

Company Registration No. 11605892 (England and Wales)

LEON GROCERY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED 27 DECEMBER 2020



LEON GROCERY LIMITED

COMPANY INFORMATION

Directors	M Issa C V Burford
Secretary	I M Patel
Company number	11605892
Registered office	Waterside Head Office Haslingden Road Guide Blackburn Lancashire BB1 2FA
Independent auditors	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH

LEON GROCERY LIMITED

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LEON GROCERY LIMITED

DIRECTORS' REPORT

FOR THE 52 WEEK PERIOD ENDED 27 DECEMBER 2020

The directors present their report and audited financial statements for the 52 week period ended 27 December 2020.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Review of the business and future developments

Leon Grocery Limited is a 85% owned subsidiary of Leon Restaurants Limited at the balance sheet date. The sole purpose of this entity is to develop a range of LEON branded grocery products to be sold to supermarkets. The Company commenced trading in October 2019 under an exclusive supply agreement with Sainsbury's Supermarkets Ltd.

Future developments

The Company will continue to develop and expand the product range.

Results and dividends

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

The directors do not recommend payment of a dividend.

Directors

The directors of the company who were in office during the period and up to the date of signing of the financial statements were:

Mr A W Perring	(Resigned 5 January 2021)
Mr J A Vincent	(Resigned 9 May 2021)
Mrs C S Di Cello	(Resigned 1 January 2021)
Mr C V Burford	(Appointed 5 January 2021)
Mr M Issa	(Appointed 9 May 2021)

Post balance sheet event

On 17th April 2021 EG Group agreed to acquire 100% of Leon Restaurants Limited and its subsidiaries. On the 9th May 2021 the transaction completed.

Following the acquisition, EG Group intends to invest in the LEON brand and broaden the current foodservice offer across their extensive global site network. With plans to open around 20 LEON sites per year from 2022, EG Group also sees significant potential for LEON's non-restaurant products across its convenience retail proposition.

On completion, the loan facilities were fully repaid, and 15% minority shareholding in Leon Grocery Limited were acquired by Leon Restaurants Limited.

Going Concern

Leon Grocery Limited is part of the Leon Restaurants Limited Group. The Company is in a net liabilities position and is reliant on a letter of support from its parent Company, Leon Restaurants Limited.

The Directors of the Group have considered the appropriateness of the basis of going concern to the financial statements following a detailed review of the risks, including the impact of the covid-19 pandemic and restrictions to trading which have impacted turnover and cash flows.

LEON GROCERY LIMITED

DIRECTORS' REPORT

FOR THE 52 WEEK PERIOD ENDED 27 DECEMBER 2020

The Group has taken steps to respond to this unprecedented crisis, including reducing cost base, and utilising Government schemes, including furlough, deferring tax payments, business rates relief and local government grants. Leon Restaurants Limited underwent and completed a CVA, which was approved in December 2020. The result of which was to reduce the fixed rent cost commitment for a period of two years. The Group has been generating positive EBITDA every month since the end of February 2021.

Following the acquisition of Leon Restaurants Limited by the EG Group Limited on the 18th April 2021, which completed on 9 May 2021 the Group's loan facilities were repaid in full. As a result of this there are no banking covenant tests to be met.

The Group's current financing is through cash and an inter-company account with the EG Foodservice Limited. The Group has received a letter of financial support for the foreseeable future and confirmation that the inter-company balance between the Group and EG Foodservice Limited will not be recalled for at least 12 months from the date of signing these Financial Statements.

As at the end of the financial reporting month September 2021, the Leon Restaurants Group had consolidated cash of £3.5m.

The Directors have prepared a severe but plausible downside scenario which assumes a new lockdown or return to trading restrictions during the winter of 2021 and the lifting of these at the end of March 2022. In this scenario sales have been modelled at 60% lower than 2019 from November 2021 to March 2022, and then only recovering to 25% lower from April 2022 to June 2022. This scenario does not assume any further Government schemes during this period. Under the severe but plausible downside scenario, with forecast capital expenditure of £1.8m for the 14 months ending December to June 2022, the Company and the Group would have sufficient cash to continue as a going concern for at least 12 months from the date of signing these financial statements.

