

Registrar's Copy

AEVI UK Limited

Annual Report and Financial Statements

Year Ended

31 December 2018

Company Number 09669211

MONDAY



A8FM24IA

A13

07/10/2019

#91

COMPANIES HOUSE

AEVI UK Limited

Contents

	Page(s)
Directors' Report	2 - 3
Statement of Directors' Responsibilities	4
Independent Auditor's Report	5 - 7
Profit and Loss Account	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 - 28

AEVI UK Limited

Company Information For the year ended 31 December 2018

Directors

M Camerling
S Westbrook

Registered office

16 First Floor
High Holborn
London
WC1V 6BX

Independent auditor

BDO UK LLP
Thames Tower, Station Road
Reading
RG1 1LX

AEVI UK Limited

Directors' Report For the year ended 31 December 2018

The directors present their report together with the financial statements audited financial statements of AEVI UK Limited ("the Company") for the year ended 31 December 2018. The comparative amounts cover the period from 1 October 2016 to 31 December 2017.

Principal activity

AEVI UK is a subsidiary of AEVI International GmbH which is a provider of IT solutions and services for handling cashless payment transactions and of further services. Its portfolio ranges from hardware and software to services such as operation of transaction platforms and marketplace technologies. The ultimate parent company is Diebold Inc.

Dividend

The profit and loss account for the period is set out on page 8. The Company paid no dividends during the period and the Directors do not recommend the payment of a final dividend for the year (2017: £Nil).

Directors' of the company

The directors, who held office during the year, were as follows:

P Young (resigned 5 January 2018)

M Camerling

R Rabenstein (resigned 2 July 2018)

S Westbrook (appointed 2 July 2018)

Political donations

The Company made no political donations or incurred any political expenditure during the period.

Future developments

For AEVI UK we see three major developments in the upcoming year 2019. Firstly AEVI UK will continue to serve as the development & operations hub for AEVI's marketplace proposition worldwide. Such activities include the further development and operation of the device management system, the content distribution module as well as the developer and publisher portals. Such development activities are undertaken on behalf of the parent company AEVI International GmbH who will also bear such costs.

Additionally AEVI UK will aim to increase the local sales presence through dedicated sales staff located in the UK. This includes AEVI's marketplace as well as payments proposition for major UK merchant banks, acquirers, ISVs or ISOs.

Lastly, due to talent acquisition options, AEVI UK will continue to hold key resources for AEVI globally in either the value-added apps space or sales & administration functions. Such positions include C-level roles, human resources, legal counsel, app portfolio managers and retail consultants. Again, such functions are filled on behalf of the parent company AEVI International GmbH who will also bear such costs.

AEVI UK Limited

Directors' Report For the year ended 31 December 2018 (continued)

Going concern

The parent company, AEVI International GmbH has confirmed to the directors that it will continue to provide financial support to AEVI UK Limited for the foreseeable future and for at least the next 12 months from the date of signing the financial statements. Based upon this the directors expect the Company to be able to meet its liabilities as they fall due and these financial statements have therefore been prepared on a going concern basis.

Directors' liabilities

The Company has put in place qualifying third party indemnity provisions for all of the directors of AEVI UK Limited.

Disclosure of information to the auditors

Each director has taken 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 auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Auditors

During the year the previous auditor KPMG LLP retired as auditor. BDO UK LLP were appointed as auditor in their place and will continue in office in accordance with Section 487(2) of the Companies Act 2006.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

This report was approved by the board and signed on its behalf by:



.....
M Camerling
Director

Date: 2/10/2019

AEVI UK Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' 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 FRS101 Reduced Disclosures 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 and of the profit or loss of the company for that period.

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;
- state whether applicable UK standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

AEVI UK Limited

Independent Auditor's Report to the Members of AEVI UK Limited

Opinion

We have audited the financial statements of AEVI UK Limited (the 'Company') for the year ended 31 December 2018, which comprise the Profit and loss account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

AEVI UK Limited

Independent Auditor's Report to the Members of AEVI UK Limited (continued)

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinion on other matter 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.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 4], 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.

