

Company Registration No. 02210046 (England and Wales)

COVENTRY HOUSE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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COVENTRY HOUSE LIMITED

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COVENTRY HOUSE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors present their annual report and financial statements for the year ended 31 December 2020.

The Directors' Report has been prepared in accordance with the special provision relating to small companies under section 415a of the Companies Act 2006.

The Company has also taken advantage of the small companies' exemption not to prepare a Strategic Report.

Principal activities

The principal activity of the Company continued to be that of an investment Company.

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were declared amounting to £39,800,000 (2019: £100,000,000). The Directors do not recommend payment of a final dividend (2019: nil).

Directors

The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

Andrew Kirkman
Alain Millet
Fredrik Widlund
Simon Wigzell

Directors' insurance

Qualifying third-party indemnity provisions (as defined in section 234 of the Companies Act 2006) are in force for the benefit of the Directors who held office in 2020. The ultimate parent company CLS Holdings plc maintains liability insurance for its Directors and Directors of its associated companies.

Future developments

At the date of approval of this report, the Directors do not intend to change the principal activities of the Company from those described above.

COVENTRY HOUSE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Statement of Directors' responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 101 *Reduced Disclosure Framework*. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company at the balance sheet date and of the profit or loss of the Company for the period ending on that date. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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 Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

The auditor, Deloitte LLP, has indicated their willingness to continue in office. Under the provisions of the Companies Act 2006, the Company is not required to hold an annual general meeting and accordingly the auditors, Deloitte LLP, will therefore be deemed to be reappointed for each succeeding financial year.

Statement of disclosure to auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

COVENTRY HOUSE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Principal risks and uncertainties

The Directors consider there are a number of potential risks and uncertainties which could have a material impact on the Company's performance and could cause the actual results to differ materially from expected or historical results; the management and mitigation of these risks are the responsibility of the Directors of the Company. The Company is a wholly-owned subsidiary of CLS Holdings plc (together with other subsidiaries, the "Group") and is managed on a day-to-day basis by employees of the Group. The principal risks and uncertainties facing the Company are broadly grouped as loss in value of subsidiary undertakings, political and economic risk, and COVID-19 pandemic risk.

Loss in value of subsidiary undertakings

Subsidiaries include the Swedish property division of the CLS Holdings plc Group which are well established and positioned for long-term supportable organic growth.

Political and Economic Risk

The impact of the exit of the United Kingdom from the European Union remains a potential adverse risk to the overall economy, which may affect the value of net assets and profitability. It is the Directors' view that the United Kingdom's economy remains sufficiently robust to weather any immediate adverse economic effects.

COVID-19 Pandemic Risk

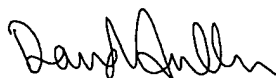
The COVID-19 pandemic presents several potential economic impacts to the global economy, which may affect the value of net assets and profitability. The Directors will continue to review any developments in the COVID-19 pandemic in the context of the risks presented to the Company's business.

The Directors have considered the risks attached to the Company's financial instruments. The Company's exposure to price risk, credit risk, liquidity risk and cash flow risk is not considered material to the assessment of assets and liabilities in the financial statements. Further discussion of risks and uncertainties, in the context of the Group as a whole, is provided in the Group's annual report which does not form part of this report and can be found on www.cls Holdings.com or from its registered address (see note 15).

Going concern

At the time of approving the financial statements, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors are in receipt of an unequivocal letter of support from the Parent Company confirming that sufficient funds will be available to ensure all liabilities are met as they fall due for a period of 12 months from the date of approval of the financial statements, so long as the Company is a wholly owned direct or indirect subsidiary of its current ultimate parent company (note 15). The Board of Directors of CLS Holdings plc have assessed the resilience of the Group particularly with reference to the impact of COVID-19. This assessment supports the ability of the Group to continue as a going concern. The Company has the ability to seek alternate funding from within the Group. Thus the Directors continue to adopt the going concern basis in preparing the financial statements.

