Pushpay

Annual Report 2020

Contents

About Pushpay

Pushpay provides a donor management system, including donor tools, finance tools and a custom community app, to the faith sector, non-profit organisations and education providers located predominantly in the United States (US) and other jurisdictions. Our leading solutions simplify engagement, payments and administration, enabling our Customers to increase participation and build stronger relationships with their communities.

Church Community Builder is a subsidiary of Pushpay Holdings Limited and provides a Software as a Service (SaaS) church management system in the US and other jurisdictions. Church Community Builder provides a platform that churches use to connect and communicate with their community members, record member service history, track online giving and perform a range of administrative functions. Combined, Pushpay and Church Community Builder deliver a best-in-class, fully integrated ChMS, custom community app and giving solution for customers in the US faith sector.

Pushpay receives co-funding from Callaghan Innovation, New Zealand's innovation agency, to support innovation through research and development.

Pushpay is an award-winning company. For more information visit www.pushpay.com/investors/awards.

Investor calendar

The following dates are indicative only and (subject to the NZX Listing Rules and applicable laws) are subject to change at Pushpay's discretion.

18 June 2020 (NZT)
Annual Shareholders' Meeting | Virtual Meeting

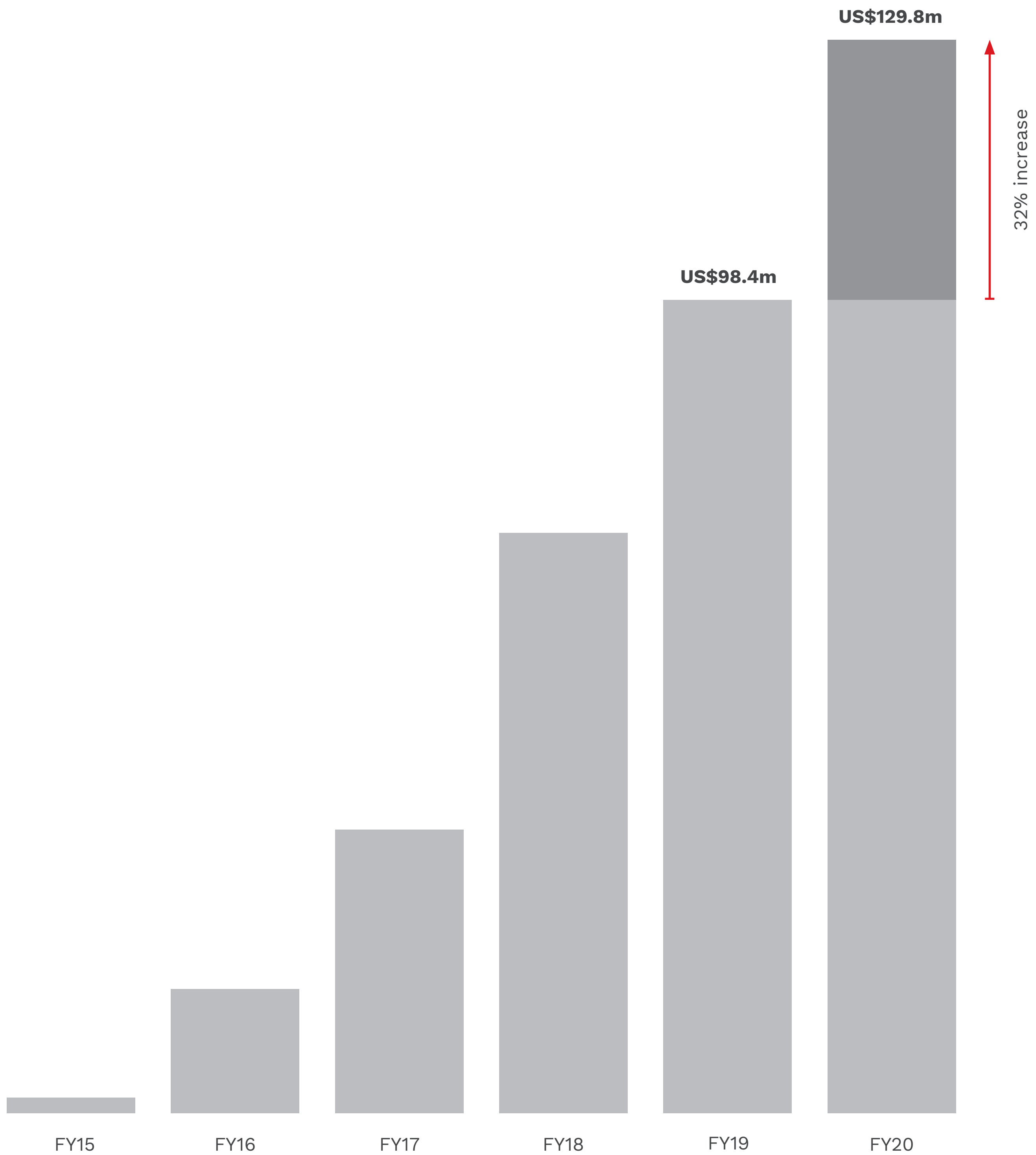
4 November 2020 (NZT)
Interim Report and interim financial results release

8 - 9 November 2020 (MT)
Investor Day | Colorado Springs, CO, US

01

Strong growth, **expanding operating margin**

32% total revenue growth



Operating revenue

US$127.5 million, up from US$95.9 million, an increase of 33%

Total Revenue

US$129.8 million, up from US$98.4 million, an increase of 32%

Gross Profit Margin

65%, up from 60%, an increase of five percentage points

EBITDAF

US$25.1 million, up from US$1.6 million, an increase of 1,506%

Profit before tax

US$21.7 million, up from a loss of US$1.4 million, an increase of 1,631%

NPAT

US$16.0 million, down from US$18.8 million, a decrease of 15%*

Operating cash flow

US$23.5 million, up from negative US$2.8 million, an increase of 953%

Cash and Cash Equivalents

US$7.2 million, down from US$13.9 million, a decrease of 48%

Total Customers

10,896 Customers, up from 7,649 Customers, an increase of 42%

ARPC

US$1,317 per month, up from US$1,315 per month, no change

Total LTV of Customer base

US$4.5 billion, up from US$3.0 billion, an increase of 46%

Total Processing Volume

US$5.0 billion, up from US$3.6 billion, an increase of 39%

Months to Recover CAC

20.2 months, up from 12.7, an increase of 60%

Annual Revenue Retention Rate

>100%

Staff Headcount

459 staff, up from 389 staff, an increase of 18%

* The previous financial year included a one-time benefit arising from previously unrecognised tax losses and deferred research and development expenditure of US$20.9 million, which contributed to the net gain of US$18.8 million.

Notes: Unless otherwise stated, the above table compares Group performance over the 12 months ended 31 March 2020 to the 12 months ended 31 March 2019.

Annual Revenue Retention Rate, ARPC, EBITDAF, Months to Recover CAC, Total Customers, Total LTV of Customer base, Total Processing Volume and Staff Headcount are non-GAAP financial measures and are not prepared in accordance with NZ IFRS.

> “At Hosanna Church, we have a vision to grow with irresistible love, generosity and unity. Having access to data and insights about our congregation enables us to understand where people are on their journey and surfaces opportunities to connect with people in our community who might need it most.”
> *- Jennifer Ford, Hosanna Church*

Customers

Pushpay increased its Customer base by 3,247 Customers over the year to 31 March 2020, from 7,649 to 10,896, an increase of 42%. During the year Pushpay acquired 100% of the ownership interests of Church Community Builder, which increased Customer numbers by 2,716. Customer numbers also include 1,442 mutual Customers, which utilise both Pushpay and Church Community Builder solutions.

Excluding the acquisition of the ownership interests in Church Community Builder, Pushpay increased its Customer base by 531 from 7,649 to 8,180, an increase of 7%. New Customer acquisition over the second half of the financial year exceeded the first half of the financial year. Pushpay's strategy is progressing well, with modest growth in the number of new Customers and a continued increase in the proportion of new medium and large Customers.

Over the year to 31 March 2020, Pushpay's proportion of medium and large Customers increased from 56% to 59%. Unit churn driven by small Customers continues to decline.

As we execute on our sales strategy, the Company's primary focus is on increasing revenue by attracting a larger number of medium and large Customers, while expanding ARPC and increasing retention.

As at 31 March 2020, 98% of Pushpay's Customers were located in North America, which covers the US and Canada, with the remaining 2% located in other jurisdictions.

Pushpay expects new customer acquisition growth over the current financial year to exceed the prior year, excluding the increase in Customers associated with the acquisition of the ownership interests in Church Community Builder.

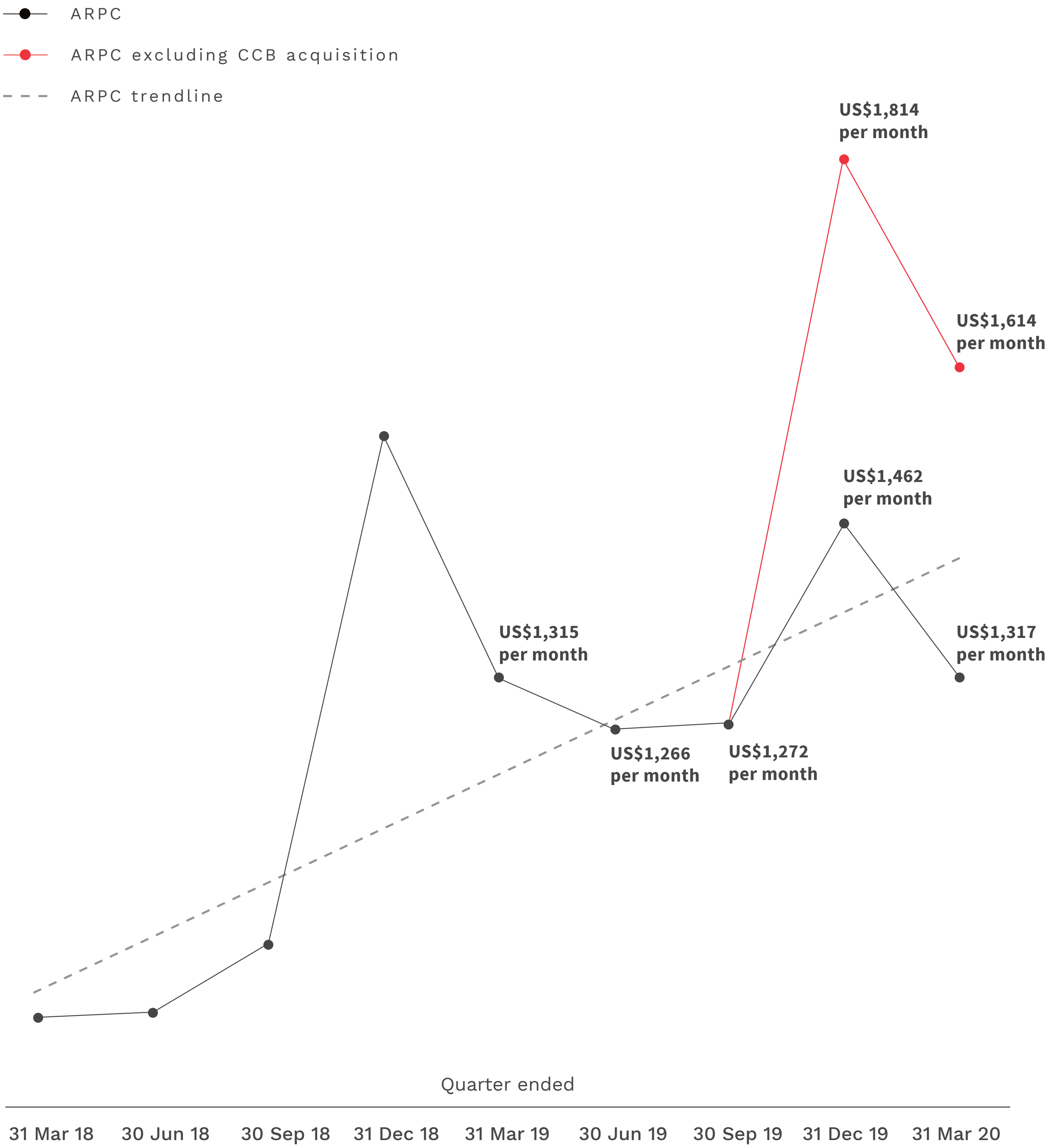
ARPC

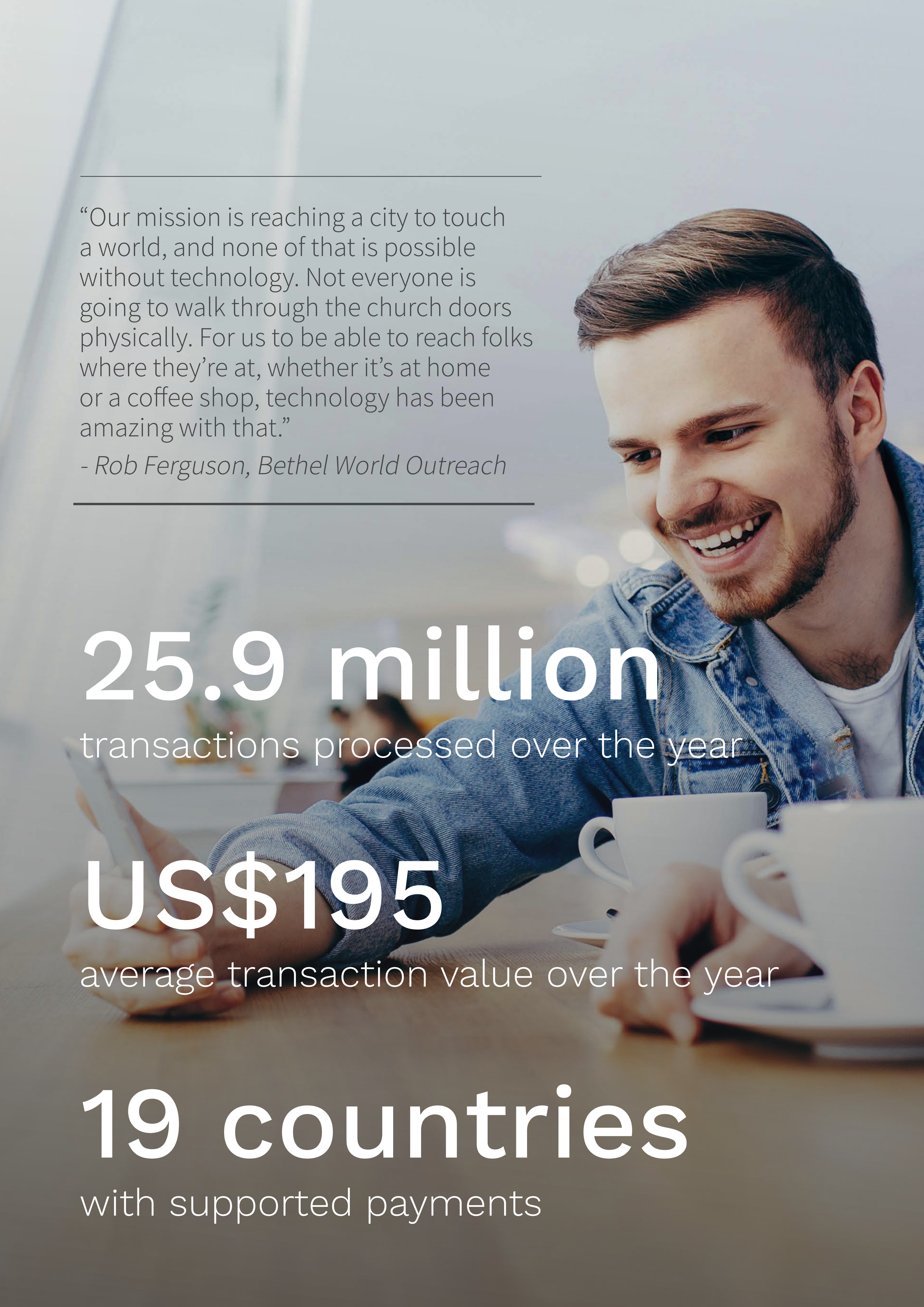
ARPC remained unchanged over the year to 31 March 2020, from US$1,315 per month to US$1,317 per month.