AEVI UK Limited

Independent Auditor's Report to the Members of AEVI UK Limited (continued)

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 at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

BDO LLP

Gavin Crawford (Senior Statutory Auditor)
For and on behalf of BDO UK LLP, Statutory Auditor
Reading
United Kingdom

Date: 4 October 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

AEVI UK Limited

Profit and loss account For the year ended 31 December 2018

		Year ended 31 December 2018 £ 000	As restated 15 month period ended 31 December 2017 £ 000
	Note		
Turnover	6	2,572	18,412
Cost of sales		<u>(4,814)</u>	<u>(17,767)</u>
Gross (loss)/profit		(2,242)	645
Administrative expenses		(4,526)	(1,013)
Other operating income		<u>7,035</u>	<u>2,065</u>
Operating profit	7	267	1,697
Interest payable and similar charges	10	<u>(67)</u>	<u>(48)</u>
Profit before tax		200	1,649
Tax on (loss)/profit on ordinary activities	11	<u>(60)</u>	<u>(223)</u>
Total comprehensive income for the year		<u>140</u>	<u>1,426</u>
Profit for the year attributable to:			
Continuing operations		853	1,523
Discontinued operations	22	<u>(713)</u>	<u>(97)</u>
		<u>140</u>	<u>1,426</u>

The notes on pages 11 to 28 form a part of these financial statements.

AEVI UK Limited

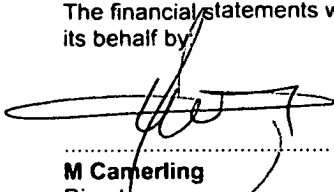
Registered number: 09669211

Balance Sheet

As at 31 December 2018

	Note	2018 £ 000	As restated 2017 £ 000
Fixed assets			
Intangible assets	12	-	279
Tangible assets	13	1	3
		<u>1</u>	<u>282</u>
Current assets			
Stocks	14	33	1
Debtors: amounts falling due within one year	15	5,506	5,369
Cash at bank and in hand		365	-
		<u>5,904</u>	<u>5,370</u>
Creditors: Amounts falling due within one year	16	<u>(4,418)</u>	<u>(4,305)</u>
Net current assets		<u>1,486</u>	<u>1,065</u>
Net assets		<u>1,487</u>	<u>1,347</u>
Capital and reserves			
Called up share capital	17	400	400
Profit and loss account		<u>1,087</u>	<u>947</u>
Shareholders' funds		<u>1,487</u>	<u>1,347</u>

The financial statements were approved and authorised for issue by the Board on and were signed on its behalf by



M Camerling
 Director
 Date: 2/10/2019

AEVI UK Limited

Statement of Changes in Equity For the year ended 31 December 2018

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 October 2016	400	(479)	(79)
Profit for the year (as restated - note 4)	-	1,426	1,426
Total comprehensive income	-	1,426	1,426
At 31 December 2017 (as restated)	400	947	1,347
	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2018 (as previously stated)	400	766	1,166
Prior period adjustment (note 4)	-	181	181
At 1 January 2018 (As restated)	400	947	1,347
Profit for the year	-	140	140
Total comprehensive income	-	140	140
At 31 December 2018	400	1,087	1,487

The notes on pages 11 to 28 form part of these financial statements.

AEVI UK Limited

Notes to the Financial Statements For the year ended 31 December 2018

1 General information

AEVI UK Limited ("the Company") is a private company limited by shares which is registered and domiciled in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page. The principal activities of the Company are set out in the Directors' Report on page 2.

