The following replaces the notice released 29 June 2020 at 07:00, RNS Number 2886R . The 2020 'earnings per share' figure presented within the 'Consolidated statement of comprehensive income' table has been amended from 0.04p to 0.05p, all other details remain the same. The full amended text appears below.

Distil plc

("Distil" or the "Group")

" Driving growth from our core brands and new products"

Distil (AIM: DIS), owner of premium drinks brands including Blackwoods Gin and Vodka, RedLeg Spiced Rum, Blavod Black Vodka, Diva Vodka and Jago's Vanilla Cream Liqueur, announces its final results for the year ended 31 March 2020.

Operational review

- RedLeg Pineapple Rum successfully launched and performing strongly
- Ready-to-drink ("RTD") RedLeg Spiced Rum and Franklins 1886 Cola launched and listed in major UK national retailer
- Mardi Gras trademark secured in Europe and USA
- Implementation of improvements to the structure and capability of New Product Development
- UK blending and bottling successfully relocated
- New markets opened in Czech Republic, Canada, Africa, Middle East and Russia
- Operational measures taken to protect our business and employees as a result of COVID-19, including remote working, advancement of production and retention of an additional bottling plant to ensure continuity of supply

Financial review

- Turnover increased 2% to £2,441k from £2,401k
- Gross profit increased 1% from £1,429k to £1,446k
- Margins broadly flat at 59.2% for the same period, year-on-year (2019: 59.5%)
- Advertising and promotion spend decreased 3% from £688k to £665k
- Other administrative expenses increased by 3%
- Operating profit increased 15% from £160k to £184k

- Net cash outflow of £210k (2019: £37k inflow) resulting in year-end cash reserves of £858k (2019: £1.07m)

- Net assets of £3.43m (2019: £3.17m) at 31 March 2020

Don Goulding, Executive Chairman of Distil, said:

" Our core brands and new products performed well in a highly competitive market. Our operating profit grew year on year and we remain in a strong cash position, debt free.

I am particularly pleased with the rum products we launched this year as they gained traction with consumers in the UK and our key international markets. Based on this success, we further strengthened our new product development capability to benefit from the opportunities that will naturally flow from new market conditions.

In response to the Covid-19 related lockdown in all of our markets, we remained agile and adapted well to market challenges and closures. The excellent performance of our team ensured continuity of supply throughout the period."

Distil PLC	
Don Goulding, Executive Chairman Shaun Claydon, Finance Director	Tel: +44 207 352 2096
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The information communicated within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

Chairman's Statement

I am pleased to report another year of increased profit, revenue growth and continued investment in our brands for the year ended 31 March 2020.

Performance

We closed the year in a strong position despite market turmoil and global uncertainties created by the impact of COVID-19 in Q4. I'm proud that our team responded rapidly and successfully to the sudden shift in consumer demand, inventory disruption and trade channel needs whilst adhering to government guidelines and working from home. We were able to completely satisfy increases in demand and maintain stock cover to reach agreed service levels. Our brands were well supported by those trade channels which were fortunate enough to remain open. Inventories of dry goods (bottles and packaging) were increased as a precaution against potential supply issues following UK lockdown and subsequent departure from the EU.

Over the full year, sales revenue increased by 2% compared to the prior year, which included export stock build by distributors in anticipation of a possible hard Brexit in March 2019. Double digit increases in RedLeg Spiced Rum were partly offset by a decline in Blackwoods Gin sales as growth in the gin market softened but particularly due to a reduction in distribution through one UK retailer. Like for like sales of Blackwoods Gin in remaining stockists increased year on year.

Marketing reinvestment rates in our key brands were broadly maintained whilst our contribution margin increased to 32%. Operating profit increased 15% from £160k to £184k. Our year end cash reserves remained robust at £858k, down £210k year on year following a surge in sales during Q4 and an associated increase in trade debtors. Distil remains debt free.