Excluding the acquisition of the ownership interests in Church Community Builder, Pushpay increased ARPC by US$299 per month, from US$1,315 to US$1,614 per month, an increase of 23%. There are a number of factors which contributed to an increased ARPC, these include: increased Subscription Fees from new and existing Customers; a larger proportion of medium and large Customers; further development of our product set resulting in higher Volume Fees; and increased adoption of digital giving in the US faith sector.

Pushpay plans to continue to grow ARPC by increasing revenue derived from existing Customers and by continuing to implement its sales strategy to attract more medium and large new Customers.

ARPC growth


ARPC
ARPC excluding CCB acquisition
ARPC trendline
US$1,814 per month
US$1,614 per month
US$1,462 per month
US$1,315 per month
US$1,317 per month
US$1,266 per month
US$1,272 per month
Quarter ended
31 Mar 18
30 Jun 18
30 Sep 18
31 Dec 18
31 Mar 19
30 Jun 19
30 Sep 19
31 Dec 19
31 Mar 20



"Our mission is reaching a city to touch a world, and none of that is possible without technology. Not everyone is going to walk through the church doors physically. For us to be able to reach folks where they're at, whether it's at home or a coffee shop, technology has been amazing with that."

- Rob Ferguson, Bethel World Outreach

25.9 million

transactions processed over the year

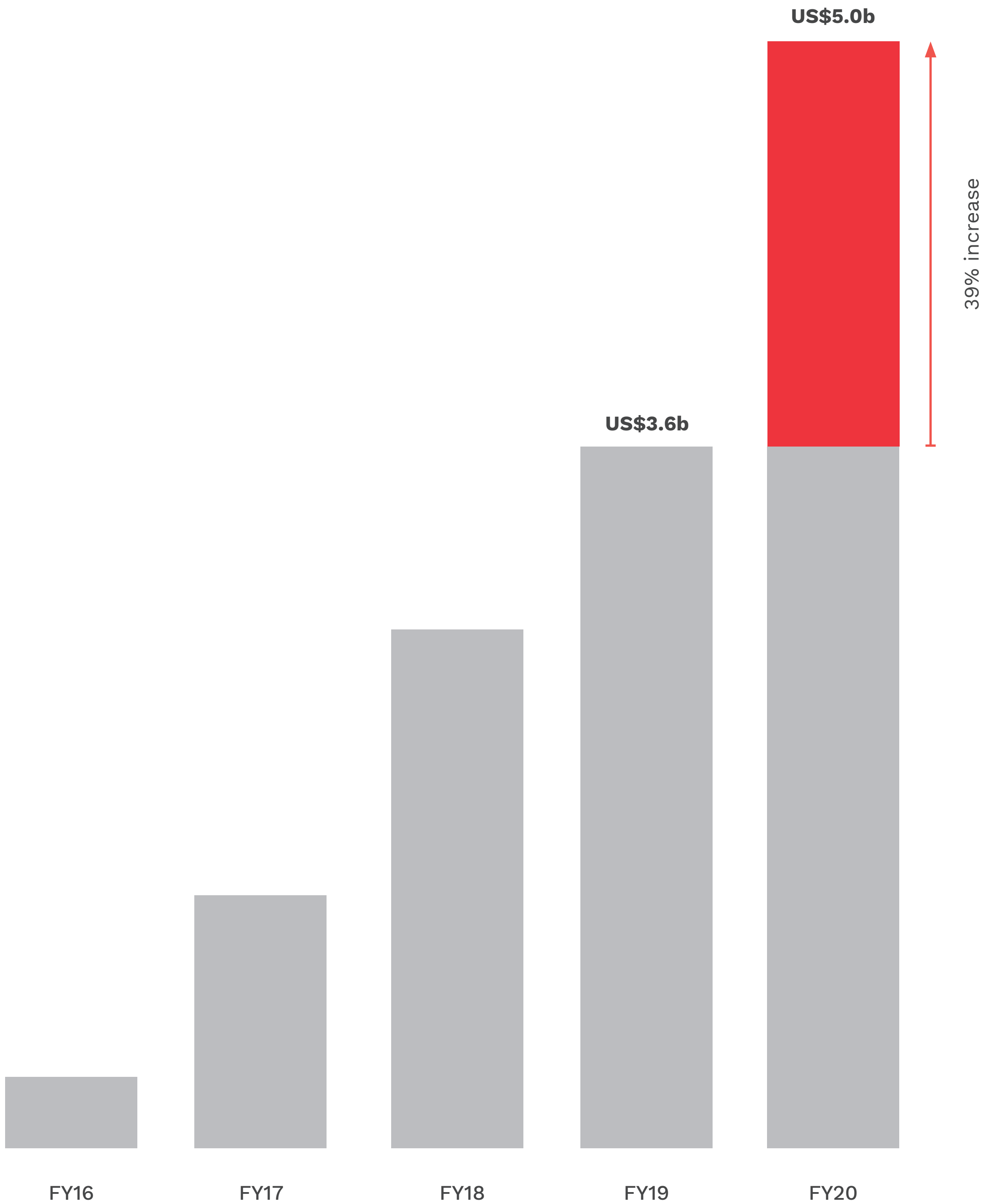
US$195

average transaction value over the year

19 countries

with supported payments

US$5.0 billion
Total Processing Volume



Key metric definitions

Annual Revenue Retention Rate – is revenue retained from Customers and is measured by the amount of revenue at the end of the period, over the amount of revenue from the end of the previous period for Customers who joined Pushpay prior to the end of the previous period.

Average Revenue Per Customer (ARPC) – is the combination of monthly Subscription Fees and Volume Fees divided by total Customers. Subscription Fees are based on the Customer product holding, which can vary based on the size of the Customer and Volume Fees are based on payment transaction volume. For Customers who use Pushpay's payment solution, Volume Fees are recognised on a gross basis and associated costs payable to issuing banks, processing partners and the card brands, such as Visa and MasterCard, are classified as expenses. The in-month average Volume Fee per Customer is used for the Volume Fee component of ARPC.

Cash and Cash Equivalents – is cash on hand; deposits held at call with financial institutions; and other short-term, highly liquid investments readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

Customer – is an entity that utilises one or more Pushpay products. Pushpay reports Customers that have entered into an agreement and completed the paperwork necessary to set up their service. Pushpay views Customers with 0-199 average weekly attendees as small, 200-1,099 average weekly attendees as medium and 1,100 or more average weekly attendees as large.

Customer Acquisition Cost (CAC) – is sales, marketing and implementation costs divided by the number of new Customers added over a certain period of time.

Earnings before Interest, Tax, Depreciation, Amortisation and Foreign Currency (gains)/losses (EBITDAF) – is a non-GAAP financial measure calculated by adusting interest, depreciation and amortisation, income taxes and net foreign currency gains/losses to net profit.

Lifetime Value (LTV) – is the gross margin expected from a Customer over the lifetime of that Customer. This is calculated by taking the ARPC multiplied by 12, multiplied by the gross profit percentage, multiplied by the average Customer lifetime (the average Customer lifetime is one divided by churn, being one minus the Annual Revenue Retention Rate). A 97.5% Annual Revenue Retention Rate is used for the purposes of the calculation. Total LTV is calculated as LTV multiplied by total Customers.

Months to Recover CAC – CAC months or months of ARPC to recover CAC is the number of months of revenue required to recover the cost of acquiring each new Customer.

Net Profit after Tax (NPAT) – is calculated in accordance with NZ IFRS.

Operating Revenue – is receipts received from Customers calculated in accordance with IFRS accounting standards.

Staff Headcount – is total employees at a specific point in time.

Subscription Fees – is recurring fees based on Customer product holding which can vary based on the size of the Customer (in the case of the faith sector, size is based on average weekly attendance).

Total Processing Volume – is payment transaction volume through the Pushpay payment platform, that Pushpay derives revenue from within a period. This excludes payment transaction volume that is not processed through the Pushpay payment platform.

Total Revenue – is receipts received from Customers and other income calculated in accordance with IFRS accounting standards.

Volume Fees – is variable fee income generated from payment transaction volume (in the case of the faith sector, this is usually a percentage of total donations).

02

Chairman and CEO's **review**

Dear Fellow Shareholder,

We are pleased to present a strong result for the year ended 31 March 2020. Pushpay has delivered solid revenue growth, expanding operating margins, EBITDAF growth and operating cash flow improvements over the period. While Pushpay delivered strong organic growth over the year, we also strengthened our value proposition through the strategic acquisition of the leading church management system (ChMS), Church Community Builder, based in Colorado Springs, Colorado, US.

Our results are a reflection of our innovative products, the dedication of our teams in the US and New Zealand, and our culture of continuous improvement. Over the year, we made significant progress toward our strategic goal of becoming the preferred provider of mission-critical software to the US faith sector.

Pushpay continues to focus on future-proofing the business, by refining the strategies that will allow the Company to realise its considerable potential over the long term, while maintaining prudent financial discipline. As we continue our growth journey, our relentless focus on innovation, strategy and execution will lead to continued growth and success for the business.

FY20 guidance achieved

Pushpay has a strong track record of delivering on guidance. Since initially listing in August 2014, Pushpay is pleased to have met or exceeded all guidance provided to the market.

Over the financial year ended 31 March 2020, Pushpay provided the following guidance, all of which were either achieved or exceeded. All guidance provided excluded the acquisition of the ownership interests in Church Community Builder and associated costs and impacts. Further information is provided in the commentary below.

Date updated	*Operating Revenue*	*Gross Margin*	*EBITDAF*	*Total Processing Volume*
8 May 2019	US$122.5 - $125.5 million	>63%	US$17.5 - $19.5 million	US$4.6 - US$4.8 billion
19 June 2019	US$122.5 - $125.5 million	>63%	US$18.5 - $20.5 million	US$4.8 - US$5.0 billion
20 September 2019	US$121.0 - $124.0 million	>63%	US$23.0 - $25.0 million	US$4.8 - US$5.0 billion
18 March 2020	US$121.0 - $124.0 million	>63%	US$25.0 - $27.0 million	US$4.8 - US$5.0 billion

Revenue growth

Pushpay increased its total revenue for the year ended 31 March 2020 by US$31.4 million from US$98.4 million to US$129.8 million, an increase of 32%. Operating revenue for the year ended 31 March 2020 increased by US$31.6 million from US$95.9 million to US$127.5 million, an increase of 33%.

Excluding the acquisition of the ownership interests in Church Community Builder and associated costs and impacts, Pushpay increased operating revenue by US$27.2 million from US$95.9 million to US$123.1 million, an increase of 28%. These results were attained through the targeted implementation of our strategy, growing team capabilities and expertise, and responsible investment into product design and development.

We expect to see continued revenue growth as the business executes on its strategy, achieves increased efficiencies and gains further market share in the US faith sector.

Gross margin improvement

Pushpay's diligent approach to optimising gross margin has driven pleasing results. Pushpay increased gross margin for the year ended 31 March 2020 by five percentage points, from 60% to 65%.

Excluding the acquisition of the ownership interests in Church Community Builder and associated costs and impacts, Pushpay increased gross margin by four percentage points, from 60% to 64%.

Including the acquisition of Church Community Builder and ongoing margin improvement initiatives, we expect gross margin to continue to improve in the year ending 31 March 2021.

Expanding operating leverage

While Pushpay increased operating revenue over the year ended 31 March 2020 by 33%, total operating expenses increased by 5%. As a percentage of operating revenue, total operating expenses improved by 13 percentage points, from 65% to 52%.

Excluding the acquisition of the ownership interests in Church Community Builder and associated costs and impacts, while operating revenue over the year ended 31 March 2020 increased by 28%, total operating expenses decreased by US$5.2 million, a decrease of 8%. As a percentage of operating revenue, total operating expenses improved by 18 percentage points, from 65% to 47%.

Operating leverage was largely driven by strong operating revenue growth, improved margins and disciplined cost management. Pushpay expects significant operating leverage to accrue as operating revenue continues to increase, while growth in total operating expenses remains low.

Pushpay adopted best-in-class software tools and scalable processes early in its development. Combined with strong financial discipline, these investments will allow significant operating leverage to be achieved as revenue grows.

EBITDAF

Pushpay increased its EBITDAF for the year ended 31 March 2020 by US$23.5 million from US$1.6 million to US$25.1 million, an increase of 1,506%.

Pushpay released initial EBITDAF guidance on 8 May 2019, of US$17.5 million to US$19.5 million. Over the financial year Pushpay increased guidance on three occasions, most recently on 18 March 2020 to US$25.0 million to US$27.0 million, excluding the acquisition of the ownership interests in Church Community Builder and associated costs and impacts.

Excluding the acquisition of the ownership interests in Church Community Builder and associated costs and impacts, Pushpay increased EBITDAF by US$26.2 million from US$1.6 million to US$27.8 million, an increase of 1,677%.

NPAT

NPAT declined by US$2.8 million over the year ended 31 March 2020, from US$18.8 million to US$16.0 million, a decrease of 15%.

The previous financial year included a one-time benefit arising from previously unrecognised tax losses and deferred research and development expenditure of US$20.9 million, which contributed to the net gain of US$18.8 million.

Operating cash flow

Operating cash flow improved by US$26.3 million over the year ended 31 March 2020, from negative operating cash flows US$2.8 million to positive operating cash flows US$23.5 million, an increase of 953%.

Pushpay's increasing positive cash flow provides flexibility, as we continue to assess further potential strategic acquisitions that broaden Pushpay's current proposition and add significant value to the current business.

Total Processing Volume

Pushpay achieved its Total Processing Volume guidance for the year ended 31 March 2020, increasing Total Processing Volume by US$1.4 billion, from US$3.6 billion to US$5.0 billion, an increase of 39%.

The acquisition of the ownership interests in Church Community Builder had no effect on Total Processing Volume, given transaction volume associated with non-mutual Church Community Builder Customers is not processed through the Pushpay platform.

We expect continued growth in Total Processing Volume driven by a larger proportion of new medium and large Customers, further development of our product set resulting in higher adoption and usage, and increased adoption of digital giving.

Church Community Builder acquisition

Pushpay completed the acquisition of 100% of the ownership interests in Church Community Builder for a total purchase consideration of US$87.5 million, effective 1 December 2019.

