

# Bottomline Technologies Limited

Report and Financial Statements

Year Ended

30 June 2024

Company Number 08098450

SATURDAY



\*ADXEX001\*

A9

01/03/2025

#148

COMPANIES HOUSE

# Bottomline Technologies Limited

Report and financial statements  
for the year ended 30 June 2024

---

## Contents

### Page:

1	Strategic report
4	Section 172 statement
8	Report of the directors
12	Independent auditor's report
15	Statement of comprehensive income
16	Statement of financial position
17	Statement of changes in equity
18	Notes forming part of the financial statements

---

## County of incorporation and domicile

United Kingdom

## Legal form

Private company limited by shares

## Directors

P Fannon  
J Chapman

## Registered office

1600 Arlington Business Park, Theale, Reading, Berkshire, RG7 4SA

## Company number

08098450

## Auditors

Ernst & Young LLP, R+ Building, 2 Blagrove St, Reading, RG1 1AZ

# Bottomline Technologies Limited

## Strategic report for the year ended 30 June 2024

---

The directors present their strategic report together with the audited financial statements for the year ended 30 June 2024.

### Principal activity

The country of incorporation and domicile of Bottomline Technologies Limited is the United Kingdom.

The principal activity of the company continued to be the design, development, sale and support of secure payment and document management solutions and services. The Company is an indirect subsidiary of Bottomline Parent Holdings III, LP who is a global leader in business payments and cash management, secured and comprehensive solutions modernize payments for businesses and financial institutions globally. With over 35 years of experience, moving more than \$10 trillion in payments annually, Bottomline is committed to driving impactful results for customers by reimagining business payments and delivering solutions that add to the bottom line. Bottomline is a portfolio company of Thoma Bravo, one of the largest software private equity firms in the world, with more than \$160 billion in assets under management.

On 9 October 2023, the Company paid a FY24 interim dividend of £20,006,483 and on 16 April 2024, the Company paid a further FY24 interim dividend of £26,479,169 both to parent company Bottomline Parent Holdings III, LP (2023 – £10,003,242). On 9 October 2023, the Company received an interim dividend of £4,999,666 from CJJ Investment Limited, an immediate subsidiary of the Company (2023 - £19.4m interim dividend from Bottomline Technologies Sarl, an immediate subsidiary of the company).

On 10 April 2024, the Board of Company completed a Share Premium reduction from £52,593,753 to £nil, and a Share Capital reduction from £29,421,299 to £2,942,129.90. The Share Capital reduction was achieved by reducing the nominal value of each issued fully paid-up ordinary share from £1.00 to £0.10.

### Review of the business and future developments

During this financial year, the Company's turnover was £117.8m (2023 - £107.5m) with an operating profit for the year of £30.7m (2023 – £24.3m). The operating results are stated after charging an amount of £19.9m (2023 - £14.9m) relating to the cost of sales and £67.1m administrative expenses (2023 - £68.4m), that included a £9.5m (2023 - £Nil) impairment loss following a revaluation of the Company's primary office building. Administration costs have declined by 2% compared to FY23, with this reduction in cost 16% if building impairments are excluded. This included a 14% (£5.3m) reduction in Wages and salaries (see Note 5) following a restructuring process during the year. Strong growth of subscription and transaction revenue on PTX product continues to be the main driver to the growth of turnover by 12%. The company made a profit of £33.7m on ordinary activity before tax as compared to £41.7m in the previous year. The current year profit included a £5.0m interim dividend from CJJ Investments Ltd, an immediate subsidiary of the Company (2023 - £19.4m interim dividend from Bottomline Technologies Sarl, an immediate subsidiary of the company).

The directors use a number of key performance indicators ("KPI's") to monitor the business such as sales pipeline development, gross margin, operating margin, the level of annual recurring revenue ("ARR") sales generated, the level of traditional license and services sales and non-financial measures such as customer satisfaction. These KPI's are reviewed monthly by senior managers and directors of the business.

The gross margin for the year was 83% (2023 - 86%). The decline in margin resulted from increased transfer pricing recharges from an Indian Group company that is a growing hub for Group finance functions, and also Group companies in Israel and Kosovo where CFRM (Cyber Fraud and Risk Management) research and development occurs.

# Bottomline Technologies Limited

## Strategic report for the year ended 30 June 2024 (continued)

---

### Review of the business and future developments (continued)

Research and development activities are concentrated on the development of new generation payments solutions and document process automation solutions, as well as new software as a service ("SaaS") based offerings.

Underpinning performance is the business' commitment to customer satisfaction and ensuring that the correct training and structures are in place to ensure this continues. The directors believe that the business model remains robust and that it will continue to deliver organic growth in revenues and operating profits. Based on the ongoing monitoring of KPIs, future forecasts and the level of trade after the statement of financial position date, the directors believe that the prospects for the company are good. The company is seeing overall revenue growth of 10% (2023 - 10%), excluding intercompany revenue. This growth rate is 12% (2023 - 13%) on subscriptions revenue which is the one of the main KPIs for the company. The directors are mindful of the current economic climate and believe the company's financial position and business model will provide continued opportunity.

Following an initial reorganisation in August/September 2022 there have been further restructuring processes in June 2023 and June 2024, leading to a further reduction in full-time employees of 29.

This business review contains certain forward-looking statements that have been made by the directors in good faith based on the information available to them at the time of the approval of the annual report and accounts. By their nature, such forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Actual results may differ from the results considered likely in such statements, depending on a variety of factors such as the level of corporate spending on IT investment in the main territories in which the company does business and on the company's continuing ability to compete in these markets and to secure the sales necessary to meet its revenue targets.

### Principal risks and uncertainties

The principal risks and uncertainties facing the company fall into the following categories:

#### *Credit risk exposure:*

The company endeavours to minimize the risk of financial loss caused by third parties failing to discharge an obligation by only granting credit terms to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures and limiting the value of credit extended.

#### *Liquidity risk:*

The company mitigates liquidity risk by managing cash flow generation throughout its operation and by applying cash collection procedures. Cash flow risk is managed by careful negotiation of terms with customers and suppliers. Further, Bottomline Parent Holdings III, LP provides parental support to the company should it be required which would cover liabilities as and when they fall due, but only to the extent that money is not otherwise available to meet such liabilities.

#### *Competition:*

Through continual product improvement and development of new products, the company provides products that remain competitive in the market.

#### *Suppliers:*

The company carefully selects suppliers who can consistently supply a high-quality service or product.

# Bottomline Technologies Limited

Strategic report  
for the year ended 30 June 2024 (continued)

---

## Principal risks and uncertainties (continued)

*Israel/Hamas and Hezbollah War, Russian/Ukraine War and cost of living crisis/inflation:*

Bottomline group, along with other UK businesses, face the impact of the Israel/Hamas and Hezbollah War, Russian/Ukraine War and also the cost-of-living crisis/inflation. Our customers are located around the world. Their financial situation could be impacted by these events. Our ability to collect against existing trade receivables may be exposed to risk, so that the potential collection period may be extended. Bottomline Technologies Limited is not adversely affected by these events because our customer base and revenue generated from those regions are insignificant.

## Approval

This strategic report was approved on behalf of the Board on 10 February 2025.

*Julian Chapman*

J Chapman

Director

# Bottomline Technologies Limited

## Section 172 Statement for the year ended 30 June 2024

---

Bottomline Technologies Limited is required to make a statement providing information on how the Company performs their duty under section 172 of the Companies Act 2006. This 'S172 statement' ("S172"), explains how Bottomline directors engage with employees, suppliers, customers, and others. In the statements below, noting the directors' duty under S172 to act in good faith to promote the success of the Company for the benefit of its shareholders, but having regard amongst other matters to the following:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to treat fellow members of the Company with fairness.

### Our principles

Customer delight is the driving mantra of our business, and it leads our guiding principles. It defines our innovation to address new opportunities and solve real problems now, anticipating ones that customers don't even know they have. It drives who and how we hire to create world-class products and experiences that help businesses and financial institutions pay and get paid.

Bottomline is at the forefront of making complex business payments simple, smart and secure. We help hundreds of companies in the UK and EMEA regions.

At our core we share ideas, innovate together and support each other personally and professionally. It is through our guiding principles that we achieve our common goal of exceeding expectations and delighting customers.

