Aevi UK Limited

Annual Report and Financial Statements for the 15 month period ended 31 December 2017

Registered number 09669211

Contents

Strategic Report

The directors present their Directors' report and financial statements for the extended 15 month period ended 31 December 2017. The Company has changed its year-end from 30 September to 31 December, and this is the first financial reporting period adopting the new year-end date.

Principal activity

Aevi UK Limited (the Company) is a UK subsidiary of the Diebold Nixdorf Inc. group, which is a leading global provider of IT solutions and services for the Retail and Banking industries.

Business review

Diebold Nixdorf (UK) Limited continues to hold the contractual relationship with all existing customers and uses Aevi UK Limited as its outsource partner.

During the Company's second period of trade, turnover was £18,188,000 for the 15 month period (2016: £10,467,000 for the 12 month period). Revenue improved following the addition of Sainsbury Bank as a customer. The Company reported an operating profit of £1,472,000 (2016: Loss of £443,000 for the 12 month period)for the 15 month period which was primarily due to the investment in new business opportunities. The Shareholders' funds at the period end were £1,1166,000 (2016: defecit of £79,000).

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

Principal risks and uncertainties

The principal risks and uncertainties that could have material adverse effect on the Company's strategy, performance or result are competitive pressure and continuing uncertainty in the economy, particularly in respect of exchange rates and import tariffs following the referendum result regarding the UK's exit from the EU. Aevi UK customers and suppliers are all UK based, and the transacting currency is GBP, therefore mitigating any future risks from the UK's exit from the EU. The Company has structures and processes in place to identify, manage and mitigate the impact of these risks.

Directors' Report

The directors present their directors' report and financial statements for the period ended 31 December 2017.

Dividend

The profit and loss account for the period is set out on page 6. The Company paid no dividends during the period and the Directors do not recommend the payment of a final dividend.

Directors

The directors who held office during the period were as follows:

P Young (resigned 5 January 2018)

M Camerling (appointed 10 May 2016)

R Rabenstein (resigned 2 July 2018)

S Westbrook (appointed 2 July 2018)

Employees

The Company employed 53 personnel (2016: 41) at the period end. The increase in employees has been due to the increase in revenue and the ongoing investment in the development of new products.

Political donations

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

Disclosure of information to the auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; the directors have taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board

M Camerling
Director
13 February 2019

One, The Boulevard
Cain Road
Bracknell
Berkshire
RG12 1WP

Registered number 09669211

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework.*

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company 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 then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG LLP
Arlington Business Park
Theale
Reading
RG7 4SD
United Kingdom

Independent Auditor's Report to the members of Aevi UK Limited

We have audited the financial statements of Aevi UK Limited ("the company") for the period ended 31 December 2017 which comprise the Profit and loss account and other comprehensive income, Balance sheet, Statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Respective responsibilities of directors' and auditor

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to Britain exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of investments and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Independent Auditor's Report to the members of Aevi UK Limited *(continued)*

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the members of Aevi UK Limited *(continued)*

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Simon

13 February 2019

Simon Baxter (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Arlington Business Park
Theale
Reading
RG7 4SD
United Kingdom

Profit and Loss Account and Other Comprehensive Income

for the period ended 31 December 2017

	Note	15 months to 31 December 2017 £000	12 months to 30 September 2016 £000
Turnover	2	18,188	10,467
Cost of sales		(17,767)	(10,712)
Gross profit/(loss)		421	(245)
Administrative expenses		(1,012)	(198)
Other operating income		2,065	-
Operating profit/(loss)	3	1,472	(443)
Interest payable and similar charges		(48)	(36)
Profit/ loss before taxation		1,425	(479)
Tax on Profit	6	(180)	-
Profit/ (loss) and other comprehensive income for the period		1,245	(479)

All of the above results are from continuing activities.