Established in 1999 and based in Colorado Springs, Colorado, US, Church Community Builder is a market leading church management system (ChMS), providing a platform that churches use to connect and communicate with their community members, record member service history, track online giving and perform a range of administrative functions. Church Community Builder complements Pushpay's custom community app and giving solution and aligns strongly with Pushpay's core strategy of providing innovative, market-leading solutions for customers.

Pushpay and Church Community Builder launched a joint product offering in April 2020. This represents a significant milestone as the Company embarks on achieving its strategic goal of delivering a best-in-class, fully integrated ChMS, custom community app and giving solution for customers in the US faith sector.

People and culture

As we continue to execute on our strategy, attracting and retaining exceptional talent is critical to our success. Our Customer-centric culture of continuous improvement focuses on achieving higher job satisfaction, increased productivity, improved employee retention, as well as increased Customer satisfaction.

The Company has completed the reorganisation of the Pushpay and Church Community builder teams, bringing all associates across Auckland, New Zealand, Colorado Springs, Colorado, US and Redmond, Washington, US under one leadership structure. The combined group is well-positioned to deliver market-leading, complementary solutions that increase participation and enable Customers to build stronger relationships with their communities.

Heidi Keele | VP of Marketing

Pushpay has a highly experienced executive team and in April 2020 we were pleased to welcome Heidi Keele as our VP of Marketing. Heidi is a strategic marketing executive with over 20 years' experience helping drive breakthrough revenue growth for a diverse mix of organisations ranging from start-ups to Fortune 500 industry leaders. Her expertise in orchestrating cutting-edge marketing, sales and public relations campaigns, designed to maximise the sales conversion of existing products and services, will be instrumental for our strategic growth plans.

Board of Directors

On 8 May 2019, the Company announced a number of changes to its leadership team. Chris Heaslip resigned from his position as CEO, effective 31 May 2019. Chris remained a Non-executive Director of the Company until his resignation on 31 March 2020. The Board and management of Pushpay thank Chris for his service as a Director and invaluable contribution to the business and for his continued support as a shareholder.

Following Chris Heaslip's resignation as CEO, Pushpay's Board appointed Bruce Gordon (previously Independent Chairman of the Board) as CEO and Executive Director, effective 1 June 2019.

Graham Shaw (previously Independent Director) assumed the role of Chairman of the Board, effective 8 May 2019.

Christopher Huljich was replaced by Peter Huljich (previously an Alternate Director to Christopher Huljich), as a Non-executive Director, effective 8 May 2019. Subsequently, Christopher Huljich was appointed as an Alternate Director to Peter Huljich.

Daniel (Dan) Steinman resigned as an Independent Director, effective 26 August 2019. The Board and management of Pushpay thank Dan for his invaluable contribution to the Board and for his continued support as a shareholder.

Justine Smyth | Independent Director

Pushpay was pleased to welcome Justine Smyth to the Board of Directors as an Independent Director, effective 26 August 2019. Justine also joined as Chair of Pushpay's 'Audit and Risk Management Committee' and as a member of the 'Nominations and Remuneration Committee'.

Justine brings strong business experience from her background in listed-company governance, financial performance, mergers and acquisitions, and taxation of large enterprises. Justine is currently the Chair of Spark New Zealand, a Director of Auckland International Airport and the Chair of The Breast Cancer Foundation New Zealand.

Christopher (Chris) Fowler | Visionary and Executive Director

Pushpay was pleased to welcome the Founder of Church Community Builder, Chris Fowler to the Board of Directors as an Executive Director, effective 13 December 2019. As an entrepreneur with a passion for the local church, Chris imagined something beyond the outdated back office tools of the time, which ultimately resulted in the ChMS that Church Community Builder now provides the church.

Chris has been involved in the church his entire life, including serving on the elder board of two churches, including the mega-church he currently attends, New Life Church, in Colorado Springs, Colorado, US. Chris brings key industry knowledge and 26 years of business experience to the Pushpay Board of Directors.

Lovina McMurchy | Independent Director

Pushpay was pleased to welcome Lovina McMurchy to the Board of Directors as an Independent Director, effective 30 March 2020. Lovina also joined as a member of Pushpay's 'Technology, Innovation and Intellectual Property (IP) Committee'.

Lovina has a strong background as a global technology executive with experience across product development, go-to-market design and execution, and P&L management in companies such as Amazon and Microsoft. Lovina is a Venture Partner for Movac, a locally based New Zealand venture capital fund. She is also a member of the Institute of Directors and serves on several private company boards in the technology space.

COVID-19

While a number of organisations have temporarily closed their physical premises in response to COVID-19, Pushpay has seen a clear shift to digital whereby Customers are utilising its mobile first technology solutions to communicate with their congregations.

Over the last quarter of the financial year, the Company experienced an overall increase in demand for its services and remains well-equipped to support Customers to leverage digital technology and drive continued congregation participation through the use of its mobile app.

Due to the restrictions around in-person gatherings, Customers have been emphasising live streaming, digital giving and driving connection through their apps for continued engagement with their communities. In terms of digital giving trends, Pushpay's processing volume over the month of March was higher than the Company expected prior to COVID-19.

Pushpay expects the increase in digital giving as a proportion of total giving resulting from COVID-19, to outweigh any potential fall in total giving to the US faith sector.

Outlook

Pushpay expects further strong revenue growth, as we continue to execute on our strategy to gain further market share in the medium-term and believes this is the best way to maximise shareholder value.

From a strong financial position, we will continue to balance expanding operating margin with opportunities to increase revenue growth. We are particularly focused on ensuring efficiency remains high, while maintaining cost discipline throughout the business.

Pushpay also continues to evaluate additional potential strategic acquisitions that broaden the current proposition and add significant value to the current business.

Pushpay is expecting to achieve EBITDAF for the full year ending 31 March 2021 of between US$48.0 million and US$52.0 million.

In the long term, Pushpay is targeting over 50% of the medium and large church segments, an opportunity representing over US$1 billion in annual revenue.

Looking ahead, an exciting future awaits us as we continue to innovate and improve our software solutions to provide Customers with effective tools that strengthen connection within their communities.

Acknowledgements

Pushpay's success would not be possible without the expert direction from the Board of Directors, successful execution from management and the hard work of our dedicated colleagues.

We would like to thank you, our shareholders, for your continued support and confidence, our teams in the US and New Zealand for their hard work and all of our Customers around the world for their continued loyalty and excitement, as these results are ultimately thanks to their support.

Graham Shaw
Independent Chairman

Bruce Gordon
CEO and Executive Director

03

Church Community Builder **Expanding team and capability**

Church Community Builder team

Chris Fowler started working on Church Community Builder for his local church in 1999, recognising a need for an internet-based solution to help people and their church connect with each other and to ensure people were not falling through the cracks, when their desire was to find connection and community.

At the time, church software options were limited and were typically loaded on one or two computers in the church office. Available products did not feature a web-based interface that would allow administrators to work outside the church office and congregants were unable to use software to connect with their church.

Today, Church Community Builder has grown into a premier, market-leading solution that helps people connect with their local church through giving, serving, participating in groups and events, and to help church leaders ensure their congregants are being cared for as the church grows.

Church Community Builder's software provides the church with key data on congregants' engagement from their first interaction with the church (People, Groups, Forms, Check-in and Giving) through every step to becoming a fully connected member (Processes, Schedules and Plans, and Attendance). These individual data points roll up to show keen insights (Reports, Searches and Metrics) into the church's overall health and can be easily shared within the organisation.

Built with a distributive model, the software equips leaders and volunteers with the tools, apps, and access they need to do the work of ministry, and as a result, enables the church to focus their time and efforts on their mission.

Chris Fowler, Founder of Church Community Builder said, “We care about helping churches multiply their ministry efforts by aligning with their ultimate ‘why’, while also helping them improve their ‘how’, especially as it relates to helping engage congregants with their church through giving, serving and other opportunities for spiritual growth. We consider it a privilege to partner with a church and come alongside its leaders, from executive pastors, small group pastors, to facility managers, administrators and financial overseers, and help them be more effective with how they do ministry. The church is the source of hope, healing and encouragement for the world around you and we are honored to partner with that mission.”

Uniting with a shared vision

Pushpay and Church Community Builder have been strategic partners for many years, providing a two-way integration for mutual Customers. While operating alongside one another in the US faith sector, it became evident from direct market feedback that Customers are increasingly seeking an integrated solution that spans a wide range of functionalities, including a ChMS, community app and giving tools.

With deep alignment of values, Pushpay and Church Community Builder envisioned the profound increased value that could be provided to customers by joining forces and innovating together. Now operating under one group structure, Pushpay and Church Community Builder look forward to serving more customers in the faith sector with a unique and differentiated value proposition.

Josh Young, Executive Pastor at Resonance Church said, “We currently use Pushpay for our online giving, and I absolutely love the way Church Community Builder and Pushpay work together. Overall, it’s incredibly simple and smooth.”

Added functionality to the Church Community Builder solution

Over the last year, Church Community Builder continued to strengthen its feature set to deepen functionality and further enhance the user experience of its solution. This development helped drive acquisition of new Customers and increased feature adoption of existing Customers. Some of the more recent enhancements to the Church Community Builder solution are highlighted below.

People

Church Community Builder has continued to enhance its People feature, launching a redesigned people capability in May 2018. This feature enables leaders to view an individual’s involvement within the church and includes visual metrics around their attending, serving, group involvement, giving history, process queues and forms completed. In addition, Church Community Builder also built out a more robust and easier to use advanced search capability that makes querying data easy.

Check-in

Redesigned in June 2019, Church Community Builder’s updated Check-in feature allows parents to securely check-in their children to a class or an event at church. They receive a unique security code that authorises them to pick up their child at the end of the event. Churches also use this feature to take attendance for youth events, special events and other gatherings within the community.

Over the year, Church Community Builder enhanced the platform with a new user interface in both the Check-in native app and the browser experience. A new, simpler and faster user interface was introduced as part of consolidating those interfaces. Over the past 10 months, Church Community Builder has seen a 146% increase in Check-in native app users.

Worship Planning

In August 2019, Church Community Builder introduced its Worship Planning functionality. Worship Planning is fully integrated with all other modules allowing Customers to utilise Church Community Builder for all their worship needs. The new feature enables churches to build an order of service document that can be populated with music and other key elements of the service. Following the launch, Church Community Builder has seen 60% of its church partners utilise the Worship Planning feature.

04

A leading **cloud-first solution**

Jul 2011
Pushpay founded in Auckland, New Zealand

Aug 2012
iOS App released

Visa and MasterCard payments accepted

Nov 2012
Android App released

May 2014
Run The Red SMS gateway assets acquired

Sep 2014
ZipZap Processing Inc commenced operations

Nov 2014
AMEX, Discover, NZ bank payments and ACH payments accepted

Jan 2015
Touch ID payments on iOS released

Card entry by camera on iOS and Android released

Jun 2015
echurch Apps released

Sep 2015
Fastpay five second giving released

Virtual Terminal / Envelope Giving released

Dec 2015
3D Touch capability released

Mar 201
Event registrat
released

Jun 2016
Auto Pay released

Cash and Check Recording released

Nov 2016

Text Giving released

Bluebridge Digital, Inc's church app business acquired

Dec 2016

Annual Giving Statements released

Apr 2017

echurch Apps 3.0 released

Jun 2017

Check Deposit released

Aug 2017

AWS migration

Dec 2017

Web Giving released

Payment Assurance released

Feb 2018

Offline Conversion released

Apr 2018

QuickBooks Online integration released

May 2018

Dynamic Home Screen and Recurring by Default released

Aug 2018

Branded Web Giving and Recurring Migration released

Oct 2018

Custom Giving Statements released

Nov 2018

Recurring Suggestion

Jan 2019

App Profiles, and Campaigns and Pledging released

May 2019

Non-cash and Organisational Giving, Thank You by Fund, Content Cards, Impact Cards, and Rich Push Notifications and Related Content released

Pushpay University launched

Aug 2019

Attitude Polls released

Nov 2019

Donor Development released

Dec 2019

Church Community Builder acquired

Jan 2020

Bookmarks and App Audio Player released

Feb 2020

Financial Dashboard and Donor Pledge Entry released

Mar 2020

COVID-19 pivot to digital services

Apr 2020

Pushpay and Church Community Builder merged into one organisational structure

Pushpay and Church Community Builder initial joint product value proposition launched

Added functionality to the Pushpay solution

Pushpay continues to invest in its leading solutions, which simplify engagement, payments and administration, enabling our Customers to increase participation and build stronger relationships with their communities.

Our product design and development team employs an agile approach, where our solutions evolve through collaborative effort, including ongoing Customer feedback. Some of our more recent additions to the Pushpay solutions are highlighted below.

Non-cash and Organisational Giving

In May 2019, Pushpay launched Non-cash and Organisational Giving, which supports Customers with recording all forms of giving. It is common practice for business owners to make financial contributions through their own personal accounts as well as through their businesses. Many large Customers also receive non-cash gifts, including stocks, vehicles and property. Customers are required to issue tax statements to businesses and include non-cash gifts on tax statements. Supporting Non-cash and Organisational Giving is key to centralising giving on the Pushpay platform and helps Customers to streamline their gift recording and reconciliation process.

Thank You by Fund

Donor development best practice includes connecting people to the impact of their generosity. Showing impact is critical to engaging and reengaging donors. In May 2019, Pushpay introduced a number of features to help Customers nurture their donors by connecting them to the impact of their generosity. After a successful donation, Pushpay's Thank You by Fund feature allows Customers to deliver a specific note of appreciation to donors regarding the initiative or cause that they supported. The thank you note is presented on screen at the time of the gift, when it is most relevant to the donor, and in the email receipt.

Content Cards

In 2016, Pushpay released its App Connect feature, which provides a call-to-action at the end of a giving experience, promoting the Customer's App. In May 2019, this functionality was enhanced with the release of Content Cards. Content Cards are featured at the end of Pushpay's giving experience and also in the donor's email receipt. Content Cards pull current content from a Customer's App and displays it with a call-to-action to download the App. This feature drives adoption of the App and keeps users connected to their community, particularly when they are not able to be in attendance.

Impact Cards

Pushpay released Impact Cards in May 2019. Impact Cards enable Customers to showcase stories of people and communities that have been transformed as a result of the generosity of their donors. For example, Customers can use it to surface the results of recent ministry efforts or key statistics relating to a fundraising campaign that donors have recently given to. This feature connects donors to specific initiatives they support, while also driving increased participation and engagement within Customers' communities. Customers using Impact Cards see an average 18% increase in giving in the months they use Impact Cards.

Rich Push Notifications and Related Content

Pushpay introduced a number of features in May 2019, which help drive user adoption, engagement and time spent in the App, including Rich Push Notifications and Related Content. Rich Push Notifications allow Customers to effectively capture users' attention by including photos and video content in the push notification itself. Rich Push Notifications are showing a 76% increase in open rates compared to basic push notifications.

Once in the App, the Related Content feature makes it easy for users to find content by suggesting new pieces of content that may be the next in series, playlist or events that may be of interest. Customers can now encourage App users to engage more deeply with their content, message and mission. Pushpay has seen a 61% decrease in App sessions under 60 seconds for Customers using Related Content.