### Long term decisions

When making decisions the Board seeks to understand the impact on each of its stakeholders, including the likely consequences of a decision in the long term, while acknowledging that a decision will not necessarily be favourable for all stakeholders. The directors understand the business and the evolving environment in which we operate. We anticipate that the markets in which we compete will continue to attract new competitors and new technologies. If we fail to enhance our current products and develop new, innovative solutions, or if we fail to bring new solutions to market quickly enough, our products could become less competitive; thus, the Company's long-term strategy is that of continuous research and development and innovation. To this end, we foster an environment that encourages open communication among all levels of our team by encouraging team members to lead from where they stand and be a role model regardless of title or seniority.

During this financial year, the Company continued to invest in a global product platform (BTIQ) to enable clients to access a range of Bottomline product capabilities from one integrated platform. The first release of UIs (user interfaces) for customers to manage their organization, roles and users is completed and is pending deployment in production.

### Employees

#### Equal Opportunity Policy & Diversity

Our Equal Opportunity Policy helps to ensure that all employment decisions are solely based on valid job requirements regardless of race, colour, religion, national origin, sex, age, veteran status, disability, or other legally protected statuses. We believe that our differences make us stronger - and that our creativity and innovation are strengthened when different perspectives are represented and valued. We are committed to fostering inclusive workplace which includes hiring, retaining, and developing all individuals, and ensure that all employees feel safe and are treated fairly with dignity and respect.

# Bottomline Technologies Limited

## Section 172 Statement for the year ended 30 June 2024 (continued)

---

### Employees (continued)

#### Our employees

Our annual employee engagement survey is facilitated by an independent third party. In this survey, we ask employees to provide honest feedback on working locations, environment and identify opportunities for improvement. The survey indicated that the majority of the employees prefer to remain working remotely. Hence, we listen to the voice from our people and adopted a hybrid working model post pandemic. We aggregate the results and then report and share, before addressing accordingly to ensure employees remain engaged and heard.

The best ideas, innovations and solutions come from creative minds coming together, teams that feel supported and celebrated and rally around one another to create great work. This is the Bottomline approach.

#### Employee development

We realise that the best work comes from an environment that fosters creativity and innovation. We remain committed to providing our employees with opportunities and resources that make it possible to work successfully and creatively, while also investing in their professional and personal development.

Our employees are most successful when they are well prepared to deliver, lead, and inspire. We use a variety of channels and platforms to provide training and education to our employees. Learning initiatives range from interactive business updates and compliance program (such as our Ethical and Anti-Harassment trainings) to role-specific development for managers, sales staff, professional services, engineering personnel and more.

#### Employee benefits

We recognise that work is just a fraction of our employees' lives, and we foster an environment that promotes vitality, support, and balance. We maintain a competitive suite of benefits to improve our team's lives at work and at home. We provide our employees with a variety of health and wellness-related resources to ensure that each individual has the opportunity to become their "best self". Being your best self requires physical, mental, and emotional wellbeing, which we install throughout a variety of wellness initiatives including: online regular yoga sessions, mental health online workshops, and continuously providing Employee Assistance Programmes (EAP), an employee benefit that offers team with support and practical advice on issues that might be impacting their wellbeing and performance via telephone or online.

Bottomline maintains an anonymous Employee Ethics "Whistleblowing" 'Hotline' and encourages employees to report any concerns relating to breach of the code of business ethics and conduct, including any circumstances which may give rise to an enhanced risk of human rights concerns. The policy is designed to enable confidential disclosures without fear of retaliation. Any breach of the code can also be reported directly to the Company's parent company, President and Chief Executive Officer, Craig Saks.

### Business relationships

#### Our customers

Bottomline strives to work with our customers to assist them with cost reduction, competitive differentiation, and optimisation of working capital. Examples include, automation of entire Accounts Payable cycles, financial messaging flows, using AI to detect fraud, or designing intelligent engagement platform for banks. Customers trust these solutions which are proven to optimise business transactions, automate payment processes, manage global cash management, prevent fraud, and ultimately help them focus resource instead on growth. We offer trusted products and solutions transforming business payments and processes for companies and financial institutions around the world obsessed with removing complexity, automating and digitising all that is possible.

# Bottomline Technologies Limited

## Section 172 Statement for the year ended 30 June 2024 (continued)

---

### Business relationships (continued)

#### Our customers (continued)

Customer delight is at the heart of who we are. It informs all we do, from bringing product innovation to our customers before they ask for it (or think of it) to making sure every interaction exceeds their expectations.

The Company adheres to a voluntary commitment to recognised best payment practice. This involves the Company paying their suppliers within clearly defined terms and committing to ensuring that there is a proper process for dealing with any issues that might arise. The Company commits to paying 95% of invoices within 60 days.

Key suppliers are involved in the development and delivery of Bottomline products and services and are contractually obligated to comply with all applicable laws and regulations, Modern Slavery Act requirements and Bottomline policies for business conduct and ethics.

#### The community and the environment

Despite UK staff working remotely, Bottomline continued to organise charity collections/donations during monthly virtual staff events. The Charities helped in this way include both local and national organisations. The Company also sets performance objectives which if met allow the successful staff to choose the charities to which Bottomline will make specific quarterly donations to.

#### Climate action

We believe that being ethical and sustainable is key to climate action. We thus strive to reduce our energy consumption within our office locations and employ a variety of measures to improve efficiency. We utilise free cooling (cold water) for our data centres and intermediate distribution frame (IDF) closets as an energy-efficient alternative to traditional mechanical cooling.

#### Energy efficiency

In our Theale office, we invested in and installed a solar panel system which can either produce electricity or heat energy. This gives us a 'greener' alternative to traditional forms of power as these do not pollute during operation and thus reduce our emission of carbon dioxide. We promote the use of public transport to staff who are required/willing to come to the office by providing, in the office, live train departure information to listed locations. The Company also provides a cycle to work scheme. These both combine to reduce reliance on fossil fuels.

#### Customer sustainability

Bottomline works with organizations of all sizes to manage financial and business risk, as well as to better understand ways to manage the growing environmental risks of data, the issue being the carbon footprint of data storage. When it comes to sustainability, this is one of the greatest impacts we can make to help thousands of customers manage their data more efficiently, thereby decreasing the energy use, emissions, and associated costs. For example, our FDA (Financial Data Automation) product has helped our customers to go paperless and contribute to protecting the environment going forward. Therefore, we are proud to pursue innovative solutions that reduce the demand for physical infrastructure to find new ways to reduce the carbon footprint of their data while meeting the needs of their organization.

# Bottomline Technologies Limited

## Section 172 Statement for the year ended 30 June 2024 *(continued)*

---

### Fairness

#### Code of Business Conduct and Ethics

Our Code of Business Conduct and Ethics clarifies the actions and behaviour expected of all Bottomline employees. We require all employees, directors, vendors and other third parties who work on our behalf to uphold the highest standards of professional and ethical behaviour. All employees are required to complete their Initial Code of Conduct training and maintain annual certification.

#### Engaging our stakeholders

Our culture of innovation is fuelled by collaboration. Progress isn't feasible without the representation, constructive dialogue, and meaningful engagement of our stakeholders, including our employees, customers, and shareholders. We strive to promote an environment of transparency and trust and maintain various engagement procedures to solicit input, calibrate performance and maximise our impact.

As a company operating in a global market, we recognise our obligation to uphold and install the ethical treatment of all persons working on our behalf. We strictly adhere to all applicable corporate laws and practices fundamental to our business.

# Bottomline Technologies Limited

## Report of the directors for the year ended 30 June 2024

The directors present their report together with the audited financial statements for the year ended 30 June 2024.

### Results and dividends

The Company has recorded a profit after tax for the financial year ended 30 June 2024 of £22,978,296 (2023 – £37,742,245).

On 9 October 2023, the Company paid an FY24 interim dividend of £20,006,483 and on 16 April 2024, the Company paid a further FY24 interim dividend of £26,479,169 both to parent company Bottomline Parent Holdings III, LP (2023 – £10,003,242).

On 9 October 2023, the Company received an interim dividend of £4,999,666 from CJJ Investment Limited, an immediate subsidiary of the Company (2023 - £19.4 interim dividend from Bottomline Technologies Sarl, an immediate subsidiary of the company).

### Future Developments

Inflation, economic fluctuations, geopolitical tensions, and rapid technology shifts have created a challenging operating environment and market for both the Bottomline company and our client base. It is acknowledged that many businesses are finding it difficult to navigate this new operating environment. The Multi-cloud and software-as-a-service products are revolutionising how customers accelerate the digitalisation of business payments. Bottomline's comprehensive product suite - the secured payment solutions and Cash Lifecycle - are built to address this shifting IT landscape and will continue to help large and mid-sized enterprise in the UK and Europe with their business payments and cash management today and into the future. Our strategic focus in the following fiscal year is network expansion, embedding payments in Digital Banking, adopting a new pricing model and achieving operational excellence.

