution Policy

Where net revenue is available it will be distributed to holders of income share classes and retained for holders of accumulation share classes. Distribution rates will be calculated on the annual and interim accounting dates of 31 December and 30 June and distributed as income on 28 February and 31 August.

Dilution

The actual cost to the Company of purchasing or selling its investments may be higher or lower than the mid-market value used in calculating the unit price, e.g. due to dealing charges or through dealing at prices other than the mid-market price. In normal circumstances these costs are charged to the Company. Under certain circumstances (e.g. large volumes of deals) this may have an adverse effect on the interests of shareholders generally. In order to prevent this effect, called 'dilution', the ACD has the power to charge a dilution adjustment on the sale and/or redemption of shares. The dilution adjustment will be applied at outset and will be paid into and will become part of the Company. The dilution adjustment for the Company will be calculated by reference to the costs of dealing in the underlying investments of the Company, including any dealing spreads, commission and transfer taxes. The ACD reserves the right, however, to impose a dilution levy at its absolute discretion on any or all deals, should this prove necessary in the opinion of the ACD, to protect the interests of the Shareholders.

Management Charges, Spreads and Yields

The Annual Management Charge for Institutional Shares is 0.75%.

The Annual Management Charge for Retail Shares is 1.00%.

Reports

Reports will be made available to all shareholders on an annual and half-yearly basis.

Publication of Prices

The price of shares in the sub-fund are quoted daily on the web pages of Financial Express at www.fundlistings.com.

Taxation

Income earned by shareholders from the Company is liable to UK Income Tax at the rate applicable for the individual shareholders. Tax Certificates will be issued annually with the valuation in April and will carry a credit for Income Tax.

Capital Gains Tax

As an ICVC, the Company is exempt from UK Capital Gains tax. An individual's first £12,300 of net gains on disposals in the 2020/2021 tax year are exempt from tax. Gains in excess of £12,300 for 2020/2021 are subject to a rate of tax dependent on an individual's total annual taxable income.

Value Assessment

Effective from 30 September 2019 the FCA has introduced Value Assessment requirements for Authorised Fund Managers to conduct a Value Assessment on each fund they manage.
The assessment for our funds is available on our website www.equitytrustees.com.

Important Information

It is important to remember that the price of shares, and the income from them, can fall as well as rise and it is not guaranteed that investors will get back the amount originally invested. Past performance is not a guide to future performance. Changes in the rate of exchange of currencies, particularly where overseas securities are held, may also affect the value of your investment. The issue of shares may be subject to an initial charge and this is likely to have an impact on the realisable value of your investment, particularly in the short term. You should always regard ICVC investment as long term.

Past performance is not a reliable indicator to future performance. Neither income nor capital is guaranteed. Dealing charges and the bid /offer spread on the underlying securities in ES Ardevora UK Income Fund could have the effect that investors would not achieve the indicative returns stated. Changes in exchange rates may also cause the value of investments to go down as well as up.

Please note shareholders are not liable for debts of the Company.