Accordingly, based on the above, the Directors consider the going concern assumption in the preparation of the Leon Grocery Limited's financial statements to be appropriate as at the date of authorisation for issue of the 2020 financial statements.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

LEON GROCERY LIMITED

DIRECTORS' REPORT

FOR THE 52 WEEK PERIOD ENDED 27 DECEMBER 2020

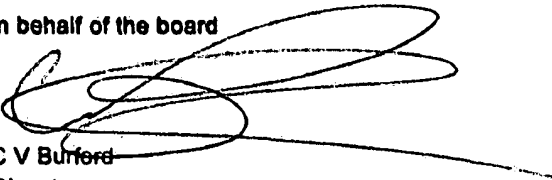
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



C V Burford

Director

16 December 2021

LEON GROCERY LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LEON GROCERY LIMITED

Independent auditors' report to the members of Leon Grocery Limited

Report on the audit of the financial statements

Opinion

In our opinion, Leon Grocery Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 27 December 2020 and of its loss for the 52 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance sheet as at 27 December 2020; the Profit and loss account and the Statement of Changes in Equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard; and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

LEON GROCERY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LEON GROCERY LIMITED

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the period ended 27 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

Auditors' 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 auditors' 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.

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.

LEON GROCERY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LEON GROCERY LIMITED

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to tax and employment laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Identifying and testing unusual journal entries, in particular journal entries posted with unusual account combinations, and testing all material consolidation journals.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Emma Jarvis (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

16 December 2021

LEON GROCERY LIMITED

PROFIT AND LOSS ACCOUNT 52 WEEKS ENDED 27 DECEMBER 2020

	Note	52 weeks ended 27 December 2020 £	52 weeks ended 29 December 2019 £
Turnover	2	3,697,125	708,991
Cost of Sales		(2,646,497)	(475,724)
Gross Profit		1,050,628	233,267
Administrative expenses before exceptional items		(996,361)	(349,890)
Exceptional administrative expenses	3	(80,000)	-
Administrative expenses		(1,076,361)	(349,890)
Operating loss	3	(25,733)	(116,623)
Loss before Tax		(25,733)	(116,623)
Tax on loss	5	-	-
Loss for the financial period		(25,733)	(116,623)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

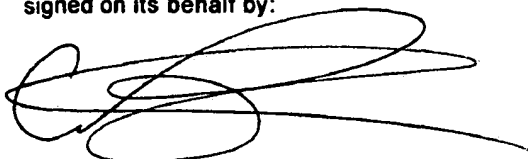
There are no other recognised gains and losses other than those passing through the profit and loss account.

LEON GROCERY LIMITED

BALANCE SHEET AS AT 27 DECEMBER 2020

		27 December 2020	29 December 2019
	Note	£	£
Fixed Assets			
Tangible Assets	6	7,371	-
		7,371	-
Current assets			
Inventories	7	68,672	27,528
Debtors amounts falling due within one Year	8	325,291	105,050
Cash at bank and in hand	9	532,077	249,365
		926,040	381,943
Creditors: amounts falling due within one year	10	(1,075,667)	(498,466)
Net Current liabilities		(149,627)	(116,523)
Total Assets less current liabilities		(142,256)	(116,523)
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account	12	(142,356)	(116,623)
Total shareholders' deficit		(142,256)	(116,523)

The financial statements on pages 7 to 17 were approved by the Board of Directors on 16 December 2021 and signed on its behalf by:



C V Burford
Director

Company Registration No. 11605892

LEON GROCERY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE 52 WEEK PERIOD ENDED 27 DECEMBER 2020

	Called up share capital	Share premium	Profit and loss account	Total equity
	£	£	£	£
Balance as at 31 December 2018	100	-	-	100
Loss for the financial period	-	-	(116,623)	(116,623)
Total comprehensive loss for the period	-	-	(116,623)	(116,623)
Total transactions with owners, recognised directly in equity	-	-	-	-
Balance as at 29 December 2019	100	-	(116,623)	(116,523)
Balance as at 30 December 2019	100	-	(116,623)	(116,523)
Loss for the financial period	-	-	(25,733)	(25,733)
Total comprehensive loss for the period	-	-	(25,733)	(25,733)
Total transactions with owners, recognised directly in equity	-	-	-	-
Balance as at 27 December 2020	100	-	(142,356)	(142,256)

LEON GROCERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 52 WEEK PERIOD ENDED 27 DECEMBER 2020

General information

LEON Grocery Limited sole purpose is to develop and design a range of LEON branded grocery products to be sold to supermarkets, online and through Leon Restaurants.

The company is a private company limited by shares and is incorporated in United Kingdom and registered in England. The address of the registered office is 27 Copperfield Street, London, SE1 0EN.

Statement of compliance

The financial statements of LEON Grocery Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102. The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ('FRS 102') and the Companies Act 2006.

1 Accounting policies

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

a. Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention.