2 Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and in accordance with applicable accounting standards. The financial statements have been prepared under the historical cost convention and in accordance with applicable law.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("EU IFRS"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

Financial Reporting Standard 101 - reduced disclosure exemptions

In these financial statements, the Company has adopted certain disclosure exemptions available under FRS 101. These include:

- a cash flow statement and related notes;
- disclosures in respect of the compensation of key management personnel;
- disclosures in respect of transactions with wholly owned subsidiaries; and
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs; and

As the Company is a wholly owned subsidiary of AEVI International GmbH, and the majority of the Company's voting rights are ultimately controlled within the group headed by Diebold Inc., the Company has also taken exemption under FRS 101 available in respect of certain disclosures required by *IFRS 13 Fair Value Measurement* and the disclosures required by *IFRS 7 Financial Instrument Disclosures*

Where relevant, equivalent disclosures have been given in the consolidated financial statements of Diebold Nixdorf Inc., within which this Company is included, and can be obtained from 5995 Mayfair Road, PO Box 3077, North Canton, Ohio 44720-8077, USA.

AEVI UK Limited

Notes to the Financial Statements For the year ended 31 December 2018 (continued)

2 Accounting policies (continued)

Going concern

The parent company, AEVI International GmbH has confirmed to the directors that it will continue to provide financial support to AEVI UK Limited for the foreseeable future and for at least the next 12 months from the date of signing the financial statements. Based upon this the directors expect the Company to be able to meet its liabilities as they fall due and these financial statements have therefore been prepared on a going concern basis.

New and amended standards and interpretations adopted by the Company

IFRS 9 and IFRS 15 are new accounting standards that are effective for the year ended 31 December 2018.

(a) IFRS 9 Financial Instruments

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

As a result of the adoption of IFRS 9 and the changes in the financial instruments accounting policy, there were no adjustments made to the Company's retained earnings as at 1 January 2018 or 1 October 2016 and there were no adjustments made to line items in the Statement of other comprehensive income for the year ended 31 December 2018 relating to the adoption of IFRS 9. The Company holds financial assets in the form of amounts owed by group undertakings and other receivables which are subject to IFRS 9's new, expected credit loss model. The impact of adopting the expected credit loss model is not material.

(b) IFRS 15 Revenue from Contracts with Customers

IFRS 15 has replaced IAS 18 Revenue and IAS 11 Construction Contracts as well as various Interpretations previously issued by the IFRS Interpretations Committee.

The Company adopted IFRS 15 with a transition date of 1 January 2018.

As a result of the adoption of IFRS 15 there were no adjustments made to the Company's retained earnings as at 1 January 2018 or 1 October 2016 and there were no adjustments made to line items in the Statement of other comprehensive income for the year ended 31 December 2018 relating to the adoption of IFRS 15.

There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2018 and have had a material impact on the Company.

AEVI UK Limited

Notes to the Financial Statements For the year ended 31 December 2018 (continued)

2 Accounting policies (continued)

The following principal accounting policies have been applied:

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes the sale of goods and the rendering of services.

Sale of goods

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point the buyer has signed for delivery of the goods.

Rendering of services

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

Turnover in relation to the processing of ATM transactions is recognised in the month that the service is delivered.

Foreign currency transactions and balances

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Post-retirement benefits

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Tax

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

AEVI UK Limited

Notes to the Financial Statements For the year ended 31 December 2018 (continued)

2 Accounting policies (continued)

Tax (continued)

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax is measured on a non-discounted basis using tax rates enacted or substantively enacted at the balance sheet date and that are expected to apply in the period when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised only to the extent that it is probable that sufficient future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Intangible assets

Intangible fixed assets comprising concessions, patents, licences and trademarks are purchased separately from a business are capitalised at their cost.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Concessions, patents, licences and trademarks	5 periods or over unexpired periods if less

Tangible assets

Property plant and equipment is stated at historical cost less depreciation. Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs.

Depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Asset class	Depreciation method and rate
Fixtures, fittings, tools and equipment	3 to 5 periods or over life of lease if less

AEVI UK Limited

Notes to the Financial Statements For the year ended 31 December 2018 (continued)

2 Accounting policies (continued)

Impairment of fixed assets and goodwill

The carrying amounts of the Company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss in respect of goodwill is reversed if and only if the reasons for the impairment have ceased to apply.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial instruments

Financial instruments include trade and other debtors, related parties, cash and cash equivalents, trade creditors and bank overdrafts.