### Going concern

The directors of the company have reviewed and considered the 'going concern' and 'liquidity risk' literature concerning organisations in circumstances similar to the Company.

The directors have reviewed management accounts available to date and forecast information available through to 28 February 2026. The Company conducted forecasts and applied stress testing to those scenarios for the period to 28 February 2026. Looking at the Stress Test Scenario, total annual revenues would need to decline by 63% in 12 months to May 2026 (by £76m to £44m), compared to the prior year (£121m) to achieve £Nil cash by May 2026. This assumes that no measures would be taken to manage down the cost base over that same period. Such modelling reflects scenarios that are not considered plausible during the going concern assessment period.

The conclusion reached was that sufficient financial resources existed within the Company, supplemented with additional resources being made available from the parent, such that the Company is able to meet its liabilities over the 12 months from the date of approval of balance sheet.

Furthermore, the directors have considered the impact of the Israel/Hamas and Hezbollah War, Russian/Ukraine War and the cost-of-living crisis, particularly with reference to a high economic-fluctuations environment. The Company is well positioned to continue to withstand this, given that our third-party expenses are minimal, and largely driven by employment costs where wage inflation has been more muted. Further details regarding the risks to the Company can be found in the strategic report.

### Directors

The directors of the company during the year, and to the date of this report were:

P Auld (resigned on 1 November 2024)

P Fannon

J Newman (resigned on 1 May 2024)

J Chapman (appointed on 1 May 2024)

# Bottomline Technologies Limited

## Report of the directors for the year ended 30 June 2024 (continued)

---

The company maintains a directors and officers insurance policy as permitted by Companies Act 2006. The insurance policy remains in force at the date of approving the directors' report.

### Research and development

Research and development activities are concentrated on the development of new generation payments solutions and document process automation solutions, as well as new software as a service (SaaS) based offerings.

### Equal opportunities policy

The company seeks to be an Equal Opportunity Employer and will ensure that there is no discrimination against anyone applying for employment for a job, or whilst in our employment, for reasons of gender, sexual orientation, marital status, creed, colour, race, nationality, ethnic or national origin, religion, belief, political opinion, age, or disability. The company will treat each individual in a fair and unbiased way in the assessment of their work, performance, and conduct.

### Employee communications policy

The company is committed to maintaining open and effective communications with all employees. Departments and business areas will have different practices for achieving this reflecting their particular size and structure but are consistent with the Communication Policy contained within the Company Handbook.

### Streamlined Energy and Carbon Report

A third party carried out a Streamlined Energy and Carbon assessment for the Company. The report shows that the emissions has significantly reduced on all measures due to the move to home working during the pandemic. Here is the summary from the report:

The annual quantity of emissions in tonnes of carbon dioxide equivalent resulting from activities for which the company is responsible involving the consumption of fuel for the purposes of scope 1 owned transport is 0.00 tonnes CO<sub>2</sub>e (2023 – 0.00 tonnes).

The annual quantity of emissions in tonnes of carbon dioxide equivalent resulting from activities for which the company is responsible involving the consumption of fuel for the purposes of grey fleet transport is 19.39 tonnes (2023 – 19.57 tonnes).

The annual quantity of emissions in tonnes of carbon dioxide equivalent resulting from activities for which the company is responsible involving the combustion of gas is 0.00 tonnes CO<sub>2</sub>e (2023 – 4.8 tonnes).

The annual quantity of emissions in tonnes of carbon dioxide equivalent resulting from the purchase of electricity by the company for its own use, (including for the purposes of transport) is 104.5 tonnes CO<sub>2</sub>e (2023 – 123.0 tonnes).

The annual quantity of emissions in tonnes of carbon dioxide equivalent resulting from the generation of electricity by the company for its own use, (including for the purposes of transport) is 10.51 tonnes CO<sub>2</sub>e (2023 – 10.40).

A figure, in kWh, which is the aggregate of the annual quantity of energy consumed from activities for which the company is responsible involving the combustion of gas or the consumption of fuel for the purposes of transport and the annual quantity of energy consumed resulting from the purchase of electricity by the company for its own use, including for the purposes of transport is 627,734kWh (2023 – 794,838kWh).

F gas leakage amounts to 0.00 tonnes CO<sub>2</sub>e (2023 – 0.00) from A/C units.

The methodologies used to calculate the information disclosed above have been the Greenhouse Gas Protocol combined with consideration of ISO 14064. Government conversion factors for the year have been used throughout.

# Bottomline Technologies Limited

## Report of the directors for the year ended 30 June 2024 (continued)

### Streamlined Energy and Carbon Report (continued)

At least one ratio which expresses the company's annual emissions in relation to a quantifiable factor associated with the company's activities must be produced. For Bottomline, these intensity ratios are employee numbers 0.326 tonnes/employee (2023 - 0.302 tonnes) and turnover at 1.074 tonnes per £ millions (2023 - 1.375 tonnes per £ millions) of turnover.

During this fifth year of SECR (2023 to 2024), Bottomline have seen an improvement in their energy efficiency through the rationalisation from older offices to more energy efficient and better managed properties. The site in Theale, occupied from 18th November 2019, benefits from high quality air handling units with direct drive EC fans and variable speed drives, sealed windows, bris soleil, and movement-controlled LED lighting. It has also seen improvements towards a more effective BMS system, and a 158-module solar array to the roof. Fleet control has also made a large difference and a complete move away from fossil fuel 'natural' gas should be applauded.

### Directors' responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). 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 year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;
- state whether applicable UK Accounting Standards, including FRS 101, 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.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

# Bottomline Technologies Limited

## Report of the directors for the year ended 30 June 2024 (continued)

---

### Responsibilities to auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

A resolution to re-appoint Ernst & Young LLP as the company's auditor will be put to the members at the forthcoming Annual General Meeting.

### Subsequent Events

On 7 August 2024, the Company completed the sale of BTC business with a consideration of £150,000.

On 21 October 2024, the Company paid £24,713,891 as an interim dividend for FY25 to its immediate parent undertaking Chatham Street LP.

On 23 January 2025, Bottomline Technologies Sarl, an immediate subsidiary of the Company, paid an interim dividend of CHF22,000,000 (2023 – CHF22,000,000) to the Company.

On 27 January 2025, the Company paid £19,123,844 as an interim dividend for FY25 to its immediate parent undertaking Chatham Street LP.

### On behalf of the Board

*Julian Chapman*

J Chapman  
Director

Date 10 February 2025

## **Independent auditor's report to the members of Bottomline Technologies Limited**

---

### **Opinion**

We have audited the financial statements of Bottomline Technologies Limited for the year ended 30 June 2024 which comprise Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 28, including a summary of material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 June 2024 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**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 months from the date of approval of the financial statements.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

### **Other information**

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## **Independent auditor's report to the members of Bottomline Technologies Limited (continued)**

---

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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 directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### ***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those related to the reporting framework (Companies Act 2006 and FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice)) and compliance with the relevant direct and indirect tax regulations in the United Kingdom. In addition, the company has to comply with laws and regulations relating to its operations including health and safety and GDPR.

**Independent auditor's report  
to the members of Bottomline Technologies Limited (continued)**

---

- We understood how the Company is complying with those frameworks by making enquiries of management and those charged with governance and gaining an understanding of the entity level controls of the company in respect of these areas. We corroborated our enquiries through the reading of board minutes.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by internal team conversations and inquiry of management and those charged with governance. We considered the procedures and controls that the company has established to address the risks identified, or that otherwise prevent, deter and detect fraud and gained an understanding as to how those procedures and controls are implemented and monitored. We focused on the risk of management override and the posting of top-side journals to overstate revenue. In relation to management override through manual journals including non-standard journals to revenue we used data analytics to sample from the entire population of journals, identifying specific transactions which did not meet our expectations based on specific criteria, which we investigated further to gain an understanding and agreed to source documentation and appropriate approval.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved verifying that material transactions are recorded in compliance with FRS 101 and where appropriate Companies Act 2006. Compliance with other operation laws and regulations was covered through inquiry with management and the directors, reading board minutes and reviewing correspondence with relevant authorities.

A further description of our responsibilities for the audit of the financial statements is located on 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.