Key Brands

The Flavoured Rum category is in growth and RedLeg Spiced Rum continues to perform well within the sector despite increased competition.

Independent market research from the drinks market analysis company IWSR reports that RedLeg Spiced Rum achieved the highest Cumulative Annual Growth Rate (CAGR) in volume and value in the UK between 2013 and 2019 of any rum brand since its launch.

We launched our new variant, RedLeg Caramelised Pineapple Spiced Rum, into our major markets during the summer of 2019 and now have distribution in the UK, Australia, France and the Netherlands. The brand has performed well so far and has brought new consumers into the category. In September we also launched a ready-to-serve format, 'RedLeg Spiced Rum & Franklin & Sons 1886 Cola' in partnership with Global Brands. We are very pleased with consumers' initial response to this new format and the product continues to sell well. Distribution of our original Redleg Spiced Rum was also launched in Canada and the Netherlands during the year.

Blackwoods 2017 Vintage Dry Gin performed well where stocked in an overcrowded gin market. We took the decision to delay the planned launch of our Blackwoods 2020 Vintage Dry Gin due to complications surrounding COVID-19. Combined volume shipments to the trade channels were down largely due to a range reduction at a key customer. New export markets opened during the year included Africa and the Middle East.

Depletions of Blavod Black Vodka slowed in Q4. Much of Blavod's volume is via Duty Free or Travel Retail and international travel was greatly reduced or prohibited. Diva Vodka sales increased significantly, albeit off a small base, due to the opening of new markets earlier in the year.

Productivity and cost management

Our cost of goods was well managed by the team despite general price pressure across the board. Product by product we maintained gross margins through accurate planning whilst maintaining or improving product quality. Overheads increased by 3% overall, primarily due to increased fees relating to audit, Nomad and other AIM listing fees together with recruitment costs as we sought to strengthen our marketing efforts and new product development.

Outlook

At the time of writing this report our key markets are beginning to ease restrictions relating to the Coronavirus lockdown. We anticipate these changes will be implemented gradually and will vary by market or by region. Timing of a return to some kind of normality is unclear.

Currently the On-Trade is yet to benefit from freedom of movement. International travel and travel retail is greatly reduced. The Off-Trade has benefited from the closure of bars and restaurants and online retailing has soared. We fortunately operate across all trade channels and our brands are well positioned at affordable prices.

At this stage I believe it is too early to forecast with accuracy or certainty for the coming year. Market guidance for the coming year will be released as soon as we are reasonably confident in consumer movement and trade channels reopening. In the meantime, we will continue to keep tight control of cash, costs and ensure product availability throughout the supply chain.

There is much discussion, speculation and planning around 'socially distanced' gatherings and events and the so called 'low touch' economy which may arise post COVID-19. This will naturally open up new opportunities with both customers and consumers alike and we are well advanced with our plans to participate in these new market conditions.

We continue to work on new product development, new packaging and brand formats to support our customer needs longer term while keeping our focus on rapidly changing trade needs in the short to mid-term.

Don Goulding

Executive Chairman

Date: 26 June 2020

Strategic report

Results for the year

The profit before tax attributable to shareholders for the year amounted to £182k (2019: £160k).

Overall sales revenue demonstrated further growth during the year, supported by continued investment in marketing and promotional spend which was marginally down on the prior year. Sales volumes were broadly flat year-on-year.

Top line revenue growth has been maintained by another year of strong performance from RedLeg Spiced Rum, sales of which were enhanced by the launch of product extensions during the year. This strong performance was partly offset by weaker year-on-year sales of our Gin and Vodka brands against the backdrop of an expected softening of the gin market, increasingly competitive markets, and in the case of Blackwoods Gin, a reduction in volume sales caused by a range reduction at a major retail customer.