The Company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade debtors), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

AEVI UK Limited

Notes to the Financial Statements For the year ended 31 December 2018 (continued)

2 Accounting policies (continued)

Financial instruments (continued)

Impairment provisions for current and non-current trade debtors are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade debtors is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade debtors. For trade debtors, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the statement of comprehensive income. On confirmation that the trade debtor will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for debtors from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Trade and other payables

Financial liabilities included in trade creditors are subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within Creditors: amounts falling due within one year on the statement of financial position.

Stock

Stocks and work in progress are stated at the lower of cost and net realisable value. In determining the cost of finished goods and goods for resale, the weighted average purchase price is used.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

AEVI UK Limited

Notes to the Financial Statements For the year ended 31 December 2018 (continued)

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The Company's directors are of the opinion that there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities for the Company within the next financial year.

4 Prior year adjustment

Revenue for the year ended 31 December 2017 was understated by £223,000. The total impact was an understatement of net assets of £181,000 at 31 December 2017.

5 First time adoption of IFRS 9 and IFRS 15

The Company adopted IFRS 9 retrospectively for the first time in these financial statements for the year ended 31 December 2018.

The Company has assessed the impairment requirements of IFRS 9 and has concluded that due to the nature of the revenue transactions within the Company, credit losses will not have a material impact on the Company. The method of calculating the credit losses and estimation techniques used are therefore also not material to the Company or these financial statements.

The Company has also adopted IFRS 15 for the first time and has applied it retrospectively. IFRS 15 requires the Company to exercise judgement, taking into consideration all of the relevant tasks and circumstances when applying each step of the five step model to contracts with customers.

The Company has concluded that there is no material impact on the financial statements as a result of adopting IFRS 9 or IFRS 15 and therefore no adjustments were made to the line items in the Profit and loss account.

6 Turnover

The Company's entire turnover has been generated from the Company's principal activity from services provided in the United Kingdom.

AEVI UK Limited

Notes to the Financial Statements For the year ended 31 December 2018 (continued)

7 Operating profit

This relates to continuing activities after charging/(crediting):

	Year ended 31 December 2018 £ 000	15 month period ended 31 December 2017 £ 000
Depreciation expense	2	2
Operating lease expense	312	378
Auditors' remuneration	19	35

This relates to discontinued activities after charging/(crediting):

	Year ended 31 December 2018 £ 000	15 month period ended 31 December 2017 £ 000
Amortisation expense	12	12

AEVI UK Limited

Notes to the Financial Statements For the year ended 31 December 2018 (continued)

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	Year ended 31 December 2018 £ 000	15 month period ended 31 December 2017 £ 000
Wages and salaries	2,700	4,684
Social security costs	343	581
Pension costs, defined contribution scheme	119	197
	<u>3,162</u>	<u>5,462</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	Year ended 31 December 2018 No.	15 month period ended 31 December 2017 No.
Administration and R&D	14	14
Services	19	39
	<u>33</u>	<u>53</u>

In April 2018, the ATM Processing Service was sold to Diebold Nixdorf (UK) Limited, transferring all assets, costs and personnel associated with that service to Diebold Nixdorf (UK) Limited.

AEVI UK Limited

Notes to the Financial Statements For the year ended 31 December 2018 (continued)

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	Year ended 31 December 2018 £ 000	15 month period ended 31 December 2017 £ 000
Remuneration	194	268
Contributions paid to money purchase schemes	15	9
	<u>209</u>	<u>277</u>

During the year the number of directors who were receiving benefits was as follows:

	Year ended 31 December 2018 No.	15 month period ended 31 December 2017 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

10 Interest payable and similar charges

	Year ended 31 December 2018 £ 000	15 month period ended 31 December 2017 £ 000
Interest on bank overdrafts and borrowings	<u>67</u>	<u>48</u>

AEVI UK Limited

Notes to the Financial Statements For the year ended 31 December 2018 (continued)

11 Income tax

Tax charged/(credited) in the profit and loss account:

	Year ended 31 December 2018 £ 000	As restated 15 month period ended 31 December 2017 £ 000
Current taxation		
UK corporation tax	<u>60</u>	<u>223</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2017 - higher than the standard rate of corporation tax in the UK) of 19% (2017 - 19.4%).