Ernst & Young LLP

Jane Turnor (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Reading

Date: 11 February 2025

# Bottomline Technologies Limited

## Statement of comprehensive income for the year ended 30 June 2024

	Note	2024 £	2023 £
<b>Turnover</b>	3	117,753,055	107,517,371
Cost of sales		(19,937,986)	(14,878,395)
<b>Gross profit</b>		<b>97,815,069</b>	92,638,976
Administrative expenses		(67,077,401)	(68,368,986)
<b>Operating profit</b>	4	<b>30,737,668</b>	24,269,990
Interest receivable and similar income	7	759,160	766,225
Interest payable	8	(2,733,652)	(2,654,212)
Finance cost	8	(14,753)	(28,934)
Income from shares in group undertaking	9	4,999,666	19,371,313
<b>Profit on ordinary activities before taxation</b>		<b>33,748,089</b>	41,724,382
Taxation (charge) on profit from ordinary activities	10	(10,769,793)	(3,982,137)
<b>Profit on ordinary activities after taxation</b>		<b>22,978,296</b>	37,742,245

All amounts relate to continuing activities.

The notes on pages 18 to 41 form part of these financial statements.

# Bottomline Technologies Limited

## Statement of financial position at 30 June 2024

	Note	2024 £	2024 £	2023 £	2023 £
<b>Non-current assets</b>					
Intangible assets	11		9,417,476		10,747,796
Tangible assets	12		6,866,105		17,553,204
Right-of-use assets	13		369,700		1,311,706
Investments	14		127,215,146		127,215,146
			<u>143,868,427</u>		<u>156,827,852</u>
<b>Current assets</b>					
Stocks	15	80,895		97,971	
Debtors:					
- due in less than one year	16	38,557,865		31,558,772	
- due in more than one year	16	34,036,446		33,796,542	
Cash at bank and in hand		28,924,232		38,856,889	
		<u>101,599,438</u>		<u>104,310,174</u>	
<b>Creditors: amounts falling due within one year</b>	17	(65,091,815)		(59,565,769)	
<b>Lease Liabilities, short term</b>	18	(354,448)		(1,032,606)	
		<u>101,599,438</u>		<u>104,310,174</u>	
<b>Net current assets</b>			<u>36,153,175</u>		<u>43,711,799</u>
<b>Total assets less current liabilities</b>			<u>180,021,602</u>		<u>200,539,651</u>
<b>Creditors: amounts falling due after more than one year</b>	19	(98,963,603)		(95,729,490)	
<b>Provision for liabilities</b>	20	-		(135,553)	
<b>Lease Liabilities, long term</b>	18	(267,164)		(376,417)	
		<u>101,599,438</u>		<u>104,310,174</u>	
<b>Net assets</b>			<u>80,790,835</u>		<u>104,298,191</u>
<b>Capital and reserves</b>					
Called up share capital	22		2,942,130		29,421,299
Share premium	23		-		52,593,753
Capital contribution reserve	23		3,000,000		3,000,000
Profit and loss account	23		74,848,705		19,283,139
			<u>80,790,835</u>		<u>104,298,191</u>
<b>Shareholders' funds</b>			<u>80,790,835</u>		<u>104,298,191</u>

The financial statements were approved by the Board of directors and authorised for issue on 10 February 2025.

*Julian Chapman*

J Chapman  
Director

The notes on pages 18 to 41 form part of these financial statements.

## Bottomline Technologies Limited

### Statement of changes in equity for the year ended 30 June 2024

	Share capital £	Share premium £	Capital contribution reserve £	Profit and loss account £	Total equity £
<b>1 July 2023</b>	<b>29,421,299</b>	<b>52,593,753</b>	<b>3,000,000</b>	<b>19,283,139</b>	<b>104,298,191</b>
Total comprehensive income	-	-	-	<b>22,978,296</b>	<b>22,978,296</b>
Share capital & share premium reduction (Note 22 & 23)	<b>(26,479,169)</b>	<b>(52,593,753)</b>	-	<b>79,072,922</b>	-
Dividend paid	-	-	-	<b>(46,485,652)</b>	<b>(46,485,652)</b>
<b>30 June 2024</b>	<b>2,942,130</b>	-	<b>3,000,000</b>	<b>74,848,705</b>	<b>80,790,835</b>
At 1 July 2022	29,421,299	52,593,753	3,000,000	10,667,980	95,683,032
Total comprehensive income	-	-	-	37,742,245	37,742,245
Dividend paid	-	-	-	<b>(29,127,086)</b>	<b>(29,127,086)</b>
30 June 2023	29,421,299	52,593,753	3,000,000	19,283,139	104,298,191

The notes on pages 18 to 41 form part of these financial statements.

# Bottomline Technologies Limited

## Notes forming part of the financial statements for the year ended 30 June 2024

### 1 Accounting policies

#### *Basis of preparation*

The financial statements have been prepared in accordance with Financial Reporting Standard ("FRS") 101 'Reduced Disclosure Framework'. The principal accounting policies adopted in the preparation of the financial statements are set out below. The financial statements have been prepared on a historical cost basis and are in accordance with applicable accounting standards.

#### *Disclosure exemptions adopted*

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- certain disclosures regarding the management of the Company's capital;
- exemption from IAS 7 Statement of Cash Flow has been applied;
- a third statement of financial position
- the effect of future accounting standards not yet effective;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the group headed Bottomline Parent Holdings III, LP.

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of the group. These financial statements do not include certain disclosures in respect of:

- the requirement of paragraphs 45(b) and 46 to 52 of IFRS 2 share-based payments;
- financial instruments disclosures (other than certain disclosures required as a result of recording financial instruments at fair value);
- fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value);
- impairment of assets;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases; and
- The requirements of paragraph 58 of IFRS 16.

The financial statements of Bottomline Parent Holdings III, LP can be obtained as described in note 28.

#### *Exemption from preparation of consolidated financial statements*

The financial statements contain information about Bottomline Technologies Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption conferred by s400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in the consolidated financial statements of Bottomline Parent Holdings III, LP, a company incorporated in the United States of America. The consolidated financial statements of Bottomline Parent Holdings III, LP are available to the public and may be obtained from 100 International Drive, Portsmouth NH, United States of America.

#### *Presentational currency*

The currency used in the presentation of these financial statements is British Pound Sterling, which is the functional and presentational currency of the Company.

# Bottomline Technologies Limited

## Notes forming part of the financial statements for the year ended 30 June 2024 (continued)

---

### 1 Accounting policies (continued)

#### *Judgements and key areas of estimation uncertainty*

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires the Company's directors to exercise judgment in applying the Company's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 2.

The following principal accounting policies have been applied:

#### *Revenue recognition*

The Company recognises revenue as it transfers control over goods and services to customers, at amounts it expects to receive as consideration under enforceable contractual arrangements. Revenue is recognised as contractual performance obligations are satisfied, which can occur either at a point in time or over time. This is according to a five-step model that involves identifying the contract with a customer, identifying the performance obligations in the contract, determining the transaction price, allocating the transaction price to the contractual performance obligations, and recognising revenue as the performance obligations are satisfied.

#### **Subscriptions and transactions**

Revenue for fixed subscription fees is recognised ratably over the non-cancelable term of the contract, commencing on the date the customer has access to the solution. In circumstances where certain requirements are met to allocate variable consideration to a distinct service within a series of related services, the variable consideration is allocated to each distinct period of service within the series. If those requirements are not met, an estimate of variable consideration is included in the transaction price and recognised ratably over the non-cancelable term of the contract.

#### **Software licenses**

Software licenses revenue reflects fees that are charged to license software on a perpetual basis. For software licenses that do not include significant customization, revenue is recognised at the point in time where the customer has obtained access to the intellectual property and the license period has commenced.

#### **Service and maintenance**

The software licenses are generally sold with post-contract support which is comprised of technical support and unspecified software upgrades. Unspecified upgrades refer to software upgrades which are made available at the Company's discretion and from time-to-time, on a "when and as available" basis. The post-contract support is accounted for as a stand-ready performance obligation, and revenue recognised ratably over the non-cancelable contract term which is typically one year.

#### **Hardware and other supplies**

Other revenue is derived from the sale of equipment and supplies and is recognised at the point in time control transfers to the customer.

# Bottomline Technologies Limited

## Notes forming part of the financial statements for the year ended 30 June 2024 (continued)

### 1 Accounting policies (continued)

#### Contract assets and liabilities

Accounts receivable include amounts related to our contractual right to consideration for both completed and partially completed performance obligations that may not have been invoiced. Contract assets arise when revenue is recognised in excess of the amount billed to the customer and the right to payment is contingent on conditions other than simply the passage of time, such as the completion of a related performance obligation. Contract assets are classified in the statement of financial position as current assets for those contract assets with amortisation periods of one year or less and non-current assets for contract assets with amortisation periods greater than one year. Deferred revenue consists of billings or customer payments in excess of amounts recognised as revenue.