Marcus Briggs, Executive Pastor at Riverpark Church said, "The church app is one of the main technology tools we leverage to connect with and nurture our community, especially outside of Sunday. We love the related content feature, it surfaces meaningful content and helps our app users to dig deeper into our church community."

Summer product release

Pushpay's August 2019 product release included a number of enhancements to existing features focused on making giving information easier to access for donors. Pushpay now allows donors to access their own giving statements within our donor portal. Donors can also view their progress towards pledges and giving campaigns. We also released a new live polling feature called Attitude Polls, which allows Customers to measure the sentiment of a group of people via a live poll within the App.

Donor Development

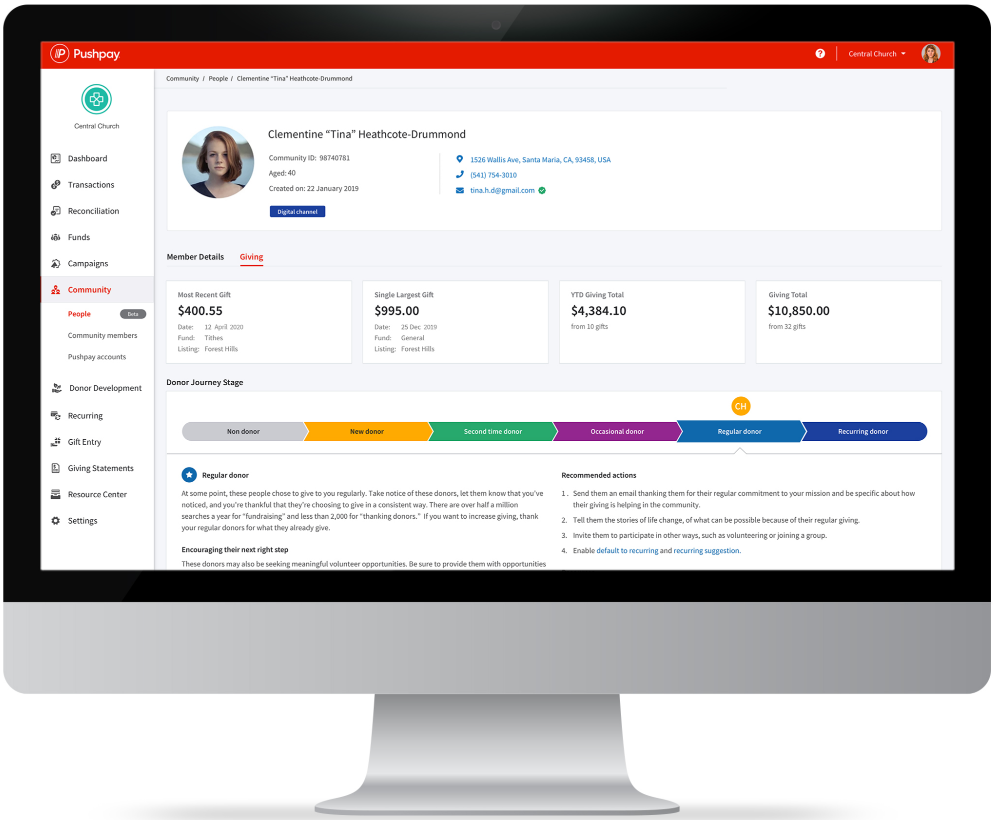
In November 2019, Pushpay launched its Donor Development solution, which helps Customers identify different groups of donors within their communities in order to connect with them in meaningful ways. Previously Customers had data about the people within their communities, however they often missed the opportunity to make meaningful connections.

Donor Development includes a range of features including the Donor Dashboard, which provides a high-level view of key donor metrics that identify different donor groups, donor journey insights and progress, and donor tags. This feature also provides church leaders access to recommended actions to take effective next steps for better engagement with donors with examples and templates.

The Community feature within Pushpay's Donor Development solution enables Customers to immediately visualise different groups of donors in their community, view giving trends and gain valuable insights about donor behaviour. Church leaders can easily identify new, regular and recurring donors as well as community members, who may need outreach and pastoral care.

Donor Development also leverages Pushpay University, which launched in May 2019, to deliver Customers rich educational content about best practices for engaging with their donors. Donor Development is available to Customers on the Advanced and Complete package and since the launch, over 60% of eligible Customers have started using Donor Development.

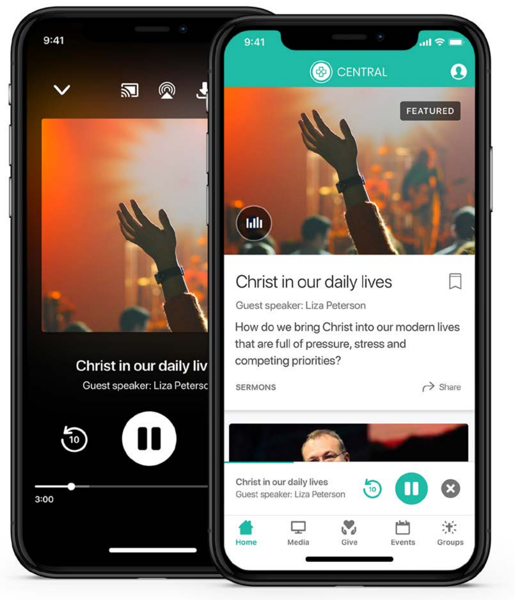
Jennifer Ford, Executive Director of Ministry Services at Hosanna Church said, "At Hosanna, we have a vision to grow with love, generosity and unity. Having access to data and insights about our congregation enables us to understand where people are on their journey and surfaces opportunities to connect with people in our community who might need it most."



Bookmarks

In January 2020, Pushpay introduced a Bookmarks feature within the App. Bookmarks makes it possible for congregants to save relevant and interesting content that they would like to return to later. This functionality deepens the rich feature set that is available when a congregant first sets up their profile and supports the personalised experience churches seek to create within the App.

App Audio Player



Pushpay released an App Audio Player in January 2020. Listening to sermons and podcasts is one of the top three activities people do within their church app. Pushpay's App Audio Player improves the media experience for App users by providing streamlined access to audio and podcast content, making it easier to stay connected and engaged with their church. In addition, community members have more flexibility with new speed controls, Airplay support and the ability to listen to content from anywhere with download and offline play functionality.

Financial Dashboard

Building on the Donor Development functionality, Pushpay released the Financial Dashboard in February 2020. Pushpay continues to focus on providing Customers with increased metrics, insights and recommended actions to help church staff connect with their community in more meaningful ways, while fulfilling the mission and vision of their organisation.

Insights from the Financial Dashboard enable Customers to streamline reporting and have more control of their data, which in turn enables them to better communicate the financial health of their organisation. Following the busy months of December and January, which are heavily focused on processing end-of-year gifts and delivering year-end giving statements, the tools and reporting within the Financial Dashboard reduce manual work and save time for church finance teams.

The Financial Dashboard demonstrates Pushpay's continued commitment to further innovate our industry-leading platform. The Financial Dashboard surfaces data and insights about the financial health of an organisation and empowers churches to visualise and understand trends within their community in a more holistic and streamlined view.

Pushpay Customer, Michelle Hsu, Finance Controller at Churchome said, "Being able to see and compare data with a few clicks of a button is amazing and definitely a time saver for us. I love having the ability to drill down into the 'why' behind the numbers. Having quick accessibility to the data we need has been empowering for my team."

Giving Insights

Pushpay released new features to the Donor Development dashboard in February 2020, including Giving Insights. Giving Insights provide Customers increased control over custom date ranges, the ability to quickly see behavioural changes of a donor's giving pattern and new mobile access that allows them to view data and insights about their community on the go. Pushpay continues to focus on supporting Customers by providing the right information to support deeper and stronger engagement with their community.

Donor Pledge Entry

Pushpay released Donor Pledge Entry in February 2020. Campaigns are an important way that Customers collect donations for a particular initiative or cause. Pushpay continues to enhance its campaign and pledging functionality. The release of Donor Pledge Entry provides a streamlined experience to help Customers process individual pledges across their organisation. Donors can pledge online, saving the Customer time and resources by not having to manually enter pledges on behalf of their entire congregation.

Pushpay
Central Church
Last refreshed at 03:00 this morning
All Listings (4)
Finance / Overview /
Finance Overview
Segment by
Source
Last week
20 Apr 2020 - 26 Apr 2020
Central Church
Dashboard
Transactions
Reconciliation
Funds
Campaigns
Community
Donor development
Finance
Beta
Overview
Recurring
Gift Entry
Giving Statements
Transaction Summary
Total
$15,546.01
Average
$250.74
Transactions
62
Total $
Mon
Tue
Wed
Thu
Fri
Sat
Sun
Scheduled Payment
Virtual Terminal
Web Giving
Batch Entry

Integrations

Pushpay significantly enhanced existing integrations and launched new integrations with several mission trip management software providers over the year ended 31 March 2020, including Focus Missions, ManagedMissions and ServiceReef. ServiceReef is a popular mission trip management platform for short and long term mission trips. Launched in February 2020, the integration with ServiceReef allows Customers to process their mission payments through Pushpay and consolidate and view all of their payments in one platform.

Pushpay continues to invest in integrations to help support churches to use the tools that are right for them. In November 2019, export capability with ParishSoft was launched to support Pushpay's Catholic Customers. In addition, Pushpay added non-cash transactions and organisational giving support to a number of existing integrations. Pushpay and Church Community Builder's integration was also enhanced with batch support, making reconciliation easier for financial administrators.

These integrations further the Company's efforts to provide the broadest range of partners and capabilities to our Customers. The additional integrations bring Pushpay's total number of API integrations and supported file exports to 26, which is more than any other giving company in the US faith sector. Pushpay's high number of integrations is reflective of our ongoing commitment to partner with other platforms to better serve our Customers.

COVID-19 Campaign: 'Stay Connected When it's Critical'

In March 2020, Pushpay launched a COVID-19 response campaign to help churches stay connected with their congregation while navigating an unprecedented time amidst the worldwide pandemic. In a matter of days, Pushpay delivered a multi-channel campaign for Customers and prospects to help them shift to a digital strategy and continue their ministry when in-person services were not possible.

As industry thought leaders, Pushpay launched more than 10 blog posts, created a digital strategy checklist, conducted three Facebook Lives, did three Instagram Lives, sent emails to more than 1.1 million contacts and secured several mentions in US media and industry publications including Christianity Today, Episcopal New Service, Forbes and The Christian Post. Notably, the Church Leaders Guide to Coronavirus became the most viewed blog post in the Company's history.

In addition, Pushpay provided critical resources to help Customers better understand the CARES Act, the biggest economic relief package in US history, and how to receive financial assistance quickly. In collaboration with Vanderbloemen, one of Pushpay's strategic partners, the Company created a CARES Act Checklist as a tool for church leaders.

In an unknown time of change, Pushpay provided support and connection for customers seeking strategies and tangible examples for how to leverage technology to reach their congregation. Whether via the Pushpay App, maximising online giving or accessing resources, churches continue to look to Pushpay for guidance on how to navigate this new reality.

As part of the COVID-19 campaign, Pushpay formalised a partnership with Stream Monkey in March 2020 to bring discounted livestreaming software to Customers. Stream Monkey is a best-in-class livestreaming and video hosting platform that is trusted by many of Pushpay's strategic Customers.

Pushpay University

In May 2019, Pushpay launched its on-demand learning environment, Pushpay University (www.pushpayuniversity.com). Pushpay University is an exclusive website for Customers to learn from leading experts in leadership, communication and technology, while also deepening their Pushpay product knowledge. Course instructors include:

- Cheryl Bachelder - former CEO of Popeyes
- Erwin McManus - best-selling author, Lead Pastor of Mosaic Church, Los Angeles, CA
- Nona Jones - Facebook Faith-based Partnerships Leader
- Patrick Lencioni - best-selling author, Founder and President of The Table Group
- Scott Harrison - Founder and CEO of charity:water

Pushpay University now serves over 1,600 users with 33 video courses designed to deepen industry and product expertise. Thus far, these students have enrolled in over 2,000 courses and have spent over 1,250 hours in the digital classroom. New courses are added to Pushpay University every month, offering students new opportunities to learn and grow, while further establishing Pushpay as a thought leader in the US faith sector.

Website enhancements

Over the last year, the Company made significant enhancements to its website's homepage, www.pushpay.com, to better reflect Pushpay's solutions and commitment to serving Customers in the faith sector. The new homepage welcomes visitors with new imagery, easy-to-navigate product descriptions and access to Pushpay's customer success representatives.

Since the launch of the new homepage in July 2019, total visits to Pushpay's enhanced homepage have increased by over 400%. In addition, a new testimonials page, www.pushpay.com/testimonials/, houses Customer stories, which further demonstrate the impact that is enabled by Pushpay's solutions.

Further updates were made to Pushpay's homepage in March 2020 to support our 'Staying Connected When it's Critical' campaign, launched in response to COVID-19. Website traffic increased by 63% year-on-year when this campaign was launched in March 2020.

In addition, four new web pages were designed and built to support Pushpay's online digital conference 'Church Disrupt,' including an event registration page, registrant information page, login information page and a streaming page where the event will be streamed on Wednesday, 14 May (NZT).

Pushpay Cares

Pushpay launched its employee-led Pushpay Cares program in August 2019. Pushpay Cares enables staff to give back to the wider community in meaningful ways through a variety of events arranged in partnership with key Customers and philanthropic organisations.

The Company's first Pushpay Cares event was held in Seattle, Washington, US. Pushpay employees partnered with our Customer, Churchome, to deliver materials, food and services to many of Seattle's transient and homeless residents. This event was followed by multiple clothing and food drives, Christmas gift donations to the Seattle Children's Hospital, and making and serving food at a Seattle-area homeless shelter.

With Pushpay Cares, Pushpay has taken an additional step to support individuals in need and make a difference in our local communities, an opportunity which is both humbling and rewarding for our teams.

Churchome: Serve Your City
Seattle, Washington, US

05

Enabling **social good**

Medical Debt Relief, Crossroads Church
Cincinnati, Ohio, US

Medical Debt Relief Crossroads Church

Cincinnati, Ohio, US

Crossroads Church has been a beacon of hope in their region, delivering a message of expectancy around spiritual growth and development, while also looking for opportunities to assist those in need. In November 2019, Senior Pastor Brian Tome delivered a sermon entitled "The Marks of Multiplication", highlighting the burden of medical debt. He issued a call to action, asking those listening to participate in efforts to free others from medical debt.

Within a week and a half, members of the Crossroads community donated enough funds to repay over US$46.5 million in medical debt nationwide. Of this generous amount, US$42 million of these funds benefited families in their home state of Ohio. The majority of these donations were received on the same weekend of the sermon via Pushpay's online platform. The reach and ability to easily collect an offering of this magnitude was possible through the efficient use of our digital platform.

Not only did the givers in Ohio impact their local communities, the donations were also tracked back to the original zip code allowing donors in other areas to be confident that funds were released to people in need near them. Specifically in Ohio, over 41,200 households were recipients of this relief, including 103 zip codes. Additionally, over 2,900 households were beneficiaries of this relief in Kentucky, over 500 households in Tennessee and over 10 households in Indiana.