The differences are reconciled below:

	Year ended 31 December 2018 £ 000	15 month period ended 31 December 2017 £ 000
Profit on ordinary activities before tax		
Continued operations	913	1,746
Discontinued operations	<u>(713)</u>	<u>(97)</u>
Profit before tax	<u>200</u>	<u>1,649</u>
Tax on profit on ordinary activities at standard corporation rate of 19%	38	320
Expenses not deductible for tax purposes	1	-
Adjustments to tax charge in respect of previous periods - current tax	20	-
Deferred tax not recognised / losses recognised	<u>1</u>	<u>(97)</u>
Total tax charge	<u>60</u>	<u>223</u>

The effect of changes to the corporation tax rates substantively enacted as part of the Finance Bill 2016 (on 7 September 2016) includes reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the reporting date have been measured using these enacted tax rates and reflected in these financial statements.

There were no other factors that may affect future tax charges.

AEVI UK Limited

Notes to the Financial Statements For the year ended 31 December 2018 (continued)

12 Intangible assets

	Software £ 000	Total £ 000
Cost or valuation		
At 1 January 2018	340	340
Transfers within group	<u>(340)</u>	<u>(340)</u>
At 31 December 2018	<u>-</u>	<u>-</u>
Amortisation		
At 1 January 2018	61	61
Charge for the period	12	12
Eliminated on transfers	<u>(73)</u>	<u>(73)</u>
At 31 December 2018	<u>-</u>	<u>-</u>
Carrying amount		
At 31 December 2018	<u>-</u>	<u>-</u>
At 31 December 2017	<u>279</u>	<u>279</u>

AEVI UK Limited

Notes to the Financial Statements For the year ended 31 December 2018 (continued)

13 Tangible assets

	Furniture, fittings and equipment £ 000	Total £ 000
Cost or valuation		
At 1 January 2018	5	5
At 31 December 2018	<u>5</u>	<u>5</u>
Depreciation		
At 1 January 2018	2	2
Charge for the year	<u>2</u>	<u>2</u>
At 31 December 2018	4	4
Carrying amount		
At 31 December 2018	<u>1</u>	<u>1</u>
At 31 December 2017	<u>3</u>	<u>3</u>

14 Stock

	2018 £ 000	2017 £ 000
Work in progress	<u>33</u>	<u>1</u>

The cost of stock in respect of the sale of goods recognised as an expense in the year amounted to £6,059 (2017 - £152,166). This is included within cost of sales.

AEVI UK Limited

Notes to the Financial Statements For the year ended 31 December 2018 (continued)

15 Debtors: amounts falling due within one year

	2018 £ 000	As restated 2017 £ 000
Trade debtors	81	337
Amounts due from group undertakings	4,833	4,001
VAT receivable	426	572
Prepayments	112	459
Other debtors	54	-
	<u>5,506</u>	<u>5,369</u>

Amounts owed by group undertakings are unsecured, interest free and have no fixed repayment terms.

16 Creditors: amounts falling due within one year

	2018 £ 000	2017 £ 000
Bank overdraft	-	28
Trade creditors	87	629
Corporation tax payable	283	223
Amounts due to group undertakings	3,557	2,487
Accruals and deferred income	409	938
Taxation and social security	82	-
	<u>4,418</u>	<u>4,305</u>

Amounts owed to group undertakings are unsecured, interest free and have no fixed repayment terms.