#### Contract costs

Incremental costs incurred in connection with obtaining a contract are capitalised if they have a period of benefit that is greater than one year, and the costs are expected to be recovered through future contract revenues. Incremental costs incurred to obtain a contract relate to sales commissions. Costs incurred in fulfilling a contract are also capitalised when the costs relate directly to a specifically identifiable customer contract, when the costs generate or enhance resources that will be used to satisfy performance obligations in the future and when costs are expected to be recovered through future contract revenues.

Capitalised costs are amortised on a basis consistent with the transfer of control for the goods or services to which the asset relates. This results in capitalised costs being recognised on a ratable basis over the estimated period of future benefit, which is generally five years. The future period of benefit is estimated considering the current contract term, the impact of estimated customer renewal terms and the estimated life of the technology solution underlying the contracts.

#### Fixed assets

All fixed assets are initially recorded at cost. Cost comprises the purchase price and any direct costs incurred in bringing the asset to its location and condition for its intended use. An item of property, plant and equipment is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal.

#### Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets over their expected useful lives. It is calculated at the following rates:

Short leasehold improvements	-	over the shorter of 5 years and the length of the lease
Fixtures, fittings and equipment	-	3 to 6 years
Construction in progress	-	Not depreciated

The carrying values of tangible fixed assets are reviewed for impairment when events, or changes in circumstances, indicate the carrying value may not be recoverable. Depreciation commences when an asset is brought into use. The useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### Gains and losses on disposal of fixed assets

The profit or loss on the disposal of a tangible fixed asset is accounted for in the profit and loss account of the period in which the disposal occurs as the difference between the net sale proceeds and the carrying amount.

#### Stocks

Stocks are valued at the lower of cost and net realisable value. Cost includes all costs in bringing each product to its present location and condition. Net realisable value is based on estimated selling price in the ordinary course of business, less additional costs to completion and disposal.

# Bottomline Technologies Limited

## Notes forming part of the financial statements for the year ended 30 June 2024 (continued)

---

### 1 Accounting policies (continued)

#### *Research and development*

Expenditure on pure and applied research is charged to the Statement of comprehensive income in the year in which it is incurred.

Development costs are also charged to the Statement of comprehensive income in the year of expenditure, unless individual projects satisfy all of the following criteria:

- it is technically feasible to develop the product for it to be sold;
- adequate resources are available to complete the development;
- there is an intention to complete and sell the product;
- the company is able to out-license or sell the product;
- sale of the product will generate future economic benefits; and
- expenditure on the project can be measured reliably.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

#### *Taxation*

Current tax, including UK corporation tax, is provided at amounts expected to be paid to (or recovered from) the taxation authority, using the tax rates and laws that have been enacted or substantially enacted by the date of the statement of financial position.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries, associates and jointly controlled entities where the company is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that future taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled or recovered.

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable;
- When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

# Bottomline Technologies Limited

## Notes forming part of the financial statements for the year ended 30 June 2024 (continued)

### 1 Accounting policies (continued)

#### *Foreign currencies*

Transactions in foreign currencies are recorded at the average rate ruling during the month in which the transaction occurs. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date. All differences are taken to the statement of comprehensive income.

#### *Intangible assets*

Externally acquired intangible assets other than goodwill are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives where they are in use. The amortisation expense is included within the administrative cost in the Statement of comprehensive income. Internally generated assets are initially recognised at cost and subsequently amortised on a straight-line basis.

The amounts ascribed to intangibles recognised on business combinations are arrived at by using appropriate valuation techniques.

The significant intangibles recognised by the company, their useful economic lives and the methods used to determine the cost of intangibles acquired in a business combination are as follows:

<b>Intangible asset</b>	<b>Useful economic life</b>	<b>Valuation method</b>
Technology	10 years	Income Approach
Customer relationships	7 years	Income Approach

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

#### *Impairment of non-financial assets.*

Impairment tests on goodwill and other intangibles with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly. Impairment charges are included in the Statement of comprehensive income, except to the extent they reverse gains previously recognised in other comprehensive income.

#### *Investments*

Investments are stated at historic cost less any permanent diminution in the value of the investment.

# Bottomline Technologies Limited

## Notes forming part of the financial statements for the year ended 30 June 2024 (continued)

### 1 Accounting policies (continued)

#### *Going concern*

The directors have reviewed management accounts available to date and forecast information available through to 28 February 2026. The Company conducted forecasts and applied stress testing to those scenarios for the period to 28 February 2026. Looking at the Stress Test Scenario, total annual revenues would need to decline by 63% in 12 months to May 2026 (by £76m to £44m), compared to the prior year (£121m) to achieve £Nil cash by May 2026. This assumes that no measures would be taken to manage down the cost base over that same period. Such modelling reflects scenarios that are not considered plausible during the going concern assessment period.

The conclusion reached was that sufficient financial resources existed within the Company, supplemented with additional resources being made available from the parent, such that the Company is able to meet its liabilities over the 12 months from the date of approval of balance sheet.

Furthermore, the directors have considered the impact of the Israel/Hamas and Hezbollah War, Russian/Ukraine War and the cost-of-living crisis, particularly with reference to a high economic-fluctuations environment. The Company is well positioned to continue to withstand this, given that our third-party expenses are minimal, and largely driven by employment costs where wage inflation has been more muted. Further details regarding the risks to the Company can be found in the strategic report.

#### *Pension costs*

Contributions to the company's defined contribution pension scheme are charged to the Statement of comprehensive income in the year in which they become payable. The assets of the scheme are held separately in an independently administered fund.

#### *Share capital*

Financial instruments issued by the company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The company's ordinary shares are classified as equity instruments.

#### *Dividends*

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by shareholders at an annual general meeting.

Dividend income is recognised when the right to receive the dividend is established.

#### *Financial assets*

The company classifies its financial assets into the category set out below. The company has not classified any of its financial assets as fair value through the Statement of comprehensive income profit or loss or as held to maturity.

#### *Loans and receivables*

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. 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.

# Bottomline Technologies Limited

Notes forming part of the financial statements  
for the year ended 30 June 2024 (*continued*)

---

## 1 Accounting policies (*continued*)

The Company estimate expected credit losses on (ECL) certain types of financial instruments including trade receivables and contract assets. The estimate of expected credit losses (ECL) requires entities to incorporate historical information, current information, and reasonable and supportable forecasts. This standard also expands the disclosure requirements to enable users of financial statements to understand the entity's assumptions, models, and methods for estimating expected credit losses.

The company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position. Cash and cash equivalents include cash in hand and deposits held on call with banks.

A financial asset is derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

### *Financial liabilities*

The company classifies its financial liabilities into the category set out below. The company has not classified any of its financial liabilities as fair value through the statement of comprehensive income profit or loss.

Other financial liabilities include the following items:

### *Other financial liabilities*

- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.
- Loans from group companies are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

### *Leases under IFRS16*

The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

- Right of use assets

The company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

# Bottomline Technologies Limited

Notes forming part of the financial statements  
for the year ended 30 June 2024 (continued)

---

## 1 Accounting policies (continued)

- Lease liabilities

At the commencement date of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating the lease, if the lease term reflects the company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### *Provision under IAS 37*

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The company provides warranties for general repairs of defects that existed at the time of sale, as required by law. Provisions related to these assurance-type warranties are recognised when the product is sold, or the service is provided to the customer. Initial recognition is based on historical experience. The estimate of warranty-related costs is revised annually.

# Bottomline Technologies Limited

Notes forming part of the financial statements  
for the year ended 30 June 2024 (*continued*)

---

## 2 Critical accounting estimates and judgements

The company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

### *Judgements*

#### (a) Deferred tax

Under IAS 12 "Income taxes" deferred tax assets are recognised to the extent that taxable profits will be available against which the deductible temporary differences can be utilised. As at the year end the directors consider that the IAS 12 recognition criteria are satisfied.

#### (b) Leases classification

The Company has entered into commercial property leases. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

### *Estimates and assumptions*

#### a) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

#### b) Impairment of trade and other receivables

The company adopted a forward-looking expected credit loss (ECL) approach to assess whether an asset, without a significant financing component, may be impaired. The approach is calculating an ECLs percentage by taking past 12-month write-offs as a proportion of the debtor balance at each year end and applying this rate to each aging bucket. It recognises an allowance for all debt instruments not held at fair value through profit or loss and contract assets.