Approved by the Board and signed on its behalf



David Fuller

Company Secretary

14 June 2021

16 Tinworth Street, London, SE11 5AL

COVENTRY HOUSE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COVENTRY HOUSE LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Coventry House Limited (the "Company"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 directors are 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.

COVENTRY HOUSE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF COVENTRY HOUSE LIMITED

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities, the Directors are 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 Directors determine 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 Directors are 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 Directors either intend to liquidate the Company or to cease operations, or have 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 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 UK Companies Act; 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.

We discussed among the audit engagement team including relevant internal specialists such as tax and real estate 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.

COVENTRY HOUSE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF COVENTRY HOUSE LIMITED

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 and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' report.

Matters on which we are required to report by exception

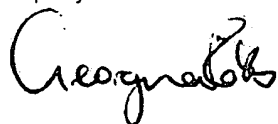
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.



Georgina Robb FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
14 June 2021

COVENTRY HOUSE LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	4	-	115,507,801
Administrative expenses		(10,881)	(238,533)
Operating (loss)/profit		(10,881)	115,269,268
Interest receivable and similar income	7	12,745	9,109
Interest payable and similar expenses	8	(3,061,946)	(6,188,434)
Profit on disposal of corporate bonds and other financial instruments		-	501,580
(Loss)/profit before taxation		(3,060,082)	109,591,523
Tax on (loss)/profit	9	192,693	723,179
(Loss)/profit after taxation		(2,867,389)	110,314,702
Other comprehensive income			
Reclassification of fair value movement on disposal of corporate bonds and other financial instruments		-	3,657,940
Deferred tax on corporate bonds and other financial instruments		-	(416,144)
Total other comprehensive income		-	3,241,796
(Loss)/profit and total comprehensive (expense)/income for the financial year attributable to owners of the Company		(2,867,389)	113,556,498

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

There were no items of other comprehensive income other than those stated above for either period.

The notes 1 to 15 form part of these financial statements.

COVENTRY HOUSE LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	2019 £
Fixed assets			
Investments	11	36,270,657	36,270,657
Current assets			
Debtors	12	723,179	108,728,042
Current tax recoverable		192,693	723,179
Cash at bank and in hand		87,028	12,536,746
		1,002,900	121,987,967
Creditors: amounts falling due within one year			
Trade and other payables	13	(189,745)	(100,443,164)
Net current assets		813,155	21,544,803
Total assets less current liabilities		37,083,812	57,815,460
Creditors: amounts falling due after one year			
Trade and other payables	13	(35,037,853)	(13,102,112)
Net assets		2,045,959	44,713,348
Capital and reserves			
Called up share capital	14	4,000	4,000
Share premium account		1,998,000	1,998,000
Profit and loss account		43,959	42,711,348
Total equity		2,045,959	44,713,348

The financial statements were approved by the Board of Directors and authorised for issue on 14 June 2021 and are signed on its behalf by:



Andrew Kirkman
Director

Company Registration No. 02210046

COVENTRY HOUSE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Called up share capital £	Share premium account £	Fair value reserve £	Profit and loss account £	Total £
Balance at 1 January 2019		4,000	1,998,000	(3,241,796)	32,396,646	31,156,850
Year ended 31 December 2019:						
Profit for the year		-	-	-	110,314,702	110,314,702
Other comprehensive income		-	-	3,241,796	-	3,241,796
Dividend	10	-	-	-	(100,000,000)	(100,000,000)
Balance at 31 December 2019		4,000	1,998,000	-	42,711,348	44,713,348
Year ended 31 December 2020:						
Loss and total comprehensive expense for the year		-	-	-	(2,867,389)	(2,867,389)
Dividend	10	-	-	-	(39,800,000)	(39,800,000)
Balance at 31 December 2020		4,000	1,998,000	-	43,959	2,045,959

COVENTRY HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Coventry House Limited is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006, and registered in England. The registered office is 16 Tinworth Street, London, SE11 5AL.

1.1 Accounting convention

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 (FRS 100) issued by the Financial Reporting Council. These financial statements were prepared in accordance with FRS 101 *Reduced Disclosure Framework* as issued by the Financial Reporting Council.