The Company has taken advantage of the exemption provided by FRS 102 from disclosing transactions with members of Leon Restaurants Limited group.

b. Going concern

Leon Grocery Limited is part of the Leon Restaurants Limited Group. The Company is in a net liabilities position and is reliant on a letter of support from its parent Company, Leon Restaurants Limited.

The Directors of the Group have considered the appropriateness of the basis of going concern to the financial statements following a detailed review of the risks, including the impact of the covid-19 pandemic and restrictions to trading which have impacted turnover and cash flows.

The Group has taken steps to respond to this unprecedented crisis, including reducing cost base, and utilising Government schemes, including furlough, deferring tax payments, business rates relief and local government grants. Leon Restaurants Limited underwent and completed a CVA, which was approved in December 2020. The result of which was to reduce the fixed rent cost commitment for a period of two years. The Group has been generating positive EBITDA every month since the end of February 2021.

Following the acquisition of Leon Restaurants Limited by the EG Group Limited on the 18th April 2021, which completed on 9 May 2021 the Group's loan facilities were repaid in full. As a result of this there are no banking covenant tests to be met.

The Group's current financing is through cash and an inter-company account with the EG Foodservice Limited. The Group has received a letter of financial support for the foreseeable future and confirmation that the inter-company balance between the Group and EG Foodservice Limited will not be recalled for at least 12 months from the date of signing these Financial Statements.

As at the end of the financial reporting month September 2021, the Leon Restaurants Group had consolidated cash of £3.5m.

LEON GROCERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 52 WEEK PERIOD ENDED 27 DECEMBER 2020

The Directors have prepared a severe but plausible downside scenario which assumes a new lockdown or return to trading restrictions during the winter of 2021 and the lifting of these at the end of March 2022. In this scenario sales have been modelled at 60% lower than 2019 from November 2021 to March 2022, and then only recovering to 25% lower from April 2022 to June 2022. This scenario does not assume any further Government schemes during this period. Under the severe but plausible downside scenario, with forecast capital expenditure of £1.8m for the 14 months ending December to June 2022, the Company and the Group would have sufficient cash to continue as a going concern for at least 12 months from the date of signing these financial statements.

Accordingly, based on the above, the Directors consider the going concern assumption in the preparation of the Leon Restaurants Limited's financial statements to be appropriate as at the date of authorisation for issue of the 2020 financial statements.

Cash flow statement

The Company has elected to take the exemption under FRS 102, para 1.12 (b) not to present the Company statement of cash flows.

Turnover

Turnover comprises invoiced supply of goods for the period (excluding Value Added Tax) in the United Kingdom. Sales are recognised at the point at which the Company has fulfilled its contractual obligations and the risks and rewards attached to the product have been transferred to the customer.

Stock

Stocks are valued at the lower of cost and net releasable value after making allowance for obsolete and slow-moving stocks.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic cost less any provision for impairment, less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Office equipment	over 5 years
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The depreciation charge for the period is included within administrative expenses

Pensions

The Company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the 52 week (2019: 52 week) period they are payable.

Significant accounting judgements and key sources of estimation uncertainty

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, not always equal the related actual results. There are no significant accounting estimates or judgements in these Financial Statements.

Financial instruments

The company has chosen to adopt the Section 11 and 12 of FRS 102 in respect of financial instruments.

i. Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

LEON GROCERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 52 WEEK PERIOD ENDED 27 DECEMBER 2020

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii. Financial liabilities

Basic financial liabilities, including trade and other payables and loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Fees paid on the establishment of loan facilities are recognised as a transaction costs of the loan.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

2 Turnover

Analysis of turnover by geography:

	2020 £	2019 £
United Kingdom	3,697,125	708,991

Analysis of turnover by category

	2020 £	2019 £
Sales of goods	3,697,125	708,991

LEON GROCERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 27 DECEMBER 2020

3 Operating loss

Operating loss is stated after charging:

	2020 £	2019 £
Wages and salaries	452,237	221,496
Other pension costs	6,023	2,937
Exceptional administration expenses	80,000	-

The cost of the auditors' remuneration has been borne by the company's parent undertaking. The fee for the audit of the company's financial statements is £14,700 (52 Week period ended 29 December 2019: £15,675).

For the period ended 27 December 2020, the exceptional administrative expenses incurred, comprised of pre-formation costs (£80,000).

4 Employees

There were no employees during either period apart from the directors.

A number of employees of Leon Restaurants Limited also perform work for this entity and these costs are charged to Leon Groceries via intercompany.