#### c) Useful lives of tangible fixed assets

The selection of the estimated useful lives requires the exercise of management's judgement. Useful lives are regularly reviewed, and should management's assessment of useful lives shorten, then depreciation charges in the financial statements would increase and carrying amounts of property, plant and equipment would reduce accordingly.

# Bottomline Technologies Limited

Notes forming part of the financial statements  
for the year ended 30 June 2024 (continued)

---

## 2 Critical accounting estimates and judgements (continued)

### d) Incremental borrowing rate

As the implicit interest rate in our leases is generally not known, incremental borrowing rate (IBR) is used as the discount rate for purposes of determining the present value of lease liabilities. The determination of the incremental borrowing rate takes into consideration the expected term of the lease, the effect of the currency in which the lease is denominated and the rate of interest we would expect to incur on a collateralized debt instrument.

### e) DTA recognition

Within the UK group, companies can surrender all its losses each year to the rest of the UK group which is profitable, it may be appropriate to recognise the DTA as the future tax deduction will serve to reduce the profits of other group companies. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

### f) Leasehold property dilapidation

The Company establishes separate provisions based on reasonable estimates for property dilapidations. The estimated cost is accrued and subsequently present valued annually. The original estimated cost is based upon the market rate at the time and is reviewed annually by the directors.

### g) Impairment of freehold property

The Company evaluate freehold property for impairment when events or changes in economic conditions and asset utilization indicate that the carrying value of freehold property may not be recoverable. Recoverability of freehold property is measured by comparing the carrying value of the freehold property to its estimated future cash flows on an undiscounted basis. In the event, the Company utilized a discounted cash flow model to determine the fair value of the office facility, taking into consideration recent market transactions involving similar or comparable assets, anticipated sublease income and other relevant information.

### h) Incentive Equity Plan

Bottomline Parent, LP, our parent company and unconsolidated entity, adopted an Incentive Equity Plan, which provides for the issuance of Profit Interest Units (PIUs). Bottomline Parent LP is considered an economic interest holder of the Company; therefore the group Company are required to account for the awards in the same manner as if it had adopted the Incentive Equity Plan. In addition, the Company adopted Bottomline Intermediate Holdings I, Inc., a wholly owned group consolidated subsidiary Equity Appreciation Rights Plan (EARs). Both Plans are administered by the Group Board of Directors and were designed to provide an incentive to Company employees. Under the Plans, time-based awards generally vest 25% one year from the date of hire for new employees and one year from the Acquisition Date for those employed by the Company at the Acquisition Date, and on a monthly basis thereafter. Performance-based awards vest 25% annually, upon the achievement of internal profitability targets. Expense is recognized on a straight-line basis over the vesting term for service-based awards and when the internal profitability targets are considered probable of achievement for performance-based awards. Generally unvested awards are forfeited upon termination of employment, unless the underlying agreement provides otherwise, or an exception is provided by the Group Board of Directors. Vested awards are subject to repurchase, at the option of Bottomline Parent, LP, the Group Board of Directors or other related parties upon a termination or exit event. The Company recognize forfeitures when they occur. EARs are accounted for as a liability and remeasured to fair value at each balance sheet date. PIUs are accounted for as equity awards, with fair value determined at the date of grant.

# Bottomline Technologies Limited

Notes forming part of the financial statements  
for the year ended 30 June 2024 (continued)

## 3 Turnover

Turnover represents amounts recognised in respect of the design, development, sale and support of secure payment and document management solutions and services.

Turnover arises from:	2024 £	2023 £
Subscriptions and transactions	100,786,398	90,076,960
Software licenses	57,533	113,985
Service and maintenance	5,914,651	6,656,444
Hardware and Other Supplies	674,909	529,534
Inter-company revenue	10,319,564	10,140,448
	<u>117,753,055</u>	<u>107,517,371</u>

An analysis of turnover by geographical market based on the location of customers is given below:

	2024 £	2023 £
UK	97,797,180	90,158,525
Rest of World (excluding Russia/Ukraine)	19,955,875	17,358,846
	<u>117,753,055</u>	<u>107,517,371</u>

The Company has recognised the following assets related to contracts with customers:

	2024 £	2023 £
Trade debtors included in debtors	20,243,079	16,052,047
Contract assets included in debtors	40,447	240,397
	<u>20,283,526</u>	<u>16,292,444</u>

Accounts receivable include amounts related to our contractual right to consideration for both completed and partially completed performance obligations that may not have been invoiced. Contract assets arise when we recognize revenue in excess of the amount billed to the customer and the right to payment is contingent on conditions other than simply the passage of time, such as the completion of a related performance obligation.



# Bottomline Technologies Limited

Notes forming part of the financial statements  
for the year ended 30 June 2024 (continued)

## 6 Directors' Remuneration

	2024 £	2023 £
Directors' remuneration consists of:		
Aggregate remuneration	899,318	1,138,741
Amount of contribution to money purchase schemes	40,675	40,986
	<u>939,993</u>	<u>1,179,727</u>
	<b>2024</b> £	<b>2023</b> £
In respect of the highest paid director:		
Aggregate remuneration	576,033	782,627
Amount of contribution to money purchase schemes	26,509	17,764
	<u>602,542</u>	<u>800,391</u>

The directors' emolument relates to four directors: one of which resigned as director on 1 May 2024; and one of which joined the Company in April 2024 then later was appointed as director on 1 July 2024 to replace the departure director. One director's emoluments have been recharged to a fellow group company, Bottomline Technologies Europe Limited, as his service of this entity are incidental to his main employment.

There was three director in the Company's defined contribution pension scheme during the year (2023 - one).

## 7 Interest receivable and similar income

	2024 £	2023 £
Bank interest receivable	159,604	166,669
Other interest receivable	599,556	599,556
	<u>759,160</u>	<u>766,225</u>

## 8 Interest payable and Finance cost

	2024 £	2023 £
On loan from related undertakings	2,730,652	2,654,210
Interest charge	3,000	2
	<u>2,733,652</u>	<u>2,654,212</u>

# Bottomline Technologies Limited

Notes forming part of the financial statements  
for the year ended 30 June 2024 (continued)

## 8 Interest payable and Finance cost (continued)

	2024 £	2023 £
Finance cost	14,753	28,934
	<u>14,753</u>	<u>28,934</u>

The Finance cost of £14,753 (2023 - £28,934) arose from IFRS 16 Leases. The Company uses incremental borrowing rate as the discount rate for purposes of determining the present value of lease liabilities. Determination of the incremental borrowing rate takes into consideration the expected term of the lease and reflects the currency in which the lease is denominated. At 30 June 2024, the weighted average discount rate utilized for our leases was 3.67%.

## 9 Income from shares in group undertaking

	2024 £	2023 £
Dividends received from subsidiary	4,999,666	19,371,313

On 9 October 2023, the Company received an interim dividend of £4,999,666 (2023 - £19.4 interim dividend from Bottomline Technologies Sarl, an immediate subsidiary of the company) from CJJ Investment Limited, an immediate subsidiary of the Company.

## 10 Tax on profit/loss from ordinary activities

	2024 £	2023 £
<b>Total current tax charge</b>		
Current tax on profits for the year	10,601,579	2,692,380
Adjustment in respect of prior periods	(351,864)	347,103
	<u>10,249,715</u>	<u>3,039,483</u>
<b>Total deferred tax charge</b>		
Origination and reversal of temporary differences	348,631	985,427
Adjustment in respect of prior periods	171,447	(256,961)
Effect of tax rate change on the opening balance	-	214,188
	<u>10,769,793</u>	<u>3,982,137</u>
Total tax charge on profit/loss from ordinary activities	10,769,793	3,982,137

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profits for the year are set out below.

# Bottomline Technologies Limited

Notes forming part of the financial statements  
for the year ended 30 June 2024 (continued)

## 10 Tax on profit from ordinary activities (continued)

	2024 £	2023 £
Profit/(Loss) before income taxes	<b>33,748,089</b>	41,724,382
Expected tax charge based on the standard rate of United Kingdom corporation tax at the domestic rate of 25% (2023 – 20.50%)	<b>8,437,022</b>	8,551,784
Expenses not deductible	<b>3,763,103</b>	190,398
Income not taxable	<b>(1,249,917)</b>	(3,982,477)
Movement in deferred tax not recognised	-	(1,081,898)
Adjustment to tax charge in respect of previous periods	<b>(180,417)</b>	90,142
Remeasurement of deferred tax for changes in tax rate	<b>2</b>	214,188
Total tax charge on profit/loss from ordinary activities	<b>10,769,793</b>	3,982,137

### *Factors that may affect future tax charges*

On 3 March 2021, the Chancellor announced in the Budget that the headline rate of Corporation Tax would increase from 19% to 25%, with effect from 1 April 2023. This increase was substantively enacted on 24 May 2021, therefore these changes to the tax rate have been reflected in these Financial Statements, and timing difference that will reverse after 1 April 2023 have been valued at the higher rate.