The nature of the Company's operations and its principal activities are set out in the Directors' report on page 1.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. Fair value is the price that would be received to sell the asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions in relation to share based payments, financial instruments, capital management, fair value measurements, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets, business combinations, discontinued operations and related party transactions.

Where required, equivalent disclosures are given in the group accounts of CLS Holdings plc. The group accounts of CLS Holdings plc are available to the public and can be obtained as set out in note 15.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

At the time of approving the financial statements, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors are in receipt of an unequivocal letter of support from the Parent Company confirming that sufficient funds will be available to ensure all liabilities are met as they fall due for a period of 12 months from the date of approval of the financial statements, so long as the Company is a wholly owned direct or indirect subsidiary of its current ultimate parent company (note 15). The Board of Directors of CLS Holdings plc have assessed the resilience of the Group particularly with reference to the impact of COVID-19. This assessment supports the ability of the Group to continue as a going concern. The Company has the ability to seek alternate funding from within the Group. Thus the Directors continue to adopt the going concern basis in preparing the financial statements.

1.3 Turnover

Turnover comprises income receivable from interest coupons of fixed asset investments.

COVENTRY HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.4 Fixed asset investments

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment. Dividend income is recognised when received.

1.5 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, demand deposits and other short-term highly liquid investments which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

1.6 Financial assets

Financial assets are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Corporate bonds and other financial instruments are initially measured at cost, and are subsequently revalued to fair value. Revaluation gains and losses are recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary assets. On disposal, the cumulative gain or loss previously recognised in other comprehensive income is recycled through profit before tax.

Loans and receivables

Trade and other receivables are recognised initially at fair value. Subsequently they are measured at amortised cost with a recognised loss allowance for expected credit losses which is measured at an amount equal to the lifetime expected credit loss. An impairment provision is created where there is objective evidence that the Company will not be able to collect the receivable in full.

Impairment of financial assets

Financial assets, other than those at fair value through profit and loss, are assessed for indicators of impairment at each balance sheet date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.7 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit and loss or other financial liabilities. Trade and other payables are stated at cost, which equates to fair value.

COVENTRY HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's obligations are discharged or cancelled, or when they expire.

1.8 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable.

Current tax

Current tax is based on taxable profit for the year and is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

1.10 Foreign exchange

Transactions in foreign currencies are translated into sterling using the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into sterling at the exchange rate ruling at that date, and differences arising on translation are recognised in profit before tax.

In relation to financial assets measured at fair value through other comprehensive income, exchange differences on the amortised cost of the financial assets are recognised in profit or loss in the 'interest receivable and similar income or interest payable and similar expenses' line item. Other exchange differences are recognised in other comprehensive income in the fair value reserve. For financial assets measured at fair value through profit and loss, exchange differences are recognised in profit or loss in the 'interest receivable and similar income or interest payable and similar expenses' line item.

2 Adoption of new and revised standards and changes in accounting policies

No new accounting standards, amendments to accounting standards, or IFRIC interpretations that were effective for the year ended 31 December 2020 have had an impact on the Company.

3 Critical accounting estimates and judgements

The Directors have considered the judgements that have been made in the process of applying the Company's accounting policies, which are described in note 1, and which of those judgements have the most significant effect on amounts recognised in the financial statements.

In the Directors' opinion for the year ended 31 December 2020 there are no accounting estimates or judgements that are material to the financial statements.

COVENTRY HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Critical accounting estimates and judgements

(Continued)

4 Turnover

An analysis of the Company's turnover is as follows:

	2020 £	2019 £
Investment income	-	115,507,801

Geographical market

	2020 £	2019 £
UK	-	476,069
Other	-	115,031,732
	-	115,507,801

5 Auditor's remuneration

	2020 £	2019 £
Fees payable to the Company's auditor:		
For audit services		
Audit of the Company's financial statements	2,400	14,400

No fees were payable to Deloitte LLP for non-audit services to the Company during the year (2019: nil).

6 Employees

The Company did not have any employees in the year (2019: none).