The notes set out on pages 10 to 18 form part of the financial statements

Balance Sheet
at 31 December 2017

	Note	31 December 2017 £000	31 December 2017 £000	30 September 2016 £000	30 September 2016 £000
Fixed assets					
Intangible assets	7		279		340
Tangible assets	8		3		1
			282		341
Current assets					
Stocks	9	1		790	
Debtors	10	5,145		3,881	
Cash		-		-	
		5,146		4,671	
Creditors: amounts falling due within one year	11	(4,262)		(5,091)	
Net current assets/(liabilities)			884		(420)
Total assets less current assets assets/(liabilities)			1,166		(79)
Net assets/(liabilities)			1,166		(79)
Capital and reserves					
Called up share capital	12		400		400
Profit and loss account			766		(479)
Shareholders' funds			1,166		(79)

These financial statements were approved by the Directors on 13 February 2019 and were signed on its behalf by:

M Camerling
Director

Registration number 09669211

The notes set out on pages 10 to 18 form part of the financial statements

Statement of Changes in Equity
for the period ended 31 December 2017

	Called-up share capital £000	Profit and loss account £000	Total £000
At 1 October 2015	**400**	**–**	**400**
Loss for the period	–	(479)	(479)
Other comprehensive income	–	–	–
Total comprehensive loss for the period	**–**	**(479)**	**(479)**
At 30 September 2016	**400**	**(479)**	**(79)**
Profit for the period	–	1,245	1,245
Other comprehensive income	–	–	–
Total comprehensive income for the period	**–**	**1,245**	**1,245**
At 31 December 2017	**400**	**766**	**1,166**

The notes set out on pages 9 to 16 form part of the financial statements

Notes
(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Accounting convention & basis of preparation

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.

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;
- 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 the following:

- 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.

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.

Notes *(continued)*

1 Accounting policies *(continued)*

Foreign currencies

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.

Intangible fixed assets and amortisation

Intangible fixed assets purchased separately from a business are capitalised at their cost.

Concessions, patents, licences and trademarks purchased by the Company are amortised to nil by equal annual instalments over their useful economic lives, generally their respective unexpired periods over a maximum of 5 periods.

Fixed assets and 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:

Fixtures, fittings, tools and equipment	-	3 to 5 periods or over life of lease if less

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.

Taxation

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.

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 lethod. 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.

Notes *(continued)*

1 Accounting policies *(continued)*

Stocks and work in progress

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.

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.

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.

2 Analysis of turnover and profit before taxation

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

3 Notes to the profit and loss account

Included in profit/loss are the following:

	31 December 2017 £000	30 September 2016 £000
Operating lease rentals	378	85
Amortisation of goodwill and intangible assets	12	12
Depreciation of fixed assets	2	-

Auditor's remuneration:

	31 December 2017 £000	30 September 2016 £000
Audit of these financial statements	35	12
Amounts receivable by the company's auditor and its associates in respect of:		
Taxation compliance services	-	1

Notes *(continued)*

4 Directors' Remuneration

	31 December 2017 £000	30 September 2016 £000
Directors' remuneration	268	171
Company contributions to money purchase pension schemes	9	2

	Number of directors 31 December 2017	30 September 2016
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	1	1
The number of directors who exercised share options in Diebold Nixdorf AG or Diebold Nixdorf Inc, was	-	-

5 Staff numbers and costs

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

	Number of employees 31 December 2017	30 September2016
Administration and R&D	14	8
Services	39	33
	53	41

The aggregate payroll costs of these persons were as follows:

	31 December 2017 £000	30 September 2016 £000
Wages and salaries	4,684	3,038
Social security costs	581	383
Other pension costs	197	137
	5,462	3,558

Notes *(continued)*

6 Taxation

Analysis of charge in period

	31 December 2017 £000	30 September 2016 £000
UK corporation tax		
Tax on profit	**180**	-

Reconciliation of effective tax rate

The current tax charge for the year is higher than the standard rate of corporation tax in the UK (19%). The differences are explained below.