Crossroads Church continued their story of hope as a tangible symbol of compassion to those in need during the COVID-19 disruptions. Crossroads gave a generous gift of US$230,000 to their local YMCA, launched a food drive that collected approximately 10,000 pounds of non-perishable items and hosted a collection drive to secure items for local seniors who were unable to shop for themselves due to COVID-19 quarantine restrictions.

Feed New Mexico Kids, Calvary Church
Albuquerque, New Mexico, US

Feed New Mexico Kids

Calvary Church

Albuquerque, New Mexico, US

In the US, one in six children experiences food insecurity, meaning they do not know where their next meal is coming from. In the state of New Mexico, that number is one in four and New Mexico is ranked number one in childhood hunger in the US. New Mexico is also 48th in childhood well-being, 48th in childhood health and 50th in education. In 2019 alone, Albuquerque Public Schools reported that there were 3,750 children classified as homeless. Though schools provide breakfast and lunch during the week, these children return to food-insecure homes on the weekends and during school breaks, where they do not receive adequate food.

It was from these alarming statistics and God moving the heart of one Calvary Church attendee that Feed New Mexico Kids was born in 2017. Since that time, Feed New Mexico Kids, in partnership with Calvary Church, has collected and distributed more than 76 tons of food each week, through weekend snack packs that contain nutritious non-perishable food items.

One student that Feed New Mexico Kids helped is a first-grader who said he was tired of being hungry and living on the streets and had lost all hope. His teacher said, “I can’t tell you how much it helps to ease some of his pain by giving him a snack bag every day, making sure he has food and helping to meet his basic needs. That was over a month ago and he’s a different child now. He talks about growing up and joining the military.”

In 2018, Calvary Church and Feed New Mexico Kids partnered for a food drive to provide a pre-cooked Thanksgiving meal to over 2,000 food-insecure children and their families. In 2019, the food drive received even more support and the number of meals increased to over 3,100 meals.

Calvary Church’s partnership with Pushpay allows them to reach even more people, inviting them to be part of the Feed New Mexico Kids program so that together they can end childhood hunger in New Mexico.

Food Ministry, The Way World Outreach
San Bernardino, California, US

Food Ministry
The Way World Outreach
San Bernardino, California, US

The Way World Outreach is a thriving multi-campus church in San Bernardino, California. When the church began in 2004, its founders implemented a simple strategy to help people meet their practical needs. Over the years, The Way World Outreach has focused on developing strong community leaders to help facilitate positive transformation within their city. Today, the church has grown to a congregation of thousands and provides volunteer opportunities in over 100 different ministries.

One of the most significant initiatives to be launched from this church is a food distribution program that operates from their Arrowhead campus. This successful program focuses on serving the elderly and underprivileged within the local community. In recent times, meal distribution has expanded to operate seven days a week - providing meals, groceries and “Grab and Go” style lunches. Every week, this outreach provides 5,500 hot meals and is impacting over 1,000 individuals. The Way World Outreach calculates that year-over-year they have provided 1 million food parcels.

The church began its partnership with Pushpay in March 2018. The Way World Outreach has proven to be a leader in leveraging digital communication platforms. Since launching their Pushpay custom App in the summer of 2018, the church has accumulated almost 13,000 total downloads and is currently averaging around 3,000 weekly users. The Way World Outreach is providing a simple and mobile-friendly entry point for thousands of individuals to participate in positive community transformation.

06

People we are **proud of**

Braylon Oliver - Account Manager, Redmond, Washington, US

Braylon Oliver

Account Manager
Redmond, Washington, US

"One of the reasons I enjoy working at Pushpay is because I see ample opportunity to grow personally and professionally. It is important to me that Pushpay actually cares about me and my future. My department is critical to the success of the company as we are the front line, working with over 10,000 churches that we serve. Customer success provides the opportunity to show each customer who we truly are and that we have a heart for the church. The exciting part about my role is helping people maximize the benefits of Pushpay to create a meaningful impact on their church and community. Our success at Pushpay is driven by our constant push to innovate and our extreme care for the market we serve."

"From the first day Braylon joined the Pushpay team, he has passionately embodied the core characteristics that we search for when we dream about a "culture builder". His conviction around serving both customers and teammates with excellence is something that has impacted hundreds of people. In his time with us, he has selflessly carved out space to drive the progress of major initiatives around workplace diversity and customer advocacy, both of which fall outside of his core job responsibilities. He is a shining example of what it looks like to take ownership of playing his part in creating the daily culture that we all love participating in so much."

Kyle Rutenbar - Director of Account Management

"Braylon's attitude is infectious. He is a constant encouragement for not just our team but for the company as a whole. He consistently has a mindset towards positivity and inclusivity. He drives our team to not just care about our customers, but about each other as well. He compassionately seeks to serve his coworkers in whatever capacity he can, whether that's a friendly ear, an encouraging word or an extra taco for lunch. His desire to cultivate community is something we all should aspire to emulate."

Mara Curley - Account Manager


Erica Tanner - Retention and Renewals Manager, Colorado Springs, Colorado, US

Erica Tanner

Retention and Renewals Manager
Colorado Springs, Colorado, US

“I am thrilled by the opportunity I have each day to re-invigorate our customers’ excitement for our company. Being able to help uncover new features and services a customer can utilise is exciting to me. I’ve seen our world-class software work first-hand in the church environment and I love being able to show churches how they can partner successfully with Church Community Builder. We hire the best people on the planet and nothing we do is scripted. Our customers get to engage with real people who not only care about them, but have likely walked in similar ministry shoes. Working at Church Community Builder has allowed me to gain self-confidence, a sense of value and many dear friends - I was recently married and nearly half of my wedding guests were Church Community Builder family.”

“Everyone who interacts with Erica, remembers Erica! She is a leading example of customer care, delivering solutions in a timely manner and never letting anything fall through the cracks. Erica leverages the contract renewal process to ensure our church partners are taking full advantage of the software by utilising all of its features. Customers’ success is top priority for Erica, in every conversation and decision. She also gives freely of her time and talents to ensure her fellow associates can do their best work each day.”

Heather Sharp - Senior Director of Implementation

“Erica epitomises the excellence and quality we have within the Church Community Builder team, embodying a steady leadership-style strength and grace, along with undeniable dedication and passion for her role and the church partners she works with daily. She is also quick to offer encouragement and teachable opportunities to further empower the Customer Success team as a whole. I consider her a vivid example of our cultural values and an absolute joy to work with.”

Rebecca Baughn - Customer Support Associate

Chynna Neal - Graphic Designer, Colorado Springs, Colorado, US

Chynna Neal

Graphic Designer
Colorado Springs, Colorado, US

“One of the reasons I enjoy working at Church Community Builder is that I am fulfilled in what I do. I am passionate about my work and look forward to my future at the company. I love everyone’s commitment to a great work environment and culture. I have never experienced a professional environment that is so productive, helpful, fun and inspiring - I truly love coming to work every day. I believe our commitment to putting our church partners first is what has made our company successful, understanding customers’ needs and meeting them one solution at a time. One of the reasons I wanted to work at Church Community Builder was due to the fact that I have always had a passion for ministry and the local church. I wanted to work at a company where I would be able to marry my creative skills and use them to further the efforts of the body of Christ.”

“Chynna came to us having used Church Community Builder software and observed our marketing as a customer. She marries that real-world experience with a keen talent for understanding the strategy that lies beneath the graphics she designs. Chynna starts her creative process with concepts and words and only after those are refined does she start to visualise those ideas. Chynna is an asset to her team, the company and our church partners.”

Jeff Otero - Senior Director of Business Insights

“Chynna always works hard to create the best outcome in the work that she does. Chynna has an authentic passion and drive to get better at everything she does. I thoroughly enjoy working alongside her and appreciate her shining attitude that brings an undeniable energy to our team.”

Megan Strong - Product Designer

Industry recognition

Pushpay's many accolades reflect the quality of our people, product and processes. Our success is testament to the Pushpay team's dedication and commitment to excellence and we are extremely proud of our award-winning team. Recognition over the financial year includes the following:

- Pushpay was recognised as the '2019 PwC Hi-Tech Company of the Year' at the NZ Hi-Tech Awards. This is the second time Pushpay has received this award, having previously been recognised as the 2017 'PwC Hi-Tech Company of the Year'. Previous winners of the PwC Hi-Tech Company of the Year include Datacom, Fisher & Paykel Healthcare and Xero;
- Pushpay received two awards at the 2019 Best in Biz International Awards, including gold in the 'Technology Department of the Year' category;
- Pushpay was recognised with three awards at the 2019 American Business Awards, including two silver awards in the 'Most Innovative Tech Company of the Year - Up to 2,500 Employees' and 'Company of the Year - Computer Software - Large categories';
- Pushpay was recognised by the Seattle Business Magazine, ranking eighth on the 2019 Seattle Business Magazine '100 Best Companies to Work For' list in the large company category;
- Pushpay was recognised by the Technology Investment Network (TIN), placing fifth on the 'EY 10 Companies to Watch 2019' list and 17th on the '2019 TIN 200' list in the TIN Report;
- Pushpay placed 41st on the 2019 Deloitte Fast 50 Index;
- Pushpay was recognised by TalentDesk, placing in the top 10 for three 2019 categories, including the 'Best Companies for Operations Jobs', 'Best Companies for Executive Director Jobs' and 'Best Companies for Business Operations Specialist Jobs' in the Redmond, Washington area;
- Pushpay was recognised in three categories in Built In's 2020 list of the Best Places to Work in Seattle, including the 'Company with the Best Benefits', 'Best Mid-Sized Company' and 'Best Workplaces' categories; and
- Pushpay was recognised with four awards in the 2020 Stevie awards, including silver for the 'Business Development Achievement of the Year - Technology Industries category'.

Board of Directors

Graham Shaw, Justine Smyth, Lovina McMurchy, Peter Huljich
Bruce Gordon, Chris Fowler and Christopher Huljich

Graham Shaw, Independent Chairman

Graham Shaw was appointed as an Independent Director of Pushpay on 22 January 2015 and on 8 May 2019 was appointed Independent Chairman of the Board.

Graham is a chartered accountant with over 35 years' experience in business. He sits on a number of corporate and non-profit boards, and has extensive SaaS governance experience including board representation at Xero for eight years and more recently at Gentrack.

He spent 10 years with KPMG working primarily as an advisor to businesses. He then joined Works Infrastructure where he held a number of finance roles before being appointed Chief Executive Officer, leading the company to substantial growth and successful expansion into Australia. Graham has also been Chief Executive Officer of Kensington Swan, one of New Zealand's national law firms.

Graham has a BCom from the University of Canterbury, is a Fellow of Chartered Accountants Australia and New Zealand, a Chartered Member of the Institute of Directors in New Zealand, a member of the Institute of Managers and Leaders and a Companion of Engineering New Zealand. Graham lives with his family in Wellington.

Justine Smyth, Independent Director

Justine Smyth was appointed as an Independent Director of Pushpay on 26 August 2019.

Justine has extensive listed-company governance experience and is currently the Chair of Spark New Zealand, a Director of Auckland International Airport and Chair of The Breast Cancer Foundation New Zealand. Justine's business experience includes financial performance, mergers and acquisitions and taxation of large enterprises as the Group Finance Director at Lion Nathan and a Partner at Deloitte.

Justine also has extensive experience running businesses, having owned and successfully operated two medium-sized businesses over a period of 11 years. She is a Fellow of Chartered Accountants Australia and New Zealand, and a Chartered Fellow of the Institute of Directors. Justine lives with her family in Auckland.

Lovina McMurchy, Independent Director

Lovina McMurchy was appointed as an Independent Director of Pushpay on 30 March 2020.

Lovina has spent 20 years as a global technology executive with experience ranging across product development, go-to-market execution and P&L management. At Amazon she built and grew several large new subscription businesses before moving on to Alexa Shopping where she was General Manager for customer engagement and growth. Lovina held several senior leadership roles at Microsoft, including being Chief Marketing Officer for Latin America and leading sales strategy and operations for the small to mid-market sales organisation in the US.

Lovina is a Venture Partner for Movac, a locally based New Zealand venture capital fund. She is also a member of the Institute of Directors and serves on several private company boards in the technology space. Lovina has a Masters in Statistics from the University of Auckland and an MBA from Harvard Business School. She is also a member of the Artificial Intelligence (AI) Forum of New Zealand. Lovina lives with her family in Auckland.

Peter Huljich, Non-executive Director

Peter was appointed as a Non-executive Director of Pushpay with effect on 8 May 2019. Peter was previously the Alternate Director of Pushpay for Christopher Huljich.

Peter is an investment professional with over 18 years' experience. He is a Partner at the Huljich family's investment firm, Christopher and Banks. Peter actively manages the firm's interests, which include property, listed equities and unlisted equities, primarily in Australasia and the Americas, with a focus on enduring technology companies with global reach.

Peter co-founded Huljich Wealth Management in 2007, which managed the largest KiwiSaver Scheme (in terms of members) with a 100% New Zealand owned manager. He served in a number of roles including Chief Executive Officer and Chief Investment Officer, prior to the KiwiSaver business being acquired by Fisher Funds Management in 2011. Peter has experience serving on a number of listed and unlisted boards including Mike Pero Mortgages, Sugar International and Diligent Board Member Services.

Peter holds a BCom from the University of Auckland, a DipNZX from Kaplan and a DipInvRel from the Australasian Investor Relations Association. He is also a Member of the Institute of Directors in New Zealand and is a Fellow of FINSIA. Peter lives with his family in Auckland.

Bruce Gordon, Chief Executive Officer and Executive Director

Bruce Gordon was appointed as the Independent Chairman of Pushpay on 20 February 2014 and on 8 May 2019 assumed the role of CEO and Executive Director, effective 1 June 2019.

Bruce has over 30 years' experience in business holding senior positions with both SMEs and corporate organisations across Asia Pacific, the UK and the US. He has held various positions in other New Zealand technology companies, including Data Insight.

A pioneer of many of the electronic banking services that consumers now enjoy, Bruce was Chairman of Paymark, Chief Manager Electronic Banking and Payments at Bank of New Zealand and has held senior roles at Eco-Products Group, Retail Financial Services (trading as Farmers Credit), National Australia Bank, ASB Bank and The Warehouse Group. He has extensive board experience, including with Vector Energy Solutions, The Warehouse Financial Services, The Merino Company of New Zealand and Bendon Group.

Bruce is currently a finalist in the 2020 New Zealand Hi-Tech Awards for the 'IBM Hi-Tech Inspiring Individual of the Year' award. Bruce is a Fellow of FINSIA and holds an MBA and a PGDipBus (Information Systems) both from the University of Auckland. Bruce is based in Seattle.

Christopher (Chris) Fowler, Visionary and Executive Director

Chris Fowler was appointed as Visionary and Executive Director of Pushpay on 13 December 2019.

Chris started working on what became Church Community Builder for his local church in 1999, recognising a need for an internet-based solution to help people and their church connect with each other and to make sure people were not falling through the cracks, when their desire was to find connection and community. As an entrepreneur with a passion for the local church, Chris imagined something beyond the outdated back office tools of the time, which ultimately resulted in the church management system that Church Community Builder now provides the church.