No fees or other emoluments were paid to the Directors of the Company during the year (2019: nil) in respect of their services to the Company. The Directors were paid by another entity within the Group.

7 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	9,481	9,109
Other income from investments		
Exchange differences	3,264	-
	12,745	9,109

COVENTRY HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

8 Interest payable and similar expenses

	2020 £	2019 £
Interest on financial liabilities measured at amortised cost:		
Interest payable to group undertakings	3,061,946	1,298,439
Other finance costs:		
Commitment and custody fees	-	42,780
Exchange differences on financing transactions	-	4,847,215
	<u>3,061,946</u>	<u>6,188,434</u>

9 Tax on (loss)/profit

	2020 £	2019 £
Current tax		
Current year taxation	(192,693)	(723,179)
	<u>(192,693)</u>	<u>(723,179)</u>
Total tax credit	<u>(192,693)</u>	<u>(723,179)</u>

The rate of corporation tax for the year beginning 1 January 2020 was 19%. The weighted average corporation tax rate for the year ended 31 December 2020 was 19% (2019: 19%). In the March 2021 Budget it was announced that the headline UK corporation tax rate would increase from 19% to 25% from April 2023.

The tax credit for the year can be reconciled to the statement of comprehensive income as follows:

	2020 £	2019 £
(Loss)/profit before taxation	<u>(3,060,082)</u>	<u>109,591,523</u>
Expected tax (credit)/charge based on a corporation tax rate of 19% (2019: 19%)	(581,416)	20,822,389
Expenses not deductible for tax purposes	388,723	-
Non-taxable dividends received	-	(21,545,569)
Tax credit for the year	<u>(192,693)</u>	<u>(723,179)</u>

COVENTRY HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10	Dividends	2020 £ per share	2019 £ per share	2020 £	2019 £
	Amounts recognised as distributions to equity holders:				
	Dividend paid	9,950	25,000	39,800,000	100,000,000

11	Investments	2020 £	2019 £
	Investments in subsidiaries	36,270,657	36,270,657
		<u>36,270,657</u>	<u>36,270,657</u>

The Company owns 100% of the ordinary share capital of Rasstaf Sweden AB, a company incorporated in Sweden. The registered office is Rasstaf Sweden AB c/o Advice Foretagsassistans i Stockholm AB, Vastmannagatan 10, SE 111 24 Stockholm, Sweden. The principal activity of Rasstaf Sweden AB is to act as a holding and management company for other group undertakings investing in commercial property.

Fair value of financial assets carried at amortised cost

The directors consider that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

At 31 December 2020 all investments were reviewed for any indication of impairment and no provision (2019: £nil) was recognised.

12	Debtors	Current 2020 £	2019 £
	Amounts due from fellow group undertakings	723,179	108,728,042

13	Trade and other payables	Current 2020 £	2019 £	Non-current 2020 £	2019 £
	Amounts due to fellow group undertakings	189,745	100,443,164	35,037,853	13,102,112

Payables include a balance of £35,037,853 (2019: £13,102,112) due to a fellow group undertaking, which is due for repayment on 31 December 2023. Interest on loans is charged at a rate of LIBOR plus a margin of 3% (2019: LIBOR plus a margin of 3%).

COVENTRY HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

14	Called up share capital	2020	2019
		£	£
	Ordinary share capital		
	<i>Authorised, issued and fully paid</i>		
	4,000 ordinary shares of £1 each	4,000	4,000
		<u> </u>	<u> </u>

The Company has one class of ordinary shares which carry no right to fixed income.

15 Controlling party

The Directors consider that the immediate and ultimate parent undertaking and ultimate controlling party is CLS Holdings plc, which is incorporated in the United Kingdom. The financial statements of the Company are consolidated into the CLS Holdings plc group accounts for the year ended 31 December 2020, being the largest and only Group into which the Company's financial statements are consolidated. Copies of the Group financial statements are publicly available and may be obtained from its registered address, CLS Holdings plc, 16 Tinworth Street, London, SE11 5AL.