The director's emoluments were as follows

	2020 £	2019 £
Remuneration for qualifying services	183,704	32,500
Company contributions to money purchase pension schemes	1,314	329
	185,018	32,829

5 Tax on loss

	2020 £	2019 £
UK Corporation tax	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Tax on loss	-	-

LEON GROCERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 52 WEEK PERIOD ENDED 27 DECEMBER 2020

6 Tangible assets

Factors affecting the tax credit for the 52 week period

	2020 £	2019 £
Loss before taxation	(25,733)	(116,623)
Loss before taxation multiplied by standard rate of UK corporation tax of 19% (2019: 19.0%)	(4,889)	(22,158)
Effects of:		
Tax losses not recognised	4,889	22,158
Total tax charge for the period	-	-

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. At the balance sheet date, the proposal to increase the rate to 25% had not been substantively enacted, substantive enactment occurred on 24 May 2021, therefore, its effects are not included in these financial statements.

Unrecognised deferred tax relating to losses as at December 2020 were £27,047 (2019: £22,158).

	Office Equipment £
Cost	
At 30 December 2019	-
Additions	7,893
At 27 December 2020	7,893
Accumulated depreciation	
At 30 December 2019	-
Charge for the period	522
At 27 December 2020	522
Net book value	
At 27 December 2020	7,371
At 29 December 2019	-

LEON GROCERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 52 WEEK PERIOD ENDED 27 DECEMBER 2020

7 Inventories

	27 December 2020 £	29 December 2019 £
Finished goods and goods for resale	68,672	27,528

8 Debtors: amounts falling due within one year

	Note	27 December 2020 £	29 December 2019 £
Related party debtor	13	189,214	39,326
Trade Debtors		13,312	-
Taxation and Social Security		13,964	-
Prepayments and accrued income		108,801	65,724
		325,291	105,050

Amounts owed by group undertakings are unsecured, interest free and receivable on demand.

9 Cash at bank and in hand

	27 December 2020 £	29 December 2019 £
Cash at bank and in hand	532,077	249,365

10 Creditors: amounts falling due within one year

	27 December 2020 £	29 December 2019 £
Trade Creditors	545,174	115,423
Amounts owed to group undertakings	423,671	368,430
Taxation and social security	-	3,421
Accruals and deferred income	106,822	11,192
	1,075,667	498,466

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

LEON GROCERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 52 WEEK PERIOD ENDED 27 DECEMBER 2020

11	Called up share capital	27 December 2020 £	29 December 2019 £
	Allotted, called up and fully paid		
	1,000 (2019: 1,000) Ordinary shares of £0.10 each	100	100

12	Statement of movements on profit and loss account	27 December 2020 £	29 December 2019 £
	Balance at 30 December 2019/ 31 December 2018	(116,623)	-
	Loss for the financial period	(25,733)	(116,623)
	Balance at 27 December 2020/ 29 December 2019	(142,356)	(116,623)

13 Subsequent events

Acquisition of Leon Restaurants Limited and subsidiaries

On 17th April 2021 EG Group agreed to acquire 100% of Leon Restaurants Limited. On the 9th May 2021 the transaction completed.

On completion, the loan facilities were fully repaid, and 15% minority shareholding in Leon Grocery Limited were acquired by Leon Restaurants Limited.

Following the acquisition, EG Group intends to invest in the LEON brand and broaden the current foodservice offer across their extensive global site network. With plans to open around 20 LEON sites per year from 2022, EG Group also sees significant potential for LEON's non-restaurant products across its convenience retail proposition.

14 Control

The immediate and ultimate parent undertaking and controlling party at the balance sheet date was Leon Restaurants Limited, a company incorporated in England and Wales.

Leon Restaurants Limited is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 27 December 2020. The consolidated financial statements of Leon Restaurants Limited are available from 27 Copperfield Street, London, SE1 0EN.

Following the acquisition by the EG Group, the Company's ultimate parent Company and ultimate controlling party is Optima Bidco (Jersey) Limited, a company registered in Jersey, Channel Islands. The Company's immediate controlling party is EG Foodservice Limited.

LEON GROCERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 52 WEEK PERIOD ENDED 27 DECEMBER 2020

15 Related party relationships and transactions

The company is a 85% owned direct subsidiary of Leon Restaurants Limited, the consolidated financial statements of which are publicly available. Accordingly, the Company has taken advantage of the exemption provided by FRS 102 from disclosing transactions with members of Leon Restaurants Limited group.

The retail business, Leon Grocery Limited, trades with Sainsbury's, who are a minority shareholder of Leon Grocery Limited. The total invoiced during the year £3,435,071 (2019: £643,267). At the period end the outstanding balance was £189,214 (2019 £39,326).