	31 December 2017 £000	30 September 2016 £000
Profit/ loss for the period	1,245	(479)
Profit/ (loss) excluding taxation	1,425	(479)
Tax using the UK corporation tax rate of 19.40%	276	(96)
Losses recognised	(96)	96
Total tax expense	180	-

The UK corporation tax rate was 19% from 1 April 2017 and 20% up to 31 March 2017, so the rate was pro-rated for the 15 month period. In accordance with the Finance (No. 2) Act 2015, the UK corporation tax rate will reduce to 17% in 2020. This will reduce the company's future current tax charge accordingly.

Notes *(continued)*

7 Intangible fixed assets

	Software £000	Total £000
Cost		
At beginning of period	340	340
Additions	-	-
Disposal	-	-
At end of period	340	340
Amortisation		
At beginning of period	(49)	(49)
Charged in period	(12)	(12)
Disposal	-	-
At end of period	(61)	(61)
Net book value		
At 31 December 2017	**279**	**279**

8 Tangible fixed assets

	Fixtures, fittings, tools and Equipment £000	Total £000
Cost		
At beginning of period	-	-
Additions	5	5
Disposals	-	-
At end of period	5	5
Depreciation		
At beginning of period	-	-
Charge for period	(2)	(2)
Disposals	-	-
At end of period	-	-
Net book value		
At 31 December 2017	**3**	**3**

There are no assets held under finance leases (or similar hire purchase contracts).

Notes *(continued)*

9 Stocks

	31 December 2017 £000	30 September 2016 £000
Work in progress	1	790
	1	790

10 Debtors

	31 December 2017 £000	30 September 2016 £000
Trade debtors	337	4
Amounts owed by group undertakings	3,777	3,056
Taxation and social security	572	88
Prepayments and accrued income	459	733
	5,145	3,881

11 Creditors: amounts falling due within one period

	31 December 2017 £000	30 September 2016 £000
Bank overdraft	28	21
Trade creditors	629	606
Corporation tax payable	180	-
Amounts owed to group undertakings	2,487	3,239
Accruals and deferred income	938	1,225
	4,262	5,091

12 Called up share capital

	Number of shares	2017 £000
Allotted, called up and fully paid		
Ordinary share of £ 1 each	400,000	400

Notes *(continued)*

13 Related parties

Related party transactions	Sales to 15 months to 31 December 2017	Purchases from 15 months to 31 December 2017	Sales to 12 months to 30 September 2016	Purchases from 12 months to 30 September 2016
	£000	£000	£000	£000
Aevi International GmbH	-	39	3,038	-
Diebold Nixdorf (UK) Limited	17,722	6,685	10,643	6,990
Diebold Nixdorf International GmbH	-	434	-	205
Diebold Nixdorf Global IT Operations GmbH	-	-	-	1
Aevi CZ s.r.o.	414	247	-	3
Diebold Nixdorf BPO Sp. z.o.o	-	5		
	18,136	7,411	13,681	7,199

Related party balances	Debtors outstanding 15 months to 31 December 2017	Creditors outstanding 15 months to 31 December 2017	Debtors outstanding 12 months to 30 September 2016	Creditors outstanding 12 months to 30 September 2016
	£000	£000	£000	£000
Aevi International GmbH	2,570	-	1,784	-
Diebold Nixdorf (UK) Limited	1,489	458	1,467	927
Diebold Nixdorf International GmbH	(695)	1,902	(195)	2,310
Diebold Nixdorf Global IT Operations GmbH	-	-	-	1
Aevi CZ s.r.o.	414	121	-	1
Diebold Nixdorf BPO Sp. z.o.o	-	5	-	-
	3,777	2,487	3,056	3,239

14 Immediate and ultimate parent undertaking

The Company is a subsidiary undertaking of Aevi International GmbH, which itself is a subsidiary of Diebold Nixdorf AG.

Diebold Nixdorf AG is a subsidiary of 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.

Notes *(continued)*

15 Commitments

(a) Capital commitments at the end of the financial year for which no provision has been made, are nil *(2016: nil).*

(b) The Company has entered into no commitments in respect of finance leases (and similar hire purchase contracts) during the financial year.

16 Subsequent Events

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