## Bottomline Technologies Limited

Notes forming part of the financial statements  
for the year ended 30 June 2024 *(continued)*

### 11 Intangible assets

	Technology and customer relationships £	Development Costs £	Software Costs £	Construction In Process £	Total £
<i>Cost</i>					
At 1 July 2023	10,330,309	10,155,590	1,460,210	-	21,946,109
Additions	-	635,449	520,482	335,980	1,491,911
Disposals	-	(330,433)	(277,590)	-	(608,023)
	<u>10,330,309</u>	<u>10,460,606</u>	<u>1,703,102</u>	<u>335,980</u>	<u>22,829,997</u>
At 30 June 2024	<b>10,330,309</b>	<b>10,460,606</b>	<b>1,703,102</b>	<b>335,980</b>	<b>22,829,997</b>
<i>Provisions</i>					
At 1 July 2023	4,860,186	5,820,359	517,768	-	11,198,313
Provided during the year	987,220	1,180,312	618,633	-	2,786,165
Disposals	-	(294,367)	(277,590)	-	(571,957)
	<u>5,847,406</u>	<u>6,706,304</u>	<u>858,811</u>	<u>-</u>	<u>13,412,521</u>
At 30 June 2024	<b>5,847,406</b>	<b>6,706,304</b>	<b>858,811</b>	<b>-</b>	<b>13,412,521</b>
<i>Net book value</i>					
At 30 June 2024	<u>4,482,903</u>	<u>3,754,302</u>	<u>844,291</u>	<u>335,980</u>	<u>9,417,476</u>
At 30 June 2023	<u>5,470,123</u>	<u>4,335,231</u>	<u>942,442</u>	<u>-</u>	<u>10,747,796</u>

## Bottomline Technologies Limited

Notes forming part of the financial statements  
For the year ended 30 June 2024 (continued)

### 12 Tangible assets

	Short leasehold improvements £	Fixtures, fittings and equipment £	Freehold Property and Improvement £	Construction In Process £	Total £
<i>Cost</i>					
At 1 July 2023	83,951	16,300,240	17,179,469	239,319	33,802,979
Additions	-	351,408	357,306	415,568	1,124,282
Disposal/Transfer	(19,447)	(409,443)	-	(239,319)	(668,209)
	<u>64,504</u>	<u>16,242,205</u>	<u>17,536,775</u>	<u>415,568</u>	<u>34,259,052</u>
<i>Depreciation</i>					
At 1 July 2023	81,060	12,420,320	3,748,395	-	16,249,775
Provided during the year	1,734	1,764,713	331,765	-	2,098,212
Disposal/Transfer Impairment	(19,447)	(409,443)	-	-	(428,890)
	-	-	9,473,850	-	9,473,850
	<u>63,347</u>	<u>13,775,590</u>	<u>13,554,010</u>	<u>-</u>	<u>27,392,947</u>
<i>Net book value</i>					
At 30 June 2024	<u>1,157</u>	<u>2,466,615</u>	<u>3,982,765</u>	<u>415,568</u>	<u>6,866,105</u>
At 30 June 2023	2,891	3,879,920	13,431,074	239,319	17,553,204

In May 2024, the Company instructed a third party to perform a building revaluation of Bottomline-owned office in Theale. The report shows a further £9.5m loss in market value compared with the previous revaluation price in June 2022.

## Bottomline Technologies Limited

Notes forming part of the financial statements  
for the year ended 30 June 2024 *(continued)*

### 13 Right-of-use assets

	Buildings	Machines and Equipment	Motor Vehicles	Telecommu- nications network and equipment	Total
	£	£	£	£	£
<i>Cost</i>					
As at 1 July 2023	1,717,087	209,886	21,631	2,612,578	4,561,182
Disposals	(1,234,528)	(161,639)	(21,631)	(1,835,170)	(3,252,968)
As at 30 June 2024	<b>482,559</b>	<b>48,247</b>	-	<b>777,408</b>	<b>1,308,214</b>
<i>Accumulated Depreciation</i>					
As at 1 July 2023	1,258,914	165,704	21,631	1,803,227	3,249,476
Depreciation expense	359,272	22,108	-	571,550	952,930
Disposal	(1,234,528)	(161,639)	(21,631)	(1,846,094)	(3,263,892)
As at 30 June 2024	<b>383,658</b>	<b>26,173</b>	-	<b>528,683</b>	<b>938,514</b>
<i>Net book value</i>					
At 30 June 2024	<b>98,901</b>	<b>22,074</b>	-	<b>248,725</b>	<b>369,700</b>
At 30 June 2023	458,173	44,182	-	809,351	1,311,706

The depreciation expense of Right-of-use assets in the year is £952,930 (2023 – £1,047,038) which is recorded in Administration expenses. Following the termination of Aldersgate leases in March 2024, there has been a housekeeping exercise to dispose of right-of-use assets with net book value zero.

# Bottomline Technologies Limited

Notes forming part of the financial statements  
for the year ended 30 June 2024 (continued)

## 14 Investments

Unlisted investments	£
Cost	
At 1 July 2023	127,215,146
Additions	-
As at 30 June 2024	<u>127,215,146</u>

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Name of company	Country of registration/ incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Albany Software Limited	England and Wales	Ordinary shares	100%	Dormant
Simplex GTP Limited	England and Wales	Ordinary shares	100%	Dormant
CJJ Investments Ltd	England and Wales	Ordinary shares	100%	Holding Company

The above companies registered office address is 1600 Arlington Business Park, Theale, Berkshire RG7 4SA, United Kingdom.

Albany Software and Simplex GTP Limited are currently dormant companies, with their trade and assets hived into Bottomline Technologies Limited. The ongoing trade performance within Bottomline Technologies Limited has been identified. Using a discounted cashflow methodology, it has been established that the cash generated from their ongoing trade is sufficient to conclude that no investment impairment is required.

Bottomline Technologies Sarl	Switzerland	Ordinary shares	100%	Financial messaging solution
------------------------------	-------------	-----------------	------	------------------------------

The above company's registered office address is Route de Malagnou 53, Geneva, Switzerland.

Bottomline Technologies PTE Ltd	Singapore	Ordinary shares	100%	Financial messaging solution
---------------------------------	-----------	-----------------	------	------------------------------

The above company's registered office address is 60 Robinson Road #15-01 BEA Building, Singapore.

Bottomline Technologies sh.p.k.	Kosovo	Ordinary shares	100%	IT Consultant
---------------------------------	--------	-----------------	------	---------------

The above company's registered office address is Rr. Ukshin Hoti, Nr 120. Kompleksi Ramiz Sadiku, Enterabce C3, Kati 1, Prishtine, 10000, Kosovo.

## 15 Stocks

	2024 £	2023 £
Finished goods and goods for resale	<u>80,895</u>	<u>97,971</u>

There is no material difference between the replacement cost of stocks and the amounts stated above.

# Bottomline Technologies Limited

## Notes forming part of the financial statements for the year ended 30 June 2024 (continued)

### 16 Debtors

	2024 £	2023 £
Trade debtors	20,781,754	15,851,588
Amounts due from group undertakings	41,387,610	39,088,402
Deferred tax asset (note 21)	299,352	819,429
Prepayments and Other debtors	9,312,170	9,587,344
Corporation Tax	813,426	8,551
	72,594,312	65,355,314
	72,594,312	65,355,314

Trade debtors are non-interest bearing and are generally on terms of 30 days. Amounts due from group undertakings within one year are primarily intercompany balances which have already been invoiced but not yet paid to the company; these amounts are unsecured, interest free and have a repayment term of 90 days.

The debtors amount falling due for payment within one year is £38,557,865 (2023 - £31,558,772). The debtors amount falling due for payment in more than one year is £34,036,446 (2023 - £33,796,542) which consists of:

	2024 £	2023 £
Amounts due from group undertakings	29,977,673	29,977,673
Prepayments	4,058,773	3,818,869
	34,036,446	33,796,542
	34,036,446	33,796,542

Amounts due from group undertaking over one year relates to an interest-bearing of 2.5% intercompany loan with Company's subsidiary Bottomline Technologies Sarl.