The Group continues to minimise overheads where possible, whilst ensuring sufficient investment to support the growth in sales of its brands. Other administrative expenses increased by 3% over prior year, largely due to investment in staff recruitment and cost increases associated with the Group's AIM listing. The Group also seeks to carefully manage its cash resources. Whilst the Group posted a net cash outflow of £210k (2019: £37k inflow) during the year, this was largely due to an increase in receivables during the final month of the year, caused by a significant increase in retail consumer demand. All of the receivables have since been paid.

The Group's position at the financial year end remains robust showing net assets of £3.43m (2019: £3.17m). This included cash reserves of £0.86m (2019: £1.07m) and intangible assets of £1.58m (2019: £1.56m) comprising expenditure on trademarks related to our brands. Inventories increased to £349k (2019: £312k) due to the planned increase in stock of raw materials to mitigate any product supply disruption caused by the UK's departure from the EU and UK lockdown resulting from the COVID-19 pandemic.

Against the backdrop of increasingly competitive and crowded markets we have continued to invest in our core brands, expand overall sales revenues and deliver another profitable set of results in the current year.

Principal activities and business review

Distil Plc (the "Company") acts as a holding company for the entities in the Distil Plc group (the "Group"). The principal activity of the Group throughout the year under review was the marketing and selling of RedLeg Spiced Rum, Blackwoods Gin and Vodka, Diva Vodka and Blavod Black Vodka domestically and internationally.

The results for the 2020 financial year reflect the continued focus on investing in the Group's key brands to drive top line growth in both domestic and international markets whilst ensuring overhead costs remain appropriate for the size of the Group.

Key performance indicators

The Group monitors progress with particular reference to the following key performance indicators:

- **Contribution - defined as gross margin less advertising and promotional costs**

  Contribution increased £40k from £741k in 2019 to £781k in 2020. This increase was achieved through an increase in overall sales revenues and a 3% reduction in advertising and marketing costs during the year.

- **Sales volume versus prior year**

  Total volumes were broadly flat year-on-year with strong growth in RedLeg Spiced Rum volume sales of 24% offset by an overall year-on-year decline in volume sales of Blackwoods Gin, Blavod Black Vodka and Blackwoods Vodka.

- **Sales turnover versus previous year**

  Total sales increased 2% year-on-year to £2.44m. RedLeg Spiced Rum continued to be the key performance driver posting a 26% increase in revenue. Blackwoods Gin decreased 57% whilst Blackwoods Vodka and Blavod Black Vodka experienced declines of 5% and 18% respectively, both off a relatively small base.

- **Gross margin versus previous year**

  Gross margin as a percentage of sales was broadly flat during the year at 59.2% compared to 59.5% in the prior year.

We also closely monitor both the level of, and value derived from our advertising and promotional costs and other administrative costs. Advertising and promotional costs decreased in absolute terms by £23k from £688k to £665k. As a percentage of sales, advertising and promotional spend amounted to 27% (2019: 29%) during the year.

Other administrative costs marginally increased by £16k from £581k to £597k as we continued to carefully manage our cost base.

Principal risks and uncertainties

As a relatively small but growing business our senior management is naturally involved day to day in all key decisions and the management of risk. Where possible, structured processes and strategies are in place to monitor and mitigate as appropriate. This involves a formal review at Board level.

The directors are of the opinion that a thorough risk management process has been adopted which involves a formal review of the principal risks identified below. Where possible, processes are in place to monitor and mitigate such risks.

- **Economic downturn**

  The success of the business is reliant on consumer spending. An economic downturn, resulting in reduction of consumer spending power, will have a direct impact on the income achieved by the Group. In response to this risk, senior management aim to keep abreast of economic conditions. In cases of severe economic downturn, marketing and pricing strategies will be modified to reflect the new market conditions.

- **High proportion of fixed overheads and variable revenues**

  A large proportion of the Group's overheads are fixed. There is the risk that any significant changes in revenue may lead to the inability to cover such costs. Senior management closely monitor fixed overheads against budget on a monthly basis and cost saving exercises are implemented wherever possible when there is an anticipated decline in revenues.