As the child of a worship pastor and grandchild of a senior pastor, Chris has been involved in the church his entire life, including serving on the elder board of two churches including the mega-church he currently attends, New Life Church, in Colorado Springs, Colorado, US (a Customer of both Pushpay and Church Community Builder).

Chris previously served as the CEO of Church Community Builder. Chris also played a key role in the formation of Outreach, Inc (https://www.outreach.com) and prior to that led and grew the Audio Books division of Ingram Entertainment.

Chris brings key industry knowledge and 26 years of business experience to the Pushpay Board of Directors. Chris holds a Bachelor of Business Administration (BBA) from Belmont University. Chris lives with his family in Colorado Springs.

Christopher Huljich, Alternate Director to Peter Huljich

Christopher Huljich was appointed as a Non-executive Director of Pushpay on 1 February 2014 and on 8 May 2019 was appointed as the Alternate Director for Peter Huljich.

Christopher was a Co-founder of Best Corporation, which floated on the NZX in 1991 and was subject to a takeover by the Danone Group in 1995.

He has over 40 years' experience in both commercial and residential property in New Zealand and Australia including large scale commercial, industrial and residential developments and has business interests in many listed and unlisted companies in New Zealand and Australia.

Christopher is the Managing Partner of Christopher & Banks and has invested in many SaaS-based companies, including the sole pre-IPO funding of Diligent Board Member Services. He is also a Co-founder of the Huljich Foundation, which aims to provide memorable experiences for children suffering from life threatening disease.

Christopher brings immense business knowledge across many industries as well as good strategic appreciation and vision. Christopher holds a BCom from the University of Auckland. Christopher lives with his family in Auckland.

Executive Leadership Team

Bruce Gordon, Shane Sampson, Steve Basden, Don Harms,
Aaron Senneff, Molly Matthews, Kevin Kuck and Audrey Cheng

Bruce Gordon, Chief Executive Officer, is a member of our senior leadership team and he is also an Executive Director. Please find his biography under 'Board of Directors' on page 41.

Shane Sampson, Chief Financial Officer

Shane has over 25 years' experience in finance, commercial and leadership roles, most notably with NZX-listed Vector for around five years, of which two and a half he served as Acting CFO, at Spark in various positions including General Manager Finance and Commercial for Gen-i and most recently as CFO of then NZAX-listed Pulse Energy. In addition to his technical expertise Shane brings strong commercial acumen and a broad strategic outlook to Pushpay's senior management team. Shane has a BCA and LLB (Hons) from Victoria University of Wellington and is a member of Chartered Accountants Australia and New Zealand. Shane lives with his family in Auckland.

Steve Basden, Chief Growth Officer

Steve spent 16 years with United Parcel Service in a number of operations management and industrial engineering roles before transitioning into the nonprofit sector to work with Adventures In Missions (AIM). While at AIM he held Director of Operations and Director of Short Term Missions roles, during which he helped scale the organisation as it achieved annual growth rates in excess of 18% over 11 years. Steve holds a BBA from Dallas Baptist University and lives with his family in Seattle.

Don Harms, Chief Operating Officer

Don has over 20 years' experience driving business results. Don spent the first 12 years of his career with Pella Corporation in a number of roles, including Product Manager, Brand Manager, Plant Manufacturing Manager and General Manager. After Pella, Don moved with his family to Ghana, West Africa to start a social business focused on manufacturing and distributing low-cost transportation for the rural African market. Upon returning to the US from Africa, Don joined Church Community Builder. During his time with Church Community Builder, Don's roles included Head of Operations, Software General Manager, President and Chief Executive Officer. Don now serves as Pushpay's Group Chief Operating Officer. Don holds a BS from Iowa State University and an MBA from the University of Iowa. Don lives with his family in Colorado Springs.

Aaron Senneff, Chief Technology Officer

Aaron developed considerable experience in the delivery of software in his prior 20 year career with John Deere. He progressed through many levels of leadership, ultimately leading global teams in the US, Europe, South America and India through a hyper-growth period during a landmark digital transformation in agriculture. In 2018, Aaron joined Church Community Builder out of his desire to work at the intersection of technology and faith. He joined Pushpay's leadership team via the acquisition of Church Community Builder in 2019 and assumed the role of Chief Technology Officer. Aaron holds a Computer Engineering degree from Iowa State University and an MBA from the University of Iowa. Aaron lives with his family in Colorado Springs.

Molly Matthews, Chief Customer Officer

Molly has been with Pushpay for over three years and has been instrumental in helping to develop and maintain a smooth customer experience. She considers the Customer at the heart of every decision and is responsible for creating seamless touch points across the Customer journey. Prior to Pushpay, Molly was the director of K-12 Education for the Confederated Tribes of Grand Ronde in Oregon, US for seven years, where she was responsible for leading successful programs for Native American youth and families. Molly also owned her own change management consulting business for more than four years where she focused on helping businesses navigate change and accelerate growth.

Molly has volunteered with Young Life for more than twenty years and has led in many capacities, including as a board member, youth leader, event manager and more. She holds a BS from the University of Oregon in International Studies and Sociology. Molly lives with her family in Seattle.

Kevin Kuck, Senior VP of Operations

Kevin has over 15 years' experience leading sales and operations teams in the US and New Zealand. Prior to joining Pushpay, Kevin led sales operations for Catch Software, an award winning Auckland based technology company. Kevin is responsible for Pushpay's business systems infrastructure, business process design and organisational alignment, billing operations, sales operations, business intelligence and information technology. Kevin holds a BA from Bucknell University and lives in Seattle.

Audrey Cheng, VP of Product

Audrey has over 15 years of experience building software products and 10 years leading product management. Audrey joined Pushpay in January 2015 and leads the product management and design teams. She is responsible for guiding the product development direction and strategy, and strengthening the product management and design practices. Prior to joining Pushpay, Audrey led product development for award winning New Zealand technology start-up, Catch Software. In 2019, she was named Product Leader ANZ by Leading Women in Product for her work at Pushpay and in the product management community.

Audrey is one of the co-founders and executive sponsors of WLEAD, a Pushpay employee resource group focused on developing and empowering women in technology. Audrey holds an HBSc from the University of Toronto. Audrey lives with her family in Auckland.

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Management **commentary**

You should read the following commentary with the audited financial statements and the related notes in this report. Some parts of this commentary include information regarding the plans and strategy for the business, and include forward-looking statements that involve risks and uncertainties. Actual results and the timing of certain events may differ materially from future results expressed or implied by the forward-looking statements contained in the following commentary. All amounts are presented in United States Dollars (USD), except where indicated.

Non-Generally Accepted Accounting Principles (Non-GAAP) measures have been included, as we believe they provide useful information for readers to assist in understanding Pushpay's financial performance. Non-GAAP financial measures should not be viewed in isolation, nor considered as substitutes for measures reported in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

Business results

Year ended 31 March	*2020 US$000*	*2019 US$000*	*Change**
Operating revenue	127,467	95,907	33%
Other income	2,330	2,458	-5%
Total revenue	**129,797**	**98,365**	**32%**
Third party direct costs	(44,791)	(37,889)	18%
Percentage of operating revenue	*-35%*	*-40%*	*5pp*
Operating expenses	(65,736)	(62,524)	5%
Percentage of operating revenue	*-52%*	*-65%*	*13pp*
Net foreign exchange gains	2,403	632	280%
Net profit/(loss) before income tax	**21,673**	**(1,416)**	**1,631%**
Income tax benefit/(expense)	(5,672)	20,243	-128%
Net profit	**16,001**	**18,827**	**-15%**
Percentage of operating revenue	*13%*	*20%*	*-7pp*

* pp stands for percentage point

Total revenue increased by 32% to $129.8 million in the year driven by continued Customer growth, an increase in donor management system Average Revenue per Customer (ARPC) and the acquisition of Church Community Builder, effective 1 December 2019. Third party direct costs increased by 18%, however as a percentage of operating revenue improved by five percentage points to 35% as the Group realised benefits from its margin improvement programme. Operating expenses increased over the year due to the inclusion of Church Community Builder, with expenses and transaction costs associated with the acquisition more than offsetting other operating expense reductions. As a percentage of operating revenue, operating expenses improved by 13 percentage points to 52%. The one-time benefit arising from previously unrecognised tax losses and deferred research and development expenditure of $20.0 million in the year to 31 March 2019 is the key driver of the significant year-on-year difference in income tax expense, which contributed to the net profit of $16.0 million for the year.

Earnings before interest, tax, depreciation, amortisation and foreign currency (gains)/losses (EBITDAF)

EBITDAF (a non-GAAP financial measure) is calculated by adjusting interest, depreciation and amortisation, income taxes and net foreign currency gains/losses from net profit.

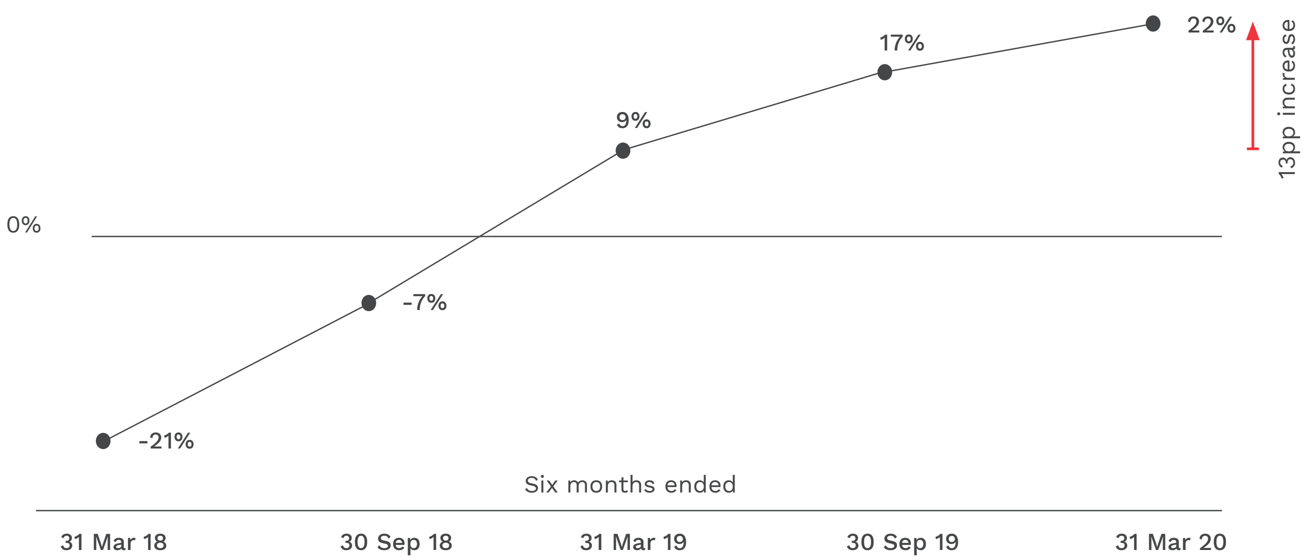
Year ended 31 March	*2020 US$000*	*2019 US$000*	*Change*
Net profit	16,001	18,827	-15%
Add back: interest income	(198)	(158)	25%
Add back: interest on lease liability	263	-	N/A
Add back: interest on borrowings	688	-	N/A
Add back: depreciation and amortisation	5,093	3,770	35%
Add back: income tax (benefit)/expense	5,672	(20,243)	-128%
Add back: net foreign exchange (gains)/losses	(2,403)	(632)	280%
EBITDAF	**25,116**	**1,564**	**1,506%**
Percentage of operating revenue	*20%*	*2%*	*18pp*

N/A Not applicable

EBITDAF improved by $23.5 million over the year from a $1.6 million profit to a $25.1 million profit. EBITDAF, as a percentage of operating revenue, improved by 18 percentage points from 2% to 20%. Operating leverage was largely driven by strong operating revenue growth, improved gross margins and disciplined cost management. Excluding the acquisition of the ownership interests in Church Community Builder and associated costs and impacts, EBITDAF improved by $26.2 million over the year from a $1.6 million profit to a $27.8 million profit, an increase of 1,677%.

The adoption of NZ IFRS 16 ‘Leases’ has resulted in lease costs being included within depreciation and interest expense from 1 April 2019. There has been no restatement for this in the management commentary. As a result, the EBITDAF in the year to 31 March 2019 is $1.2 million lower, on a comparable basis. Please refer to ‘Note 2(c): Changes in accounting policies and disclosures’ of the financial statements for further information on the impact of NZ IFRS 16 ‘Leases’.

EBITDAF as a percentage of operating revenue



Operating revenue

Subscription revenue consists of recurring fees based on the Customer product holding, which can vary depending on the size of the Customer (in the case of the faith sector, size is based on average weekly attendance). Customers are invoiced monthly or annually in advance. Revenue is recognised as the services are delivered to Customers over the term of the contract, commencing with the date the contract is signed by the Customer. Unearned revenue represents amounts billed to Customers in advance of the provision of services and is recognised in the statement of financial position as unearned revenue in current liabilities. Processing revenue consists of variable fee income generated from payment transaction volume (in the case of the faith sector, this is usually a percentage of total donations). Processing revenue is billed monthly in arrears. Other operating revenue consists of data integration, training and other implementation fees billed to the Customer. This revenue is recognised at the point of delivery.

Year ended 31 March	*2020 US$000*	*2019 US$000*	*Change*
Subscription revenue	35,307	26,656	32%
Processing revenue	91,985	69,251	33%
Other operating revenue	175	-	N/A
Total operating revenue	**127,467**	**95,907**	**33%**

As at 31 March	*2020*	*2019*	*Change*
Total Customers	10,896	7,649	42%
ARPC per month (US$)	1,317	1,315	0%

Total operating revenue increased by 33% over the year due to: continued Customer growth; a significant increase in donor management system ARPC of $299 per month from $1,315 per month to $1,614 per month, an increase of 23%; and the acquisition of Church Community Builder, effective 1 December 2019. There are a number of factors which contributed to the increase in donor management system ARPC, which include: increased subscription revenue from new and existing Customers; a larger proportion of medium and large Customers; further development of our product set resulting in higher processing revenue; and increased adoption of digital giving in the US faith sector.

Group ARPC, which includes Customers acquired as part of the Church Community Builder acquisition, remained unchanged at $1,317 per month, as increased donor management system ARPC was offset by the inclusion of church management system ARPC. The Group is continuing to invest in helping Customers better utilise our solutions, to help drive engagement and giving, which in turn leads to higher processing volumes. Over the year the proportion of medium and large Customers, as a proportion of total Customers, increased to 58.9%, up from 55.7% a year earlier.

Third party direct costs

Third party direct costs consist of volume related processing costs, platform hosting and other related costs payable to third parties. Processing costs include interchange fees, which are paid to third parties, such as Visa and MasterCard. Other costs include payments to third party distributors.