### 17 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	1,320,212	1,532,103
Amounts due to parent/related undertakings	21,023,726	21,078,799
Other taxation and social security	3,420,722	2,954,686
Other creditors	4,649,642	4,248,550
Accruals	1,182,090	1,141,071
Deferred income	33,495,423	28,610,560
	65,091,815	59,565,769
	65,091,815	59,565,769

Trade creditors are non-interest bearing and are normally settled on 30-day terms. Amounts due to parent/related undertakings which have been recognised as expenses but have not yet been paid; these amounts are unsecured, interest free and have a repayment term of 90 days. Other creditors included employee compensation expense, PAYE, social security, pension, and other payroll related payments which are not yet due for payment at reporting date.

## Bottomline Technologies Limited

Notes forming part of the financial statements  
for the year ended 30 June 2024 (continued)

### 18 Lease Liabilities

	Beginning Balance (1 July 2023)	New Activity	Payment	Interest	Ending Liability (30 June 2024)	Lease Liability (Short term)	Lease Liability (Long Term)
	£	£	£	£	£	£	£
Buildings	431,023	-	(341,890)	5,403	94,536	94,536	-
Machines and Equipment	43,699	-	(21,301)	830	- 23,228	7,988	15,240
Telecommunicat ions network and equipment	934,301	-	(438,973)	8,520	503,848	251,924	251,924
<b>Total</b>	<b>1,409,023</b>	<b>-</b>	<b>(802,164)</b>	<b>14,753</b>	<b>621,612</b>	<b>354,448</b>	<b>267,164</b>

The interest of £14,753 on lease liabilities in the year is recorded as Finance cost (see note 8) and is disclosed in the Statement of comprehensive income. The lease liabilities (short term) relate to the liabilities within 12 months after the reporting date, and lease liabilities (long term) relate to liabilities beyond 12 months after the reporting date.

### 19 Creditors: amounts falling due after more than one year

	2024 £	2023 £
Deferred income	1,418,744	915,283
Loan from parent undertakings	97,544,859	94,814,207
	<b>98,963,603</b>	<b>95,729,490</b>

In August 2021, Bottomline Technologies Limited was issued an Unsecured Discounted Loan Stock with a related party in the group - Corporate Drive Holdings SRL - with an aggregate nominal amount of £100,824,559, at a subscription price of £90,000,000. The Stock has a repayment term of four years and interest is charged to the statement of comprehensive income and added to the loan stock balance. The Loan from parent undertakings amount presents the cost of original Loan Stock and the accrued interests at 2.88% up to reporting date.

# Bottomline Technologies Limited

Notes forming part of the financial statements  
for the year ended 30 June 2024 (continued)

## 20 Provision for Liabilities

	2024 £	2023 £
Opening Balance	135,553	131,153
Movement for the year: - (release provision)/additional provision	(135,553)	4,400
Closing Balance	<u>-</u>	<u>135,553</u>

The asset retirement obligation ("ARO") provision relates to the company's facilities leases that require the company to return the facilities to their original condition upon vacating the premises at the end of the lease term. The main uncertainty relates to estimating the cost that will be incurred at the end of the lease. In March 2024, the Aldersgate office leases came to end with the dilapidation provision being fully released.

## 21 Deferred taxation

Net deferred tax asset recognised is as follows:	2024 £	2023 £
Fixed asset timing differences	(485,073)	(170,429)
Short term timing differences – trading	106,239	143,692
Losses	678,186	846,166
R&D expenditure credit	-	-
Total net deferred tax asset	<u>299,352</u>	<u>819,429</u>

Net deferred tax asset movement in the financial statements is set out below:

	2024 £	2023 £
Opening balance	819,429	1,762,083
Movement for the year: - profit and loss	(348,631)	(1,199,615)
Adjustment in respect of prior years	(171,446)	256,961
Closing balance	<u>299,352</u>	<u>819,429</u>

The deferred tax assets of £784,425 will be recoverable within 12 months from reporting date. The deferred tax liability of £485,073 will be payable within 12 months from reporting date. There is currently unrecognised portion of £3,462,698 in gross deferred tax assets which relating non-trade loan relationships. The tax value of these at 25% is £865,675.

# Bottomline Technologies Limited

## Notes forming part of the financial statements for the year ended 30 June 2024 (continued)

### 22 Share capital

	2024 £	2023 £
<i>Allotted, called up and fully paid</i>		
29,421,299 (2023 - 29,421,299) ordinary shares of £1 each	<b>2,942,130</b>	29,421,299

On 10 April 2024, the Board of Company completed a Share Capital reduction from £29,421,299 to £2,942,129.90. The Share Capital reduction was achieved by reducing the nominal value of each issued fully paid-up ordinary share from £1.00 to £0.10.

### 23 Share premium

	2024 £	2023 £
<b>Share premium</b>	-	52,593,753

On 10 April 2024, the Board of Company approved the Share Premium reduction from £52,593,753 to nil.

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share capital	Nominal value of share capital subscribed for.
Share premium	Amount subscribed for share capital in excess of nominal value.
Capital contribution reserve	Amounts contributed into capital without the issue of an equity instrument.
Profit and loss account	All other net gains and losses and transactions with owners (e.g. Dividends) not recognised elsewhere.

### 24 Incentive Equity Plan

On 2 December 2022, Bottomline Parent, LP, the parent company and unconsolidated entity, adopted an Incentive Equity Plan, which provides for the issuance of Profit Interest Units (PIUs). Bottomline Parent LP is considered an economic interest holder of the Company; therefore, the group Company are required to account for the awards in the same manner as if it had adopted the Incentive Equity Plan. In addition, the Company adopted Bottomline Intermediate Holdings I, Inc., a wholly owned group consolidated subsidiary, Equity Appreciation Rights Plan (EARs). Both Plans are administered by the Group Board of Directors and were designed to provide an incentive to Company employees. Under the Plans, time-based awards generally vest 25% one year from the date of hire for new employees and one year from the Acquisition Date for those employed by the Company at the Acquisition Date, and on a monthly basis thereafter. Performance based awards vest 25% annually, upon the achievement of internal profitability targets. Expense is recognized on a straight-line basis over the vesting term for service-based awards and when the internal profitability targets are considered probable of achievement for performance-based awards.

# Bottomline Technologies Limited

## Notes forming part of the financial statements for the year ended 30 June 2024 (continued)

---

### 24 Incentive Equity Plan (continued)

Generally, unvested awards are forfeited upon termination of employment, unless the underlying agreement provides otherwise, or an exception is provided by the Group Board of Directors. Vested awards are subject to repurchase, at the option of Bottomline Parent, LP, the Group Board of Directors or other related parties upon a termination or exit event. The Company recognize forfeitures when they occur. EARs are accounted for as a liability and remeasured to fair value at each balance sheet date. PIUs are accounted for as equity awards, with fair value determined at the date of grant.

### 25 Pension commitments

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 unpaid contributions outstanding at the year-end, included in 'other taxation and social security' (note 17) are £273,672 (2023 - £276,488).

### 26 Related party transactions

As a wholly owned subsidiary undertaking of a parent undertaking whose financial statements are available upon request, the Company has taken advantage of the exemption available under "FRS 101 Reduced Disclosure Framework" and has not disclosed transactions with other wholly owned members of the group.

### 27 Subsequent events

On 7 August 2024, the Company completed the sale of BTC business with a consideration of £150,000.

On 21 October 2024, the Company paid £24,713,891 as an interim dividend for FY25 to its immediate parent undertaking Chatham Street LP.

On 23 January 2025, Bottomline Technologies Sarl, an immediate subsidiary of the Company, paid an interim dividend of CHF22,000,000 (2023 – CHF22,000,000) to the Company.

On 27 January 2025, the Company paid £19,123,844 (2023 - £20,006,483) as an interim dividend for FY25 to its immediate parent undertaking Chatham Street LP.

### 28 Parent undertaking and ultimate controlling party

The Company's immediate parent undertaking is Chatham Street LP. The Company's ultimate parent undertaking and controlling party is Thoma Bravo UGP, LLC, a company incorporated in United States of America.

Bottomline Parent Holdings III, LP is considered an economic interest holder and consolidated parent of the Company, which was incorporated in the United States of America, provides copies of its group financial statements. They are available from 100 International Drive, Portsmouth NH, United States of America.