- **Competition**

  The market in which the Group operates is highly competitive. As a result, there is constant downward pressure on margins and the additional risk of being unable to meet customer expectations. Policies of constant price monitoring and ongoing market research are in place to mitigate such risks.

- **Failure to ensure brands evolve in relation to changes in consumer taste**

  The Group's products are subject to shifts in fashions and trends and the Group is therefore exposed to the risk that it will be unable to evolve its brands to meet such changes in taste. The Group carries out regular consumer research on an ongoing basis in an attempt to carefully monitor developments in consumer taste.

- **Portfolio management**

  A key driver of the Group's success lies in the mix and performance of the brands which form the Group's portfolio. The Group constantly and carefully monitors the performance of each brand within the portfolio to ensure that its individual performance is optimised together with the overall balance of performance of all brands marketed and sold by the Group.

- **Withdrawal of the UK from the EU**

  Following the UK's decision to leave the EU in 2016 we have taken appropriate steps to minimise the likely impact of this decision on our operations. We now source glass in the UK for all our production in England and Scotland and, similarly, source glass in Europe for our Blavod Black Vodka production in Germany.

We also invoice all of our sales in GBP thereby minimising our exposure to currency fluctuations. In view of the current uncertainty regarding the timing and terms of Brexit we continue to monitor developments and will take appropriate further measures once we have a clearer understanding of the potential opportunities and challenges.

- **COVID-19 pandemic**

The Group is complying with international governmental advice and requirements across its operations to prioritise safety, with all employees able to continue working effectively from home with minimal disruption to the company's day-to-day operations.

Our brands enjoy sales through a tightly managed product range with a broad distribution base. We have therefore been able to adapt to the changes in product mix, trade channel shift and additional uplift in consumer demand for our brands in the retail sector caused by the pandemic. Whilst supply chains have been seriously tested during this time, we have, with the support of our distributors, customers and logistic partners, successfully maintained the availability of our brands during this year of high level of demand.

Whilst the ongoing pandemic presents challenges in forecasting accurate market trends over the next six months, our brands are relatively well positioned and we will continue to work closely with our trade partners and customers to ensure we maintain stock cover and flexibility through this uncertain year. In addition, we will continue to prepare exciting new marketing programmes, line extensions and new to world brands to take advantage of the fresh opportunities that will naturally arise as consumer habits and trade structures shift.

Future developments

We remain focused on four key growth drivers to maintain profitable brand growth and create value. These are listed below:

Brand activation and marketing at the point of sale:

- Precise timing and frequency of promotional activity including occasions and gifting.

- Bringing promotions to life and aligned with changing consumer needs.

- Marketing and promotional activity tailored to local market needs.

Innovation in liquid & packaging development:

- Pack sizes & formats, new brands, liquids and flavours.

Route to consumer:

- Build long term relationships with capable local distributors in each key market.

- Open new territories for each key brand, targeting premium growth markets.

- Develop new trade channels through format and product.

Access to new production and design:

- Across all aspects of distilling, bottling and packaging.

Approved by the Board and signed on its behalf by:

S Claydon

Director

26 June 2020

Consolidated statement of comprehensive income

for the year ended 31 March 2020

	2020	2019
	£'000	**£'000**
Revenue	2,441	2,401
Cost of sales	(995)	(972)
Gross profit	**1,446**	**1,429**
Administrative expenses:		
Advertising and promotional costs	(665)	(688)
Other administrative expenses	(597)	(581)
Total administrative expenses	**(1,262)**	**(1,269)**
Profit from operations	**184**	**160**
Finance expense	(2)	-
Profit before tax	**182**	**160**
Taxation	76	-
Profit for the year and total comprehensive income	**258**	**160**