Year ended 31 March	*2020 US$000*	*2019 US$000*	*Change*
Processing costs	40,664	34,782	17%
Platform hosting costs	2,866	2,432	18%
Other third party direct costs	1,261	675	87%
Total third party direct costs	**44,791**	**37,889**	**18%**
Percentage of operating revenue	*35%*	*40%*	*-5pp*
Processing costs, as a percentage of processing revenue	44%	50%	-6pp
Platform hosting costs, as a percentage of operating revenue	2%	3%	-1pp

Total third party direct costs increased by 18% over the year primarily due to higher interchange fees associated with higher processing volumes, and thus revenues, as well as increased platform hosting costs. The Group continued to realise benefits from its margin improvement programme, with total third party direct costs, as a percentage of operating revenue, improved by five percentage points from 40% to 35%. This improvement was largely driven by processing costs which, as a percentage of processing revenue, improved by six percentage points from 50% to 44%. Platform hosting costs as a percentage of operating revenue improved one percentage point from 3% to 2%.

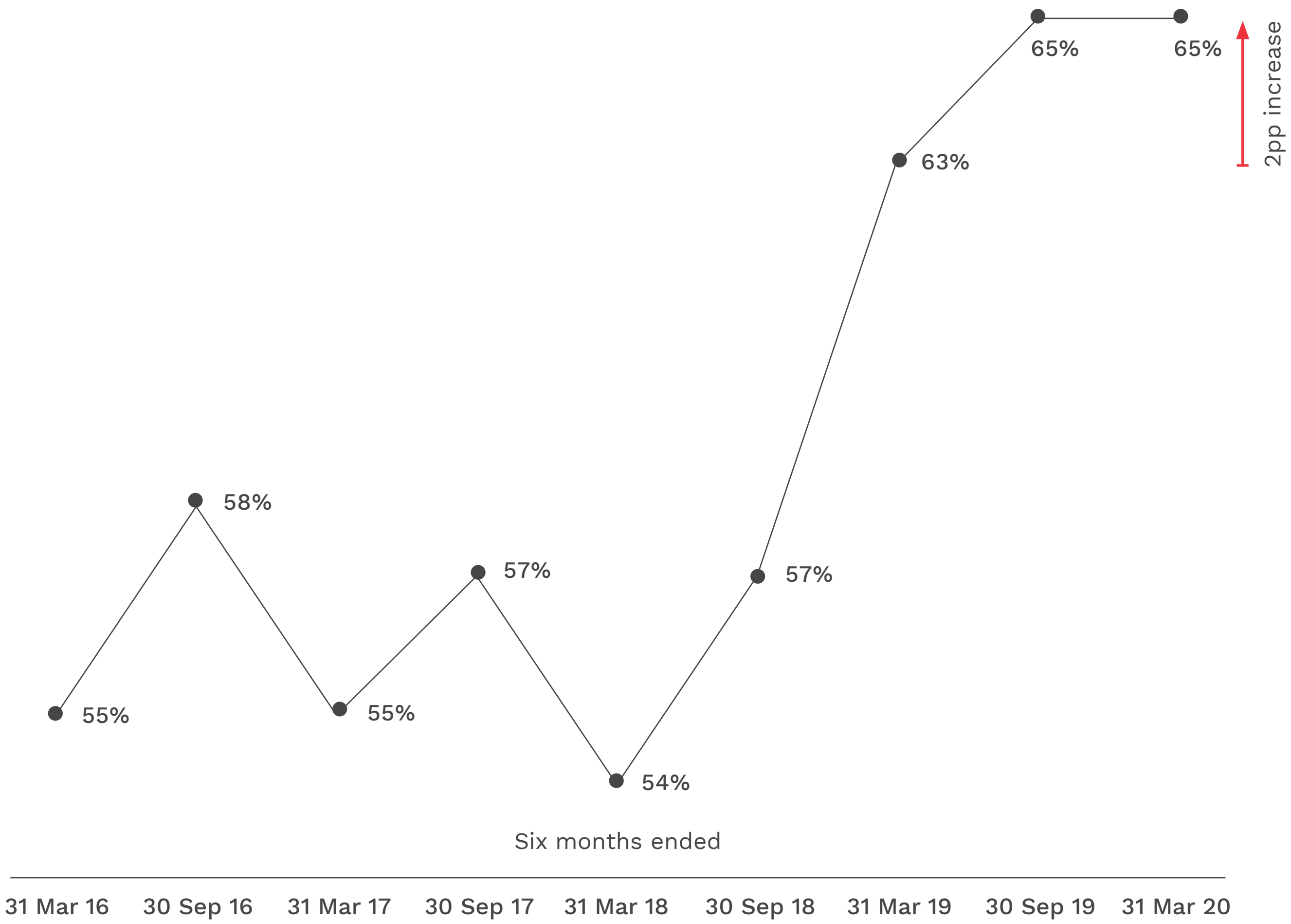
Gross profit

Gross profit (a non-GAAP financial measure) is calculated as operating revenue less third party direct costs.

Year ended 31 March	*2020 US$000*	*2019 US$000*	*Change*
Operating revenue	127,467	95,907	33%
Third party direct costs	(44,791)	(37,889)	18%
Gross profit	**82,676**	**58,018**	**43%**
Gross margin percentage	*65%*	*60%*	*5pp*

Gross profit, as a percentage of operating revenue, increased by five percentage points over the year from 60% to 65%, due to the success of the Group's margin improvement programme driving enhanced processing margins and the high gross margin of Church Community Builder. Gross margin in the six months to 31 March 2020 was 65%, up from 63% in the prior comparable period.

Gross margin percentage



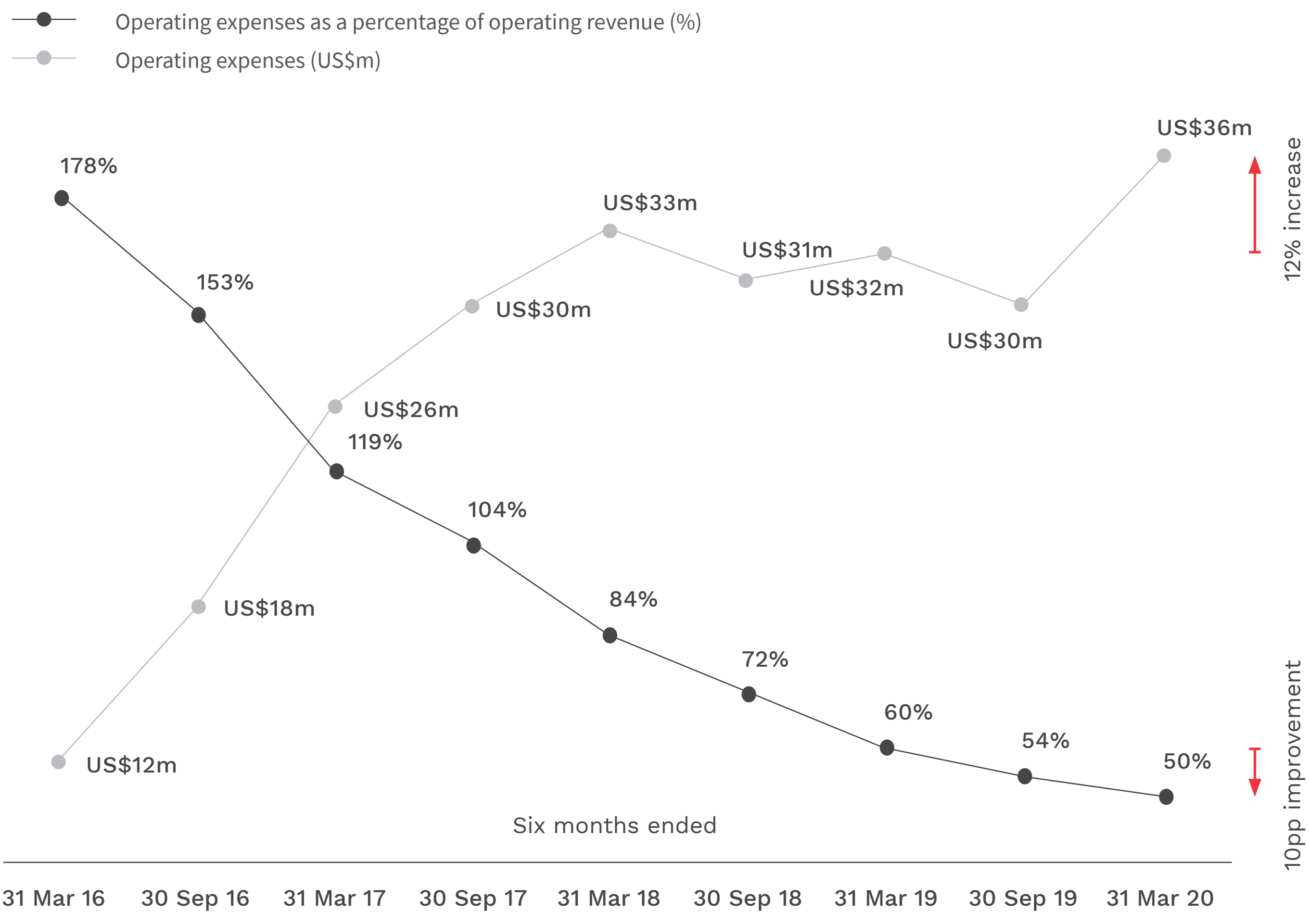
Operating expenses

Operating expenses comprise product design and development, sales and marketing, customer success and general and administration costs.

Year ended 31 March	*2020 US$000*	*2019 US$000*	*Change*
Product design and development	17,247	17,111	1%
Sales and marketing	27,036	28,591	-5%
Customer success	7,275	5,868	24%
General and administration	14,178	10,954	29%
Total operating expenses	**65,736**	**62,524**	**5%**
Percentage of operating revenue	*52%*	*65%*	*-13pp*

Operating expenses increased over the year due to the inclusion of operating expenses associated with the Church Community Builder business, increased investment in customer success, and transaction costs associated with the acquisition of Church Community Builder more than offsetting other operating expense reductions. The Group's investment in scalable tools and processes, along with disciplined cost management has contributed to increased operating leverage.

Operating expenses



Product design and development

Product design and development costs consist primarily of personnel and related expenses directly associated with product design and development employees. Under NZ IFRS, the portion of product design and development expenses that create a benefit in future years is capitalisable as an intangible asset and is then amortised to the income statement over the estimated life of the asset created. The amount amortised is included as a product design and development expense.

Year ended 31 March	*2020 US$000*	*2019 US$000*	*Change*
Product design and development costs	14,104	14,287	-1%
Amortisation of intangible assets	3,143	2,824	11%
Total product design and development expense	**17,247**	**17,111**	**1%**
Percentage of operating revenue	*14%*	*18%*	*-4pp*

Product design and development costs decreased by 1% over the year from $14.3 million to $14.1 million. Including amortisation of intangible assets of $3.1 million total product design and development expense for the year ended 31 March 2020 was $17.2 million, an increase of 1%. Total product design and development costs, as a percentage of operating revenue, improved by four percentage points from 18% to 14%.

The Group increased product design and development headcount by 28% from 104 to 133, due to increased headcount associated with the acquisition of Church Community Builder. This will allow a greater range of capabilities and resources to invest in product enhancement and developing the next range of solutions for Customers. Excluding the inclusion of expenses relating to Church Community Builder product design and development costs decreased, primarily reflecting the weaker New Zealand (NZ) Dollar. A significant proportion of product design and development costs are incurred in NZ dollars, and thus a weakening NZ dollar has a favourable impact when translated to US dollars for reporting purposes.

Increased amortisation costs were driven by intangibles relating to the Church Community Builder acquisition more than offsetting a reduction in other intangible amortisation as other intangibles were fully amortised. No product design and development costs were capitalised during the period.

Sales and marketing, and customer success

Sales and marketing expenses consist of personnel and related expenses directly associated with the sales and marketing employees, external advertising costs and marketing costs (including promotional events, corporate communications, brand building and product marketing activities such as online lead generation).

Customer success expenses consist primarily of personnel and related expenses directly associated with customer success employees. Customer success facilitates onboarding and ongoing support of Customers, ensuring they maximise the benefit from Pushpay's solutions. The portion of customer success costs relating to onboarding new Customers is treated as part of Customer Acquisition Cost (CAC).

Year ended 31 March	*2020 US$000*	*2019 US$000*	*Change*
Sales and marketing	27,036	28,591	-5%
Customer success	7,275	5,868	24%
Total sales and marketing, and customer success costs	**34,311**	**34,459**	**0%**
Percentage of operating revenue	*27%*	*36%*	*-9pp*
Months to recover CAC	*20*	*13*	*33%*
Annual Revenue Retention Rate	*>100%*	*>100%*	*NC*

Total sales and marketing, and customer success costs were largely unchanged at $34.3 million. Sales and marketing, and customer success costs, as a percentage of operating revenue, improved by nine percentage points from 36% to 27%. The Group continues to focus on acquiring medium and large Customers and has grown the account management team to also help Customers better utilise our solutions, to help drive engagement and giving, which in turn leads to higher processing volumes.

Sales and marketing costs reduced by 5% over the year from $28.6 million to $27.0 million, whilst headcount was relatively stable at 148. Customer success costs increased by 24% over the year from $5.9 million to $7.3 million, due to an increase in headcount from 73 to 95. Both increases were primarily driven by the inclusion of the Church Community Builder business.

General and administration

General and administration expenses consist of personnel and related expenses for executive, finance, human resources and administrative employees. It also includes legal, accounting and other professional services fees, stock exchange listing expenses and other corporate expenses.

Year ended 31 March	*2020 US$000*	*2019 US$000*	*Change*
General and administration	14,178	10,954	29%
Percentage of operating revenue	*11%*	*11%*	*0pp*

General and administration costs increased by 29% over the year from $11.0 million to $14.2 million, while remaining stable as a percentage of operating revenue. Headcount grew by 28% from 65 to 83.

The increase in general and administration expenses was primarily driven by transaction costs of $2.0 million and increased headcount from 65 to 83, both of which relate to the acquisition and inclusion of the Church Community Builder business.

Employees

As at 31 March	*2020*	*2019*	*Change*
Product design and development	133	104	28%
Sales and marketing	148	147	1%
Customer success	95	73	30%
General and administration	83	65	28%
Total Group	**459**	**389**	**18%**

Staff headcount increased by 18% over the year from 389 to 459, primarily driven by the acquisition of Church Community Builder, with 101 staff based in NZ and 358 based in the US.