AEVI UK Limited

Notes to the Financial Statements For the year ended 31 December 2018 (continued)

17 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	No. 000	£ 000	No. 000	£ 000
Ordinary share of £1 each	400	400	400	400

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

18 Related parties

Related party transactions

	Sales to Year to 31 December 2018 £'000	Purchases from Year to 31 December 2018 £'000	Sales to 15 months to 31 December 2017 £'000	Purchases from 15 months to 31 December 2017 £'000
AEVI International GmbH	-	1	-	39
Diebold Nixdorf (UK) Limited	2,506	1,677	17,946	6,685
Diebold Nixdorf International GmbH	-	-	-	434
Diebold Nixdorf Global IT Operations GmbH	-	-	-	-
AEVI CZ s.r.o.	-	66	414	247
Diebold Nixdorf BPO Sp. z.o.o	-	33	-	5
Wincor Nixdorf International GmbH	-	220	-	-
	<u>2,506</u>	<u>1,997</u>	<u>18,360</u>	<u>7,410</u>

AEVI UK Limited

Notes to the Financial Statements For the year ended 31 December 2018 (continued)

18 Related parties (continued)

Related party balances

	Debtors outstanding Year to 31 December 2018 £'000	Creditors outstanding Year to 31 December 2018 £'000	Debtors outstanding 15 months to 31 December 2017 £'000	Creditors outstanding 15 months to 31 December 2017 £'000
AEVI International GmbH	4,833	3,525	2,570	-
Diebold Nixdorf (UK) Limited	-	2	1,712	458
Diebold Nixdorf International GmbH	-	7	(695)	1,902
Diebold Nixdorf Global IT Operations GmbH	-	-	-	-
AEVI CZ s.r.o.	-	-	414	121
Diebold Nixdorf BPO Sp. z.o.o	-	8	-	5
Wincor Nixdorf International GmbH	-	15	-	-
	<u>4,833</u>	<u>3,557</u>	<u>4,001</u>	<u>2,486</u>

19 Reserves

The Company has the following reserves:

Called up share capital

Share capital represents the issued and fully paid up equity share capital of the Company.

Profit and loss account

The profit and loss account represents cumulative profits, losses, and total other comprehensive income made by the Company, including distributions to, and contributions from, the owner.

20 Pension and other schemes

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £119,132 (2017 - £196,514).

AEVI UK Limited

Notes to the Financial Statements For the year ended 31 December 2018 (continued)

21 Operating lease commitments

The total future value of minimum lease payments is due as follows:

	Year ended 31 December 2018 £ 000	15 month period 31 December 2017 £ 000
Not later than 1 year	304,000	-
Later than 1 year but not later than 5 years	152,250	-
	<u>456,250</u>	<u>-</u>

22 Discontinued operations

In April 2018, AEVI UK Limited entered into a trade and asset transfer of its ATM processing service. The trade and asset transfer was performed at net book value of £711k. The effect of the discontinued operations relating to the ATM processing service has been detailed below:

	Year ended 31 December 2018 £ 000	15 month period ended 31 December 2017 £ 000
Turnover	2,468	14,527
Cost of sales	<u>(2,220)</u>	<u>(12,932)</u>
Gross profit	248	1,595
Administrative expenses	<u>(961)</u>	<u>(1,692)</u>
Loss on ordinary activities before tax	<u>(713)</u>	<u>(97)</u>

AEVI UK Limited

Notes to the Financial Statements For the year ended 31 December 2018 (continued)

22 Discontinued operations (continued)

There was no profit or loss on the disposal of the ATM processing service. The net assets disposed of are as follows:

	£ 000
Proceeds	<u>711</u>
Net assets disposed of	
Intangible assets	(267)
Prepayments	<u>(444)</u>
	<u>(711)</u>
 Profit/(loss) on disposal before tax	 <u>-</u>

23 Parent and ultimate parent undertaking

The Company is a subsidiary undertaking of AEVI International GmbH, with Diebold Inc., the ultimate parent company and ultimate controlling party.

The largest group in which the results of the Company are consolidated is that headed by Diebold Nixdorf Inc., incorporated in the United States of America. The smallest group in which they are consolidated is that headed by Diebold Nixdorf AG incorporated in Germany. The consolidated financial statements of these groups are available and may be obtained from 5995 Mayfair Road, PO Box 3077, North Canton, Ohio 44720-8077, USA and Heinz-Nixdorf Ring 1, 33106 Paderborn, Germany respectively.