Earnings per share		
Basic and diluted (pence per share)	0.05	0.03

Consolidated statement of financial position

as at 31 March 2020

	2020	2019
	£'000	£'000
Assets		
Non-current assets		
Property, plant and equipment	153	129
Intangible assets	1,577	1,556
Deferred tax asset	76	-
Total non-current assets	**1,806**	**1,685**
Current assets		
Inventories	349	312
Trade and other receivables	543	207
Cash and cash equivalents	858	1,068
Total current assets	**1,750**	**1,587**
Total assets	**3,556**	**3,272**
Liabilities		
Current liabilities		
Trade and other payables	126	98
Total current liabilities	**126**	**98**
Total liabilities	**126**	**98**
Net assets	**3,430**	**3,174**
Equity		
Share capital	1,292	1,292
Share premium	2,908	2,908
Share-based payment reserve	83	83
Accumulated losses	(853)	(1,109)
Total equity	**3,430**	**3,174**

Consolidated statement of changes in equity

for the year ended 31 March 2020

	Share capital	Share premium	Share-based payment reserve	Accumulated losses	Total equity
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Balance at 1 April 2018	1,292	2,908	83	(1,269)	3,014
Profit for the year and total comprehensive income	-	-	-	160	160
Balance at 31 March 2019 and 1 April 2019	**1,292**	**2,908**	**83**	**(1,109)**	**3,174**
Effect of adoption of IFRS 16	-	-	-	(2)	(2)
Profit for the year and total comprehensive income	-	-	-	258	258
Balance at 31 March 2020	**1,292**	**2,908**	**83**	**(853)**	**3,430**

Consolidated statement of cash flows

for the year ended 31 March 2020

	2020	**2019**
	£'000	**£'000**
Cash flows from operating activities		
Profit before taxation	**182**	**160**
Adjustments for non-cash/non-operating items:		
Finance expense	2	-
Depreciation	13	9
Amortisation of right of use assets (see note 17)	49	-
	246	**169**
Movements in working capital		
Increase in inventories	(37)	(135)
(Increase)/decrease in trade and other receivables	(336)	188
Increase/(decrease) in trade and other payables	28	(137)
Net cash (used in)/generated from operating activities	**(99)**	**85**
Cash flows from investing activities		
Purchase of property, plant and equipment	(37)	(43)
Expenditure relating to licences and trademarks	(21)	(5)
Net cash used in investing activities	**(58)**	**(48)**
Cash flows from financing activities		
Interest on lease liabilities	(2)	-

Repayments of lease liabilities	(51)	-
Net cash used in financing activities	**(53)**	**-**
Net (decrease)/increase in cash and cash equivalents	(210)	37
Cash and cash equivalents at beginning of year	1,068	1,031
Cash and cash equivalents at end of year	**858**	**1,068**

1 Basis of preparation and summary of significant accounting policies

The consolidated financial statements are for the year ended 31 March 2020. They have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared under the historical cost convention.

These consolidated financial statements are presented in Pounds Sterling (£), which is also the functional currency of the parent company. Unless otherwise stated, all amounts are given in round £'000s.

Distil Plc is the Group's ultimate parent company. The Company is a public limited company incorporated and domiciled in the United Kingdom. The address of Distil Plc's registered office is 201 Temple Chambers, 3-7 Temple Avenue, EC4Y 0DT and its principal place of business is 306.A, 6 Hays Lane, London Bridge, SE1 2HB.

These results are audited; however, the financial information does not constitute statutory accounts as defined under section 434 of the Companies Act 2006. The consolidated balance sheet at 31 March 2020 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended have been extracted from the Group's 2020 statutory consolidated financial statements upon which the auditor's opinion is unqualified.

The financial information for the year ended 31 March 2019 has been derived from the Group's statutory consolidated financial statements for that year, as filed with the Registrar of Companies. Those consolidated financial statements contained an unqualified audit report.

Copies of the Annual Report will shortly be available on the Company's website www.distil.uk.com and from the Company's registered office.