Cash flows

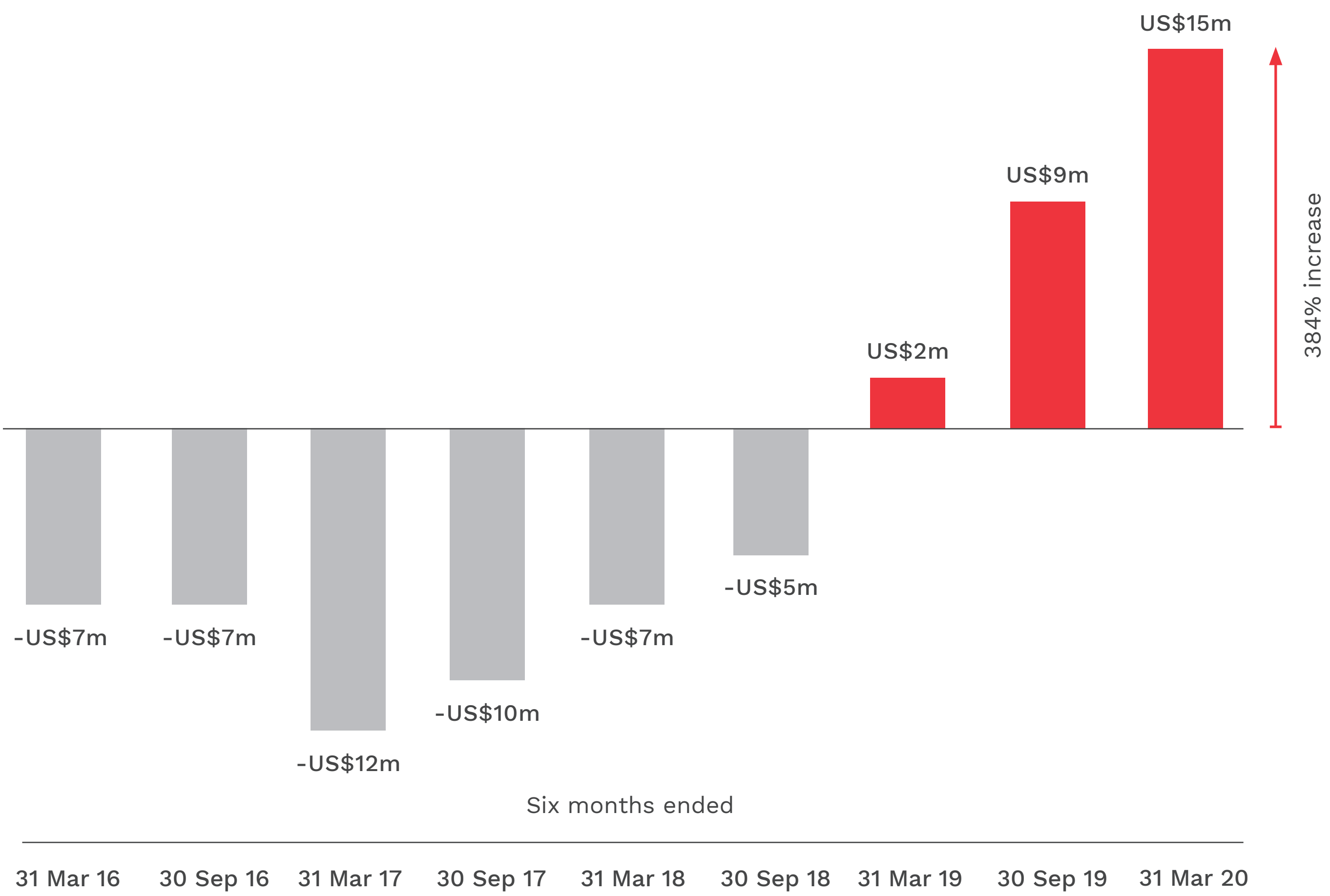
Year ended 31 March	*2020 US$000*	*2019 US$000*	*Change*
Receipts from Customers	86,060	58,192	48%
Other operating cash flows	(62,539)	(60,949)	3%
Total cash flows from operating activities	**23,521**	**(2,757)**	**953%**
Investing cash flows	(84,766)	(300)	Large
Total operating and investing cash flows	**(61,245)**	**(3,057)**	**1,903%**
Payment of lease liabilities	(1,290)	-	N/A
Other financing activities	56,257	-	N/A
Foreign currency translation adjustments	(445)	(903)	-51%
Net movement in cash and cash equivalents	**(6,723)**	**(3,960)**	**70%**

Receipts from Customers increased by 48% over the year from $58.2 million to $86.1 million. Receipts from Customers relating to processing revenue are shown net of the processing costs reflecting the physical cash inflow.

Revenue growth, improved gross margin and a small increase in operating expenses has led to $23.5 million in positive operating cash flows compared to total operating cash flows of -$2.8 million in the prior period.

Investing cash outflows of $84.8 million predominantly relate to the acquisition of Church Community Builder, whilst other financing activities reflect the net debt funding cash flows.

Total operating cash flows



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Independent **Auditor's Report**

To the Shareholders of Pushpay Holdings Limited

Opinion	We have audited the consolidated financial statements of Pushpay Holdings Limited (the 'Company') and its subsidiaries (the 'Group'), which comprise the consolidated statement of financial position as at 31 March 2020, and the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. In our opinion, the accompanying consolidated financial statements, on pages 56-86, present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2020, and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards ('NZ IFRS') and International Financial Reporting Standards ('IFRS').
Basis for opinion	We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. We are independent of the Group in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Other than in our capacity as auditor and the provision of other assurance services, we have no relationship with or interests in the Company or any of its subsidiaries, except that partners and employees of our firm may deal with the Company and its subsidiaries on normal terms within the ordinary course of trading activities of the business of the Company and its subsidiaries.
Audit materiality	We consider materiality primarily in terms of the magnitude of misstatement in the consolidated financial statements of the Group that in our judgement would make it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced (the 'quantitative' materiality). In addition, we also assess whether other matters that come to our attention during the audit would in our judgement change or influence the decisions of such a person (the 'qualitative' materiality). We use materiality both in planning the scope of our audit work and in evaluating the results of our work. Based on our professional judgement, we determined the quantitative materiality for our audit of the Group's consolidated financial statements as a whole to be US$1,000,000 (2019: US$1,000,000).

Key audit matters Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	*How our audit addressed the key audit matter*
Recognition of subscription revenue (Note 3, Note 12) Subscription revenue was US$35.3 million (2019: US$26.7 million) for the financial year. Unearned revenue at 31 March 2020 is US$14.3 million (2019: US$7.1 million). Subscription revenue is recognised in the accounting period(s) in which the services are rendered. This requires the Group to identify the individual services being provided, allocate the revenue across those services, and record the revenue in profit or loss in the period(s) in which the services are delivered to customers. We have included the recognition of subscription revenue as a key audit matter due to the significance of revenue to the performance of the Group and the level of judgement required in determining the periods over which the services are delivered.	We have evaluated the Group's systems, processes and controls to determine the amount and timing of subscription revenue recorded in the financial statements. For a sample of customer contracts, we: • Agreed client contract information in IT systems to approved client contracts; • Evaluated the Group's allocation of revenue to the various services provided under the contract and the determination of the timing of revenue recognition for each service; • Compared the period over which revenue is being recognised against the contractual terms; and • Reperformed the calculation for unearned revenue at balance date based on the contract price, payments made to date, and the period in which the services being delivered under the contract are provided as recorded in the IT systems.
Purchase price allocation following the acquisition of Church Community Builder (CCB) (Note 7, Note 22) As disclosed in note 22, Pushpay acquired 100% of the ownership interests in Church Community Builder (CCB) for US$87.5m in December 2019. The purchase price included identifiable tangible and intangible assets acquired and liabilities assumed. Management engaged a third party (management expert) to assist in a process to identify and determine the fair value of some of these assets and liabilities. Management have identified intangible assets of US$23.5m and goodwill totalling US$66.8m. The Group identified two Cash Generating Units (CGUs) that would benefit from the synergies from the acquisition for the purposes of goodwill allocation. However, the Group has determined that it was not possible to allocate the goodwill between the CGUs on a reasonable basis and therefore, goodwill has been allocated to the group of CGUs. The two CGUs combined equate to the Group's sole operating segment. We have included the purchase price allocation as a key audit matter because significant judgment and estimates are involved in identifying and determining the fair value of the assets and liabilities acquired and also the allocation of the goodwill.	In order to respond to the significant judgment involved in identifying and valuing the intangible assets acquired we: • Read the sales & purchase agreement to obtain an understanding of the transaction; • Met with Pushpay and CCB management to obtain an understanding of the business process undertaken to identify and value the assets acquired and liabilities assumed; • Considered whether the identification and recognition of the intangible assets was consistent with the requirements of NZ IFRS 3 'Business Combinations' and NZ IAS 36 'Impairment of Assets'; • Engaged our internal valuations specialist to challenge the intangible assets identified, the valuation methodology applied and the assumptions used in the intangible asset valuations; • Evaluated the Group's methods for determining the CGUs that will benefit from the acquisition and the basis for allocating goodwill across them against the requirements of NZ IAS 36 'Impairment of Assets' and our knowledge of the Group's processes for monitoring and reporting on their CGUs; and • Considered whether the required disclosures were made in the financial statements.

Other information

The directors are responsible on behalf of the Group for the other information. The other information comprises the information in the Annual Report that accompanies the financial statements and the audit report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and consider whether it is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the financial statements

The directors are responsible on behalf of the Group for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS, 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 on behalf of the Group for assessing the Group'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 Group 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 and ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the External Reporting Board's website at: https://xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1

This description forms part of our auditor's report.

Restriction on use

This report is made solely to the Company's shareholders, as a body. Our audit has been undertaken so that we might state to the Company's shareholders 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's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte Limited

Jason Stachurski, Partner
for Deloitte Limited
Auckland, New Zealand

6 May 2020

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Financial **statements**

Income Statement

		Year ended 31 March	
		2020	*2019*
	Notes	*US$000*	*US$000*
Revenue	3	**129,797**	**98,365**
Expenses			
Third party direct costs		(44,791)	(37,889)
Product design and development		(17,247)	(17,111)
Sales and marketing		(27,036)	(28,591)
Customer success		(7,275)	(5,868)
General and administration		(14,178)	(10,954)
Net foreign exchange gains		2,403	632
Total expenses	4	**(108,124)**	**(99,781)**
Net profit/(loss) before income tax		**21,673**	**(1,416)**
Income tax benefit/(expense)	5	(5,672)	20,243
Net profit for the year		**16,001**	**18,827**
Profit per share			
Basic profit per share	18	5.80	6.85
Diluted profit per share	18	5.77	6.80

The accompanying notes form an integral part of these financial statements.

Statement of Comprehensive Income

		Year ended 31 March	
		2020	*2019*
	Note	*US$000*	*US$000*
Net profit for the year		**16,001**	**18,827**
Other comprehensive income*			
Exchange differences on translation of foreign operations		(5,029)	(1,178)
Fair value gains recognised in the cash flow hedge reserve	20	167	-
Other comprehensive loss		**(4,862)**	**(1,178)**
Total comprehensive profit for the year		**11,139**	**17,649**

* Items of other comprehensive income may be subsequently reclassified to the income statement.

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Equity

	Notes	Share capital US$000	Accumulated losses US$000	Share-based payment reserve US$000	Foreign currency translation reserve US$000	Cash flow hedge reserve US$000	Total equity US$000
Balance as at 1 April 2018		**92,312**	**(69,512)**	**1,234**	**(2,346)**	**-**	**21,688**
Net profit		-	18,827	-	-	-	18,827
Other comprehensive loss		-	-	-	(1,178)	-	(1,178)
Total comprehensive profit/(loss)		**-**	**18,827**	**-**	**(1,178)**	**-**	**17,649**
Transactions with owners:							
Issue of shares	16	1,354	-	-	-	-	1,354
Share-based payments		-	-	103	-	-	103
Balance as at 31 March 2019		**93,666**	**(50,685)**	**1,337**	**(3,524)**	**-**	**40,794**
Balance as at 1 April 2019		**93,666**	**(50,685)**	**1,337**	**(3,524)**	**-**	**40,794**
Net profit		-	16,001	-	-	-	16,001
Other comprehensive income/(loss)		-	-	-	(5,029)	167	(4,862)
Total comprehensive profit/(loss)		**-**	**16,001**	**-**	**(5,029)**	**167**	**11,139**
Transactions with owners:							
Issue of shares	16	943	-	-	-	-	943
Share-based payments		-	-	64	-	-	64
Balance as at 31 March 2020		**94,609**	**(34,684)**	**1,401**	**(8,553)**	**167**	**52,940**

The accompanying notes form an integral part of these financial statements.

Statement of Financial Position

		As at	
		31 March 2020	*31 March 2019*
Assets	*Notes*	*US$000*	*US$000*
Current assets			
Cash and cash equivalents	9	7,203	13,926
Trade and other receivables	10	15,862	11,869
Derivative financial asset	25	117	-
Deferred acquisition costs	8	1,816	1,300
Income tax receivable	5	728	-
Total current assets		**25,726**	**27,095**
Non-current assets			
Property, plant and equipment	6	4,443	1,221
Intangible assets	7	88,934	1,876
Deferred acquisition costs	8	1,112	1,464
Restricted cash balances	9	1,117	1,139
Derivative financial asset	25	50	-
Deferred tax asset	5	13,255	20,930
Other receivables	10	402	-
Total non-current assets		**109,313**	**26,630**
Total assets		**135,039**	**53,725**
Liabilities			
Current liabilities			
Trade and other payables	11	4,553	3,752
Unearned revenue	12	14,305	7,097
Employee entitlements	13	2,154	2,057
Lease liability	14	1,805	-
Borrowings	15	23,611	-
Income tax payable	5	-	25
Total current liabilities		**46,428**	**12,931**
Non-current liabilities			
Lease liability	14	2,338	-
Borrowings	15	33,333	-
Total non-current liabilities		**35,671**	**-**
Total liabilities		**82,099**	**12,931**
Net assets		**52,940**	**40,794**
Equity			
Share capital	16	94,609	93,666
Accumulated losses		(34,684)	(50,685)
Share-based payment reserve		1,401	1,337
Cash flow hedge reserve	20	167	-
Foreign currency translation reserve		(8,553)	(3,524)
Total equity		**52,940**	**40,794**

The accompanying notes form an integral part of these financial statements.

For and on behalf of the Board, 6 May 2020:

Graham Shaw
Independent Chairman

Bruce Gordon
CEO and Executive Director

Statement of Cash Flows

	Notes	*Year ended 31 March* 2020 US$000	2019 US$000
Operating activities			
Receipts from Customers		86,060	58,192
Other income		2,432	2,053
Interest received		204	122
Payments to suppliers and employees		(64,641)	(61,755)
Income tax paid		(534)	(1,369)
Net cash flows from operating activities	26	23,521	(2,757)
Investing activities			
Purchase of property, plant and equipment		(385)	(345)
Acquisition of Church Community Builder, net of cash acquired	22	(84,411)	-
Acquisition of intangible assets		-	(49)
Receipts from finance lease		30	-
Restricted cash balances		-	94
Net cash flows from investing activities		(84,766)	(300)
Financing activities			
Proceeds from borrowings		62,500	-
Repayment of borrowings		(5,556)	-
Payment of lease liability		(1,290)	-
Interest on borrowings		(687)	-
Net cash flows from financing activities		54,967	-
Net increase/(decrease) in cash and cash equivalents		(6,278)	(3,057)
Foreign currency translation adjustment		(445)	(903)
Cash and cash equivalents as at the beginning of the year		13,926	17,886
Cash and cash equivalents as at the end of the year	9	7,203	13,926

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

1. Corporate information

Pushpay Holdings Limited (the 'Company' or 'Pushpay') is a limited liability company, domiciled and incorporated in New Zealand and registered under the Companies Act 1993.

The financial statements presented are for Pushpay and its subsidiaries (together, the 'Group') for the year ended 31 March 2020.

These consolidated financial statements were authorised for issue in accordance with a resolution of the Directors on 6 May 2020.

The Group's principal activity is to provide donor and church management systems, including donor tools, finance tools and a custom community app, to the faith sector, non-profit organisations and education providers located primarily in the United States (US) and other jurisdictions. Our leading solutions simplify engagement, payments and administration, enabling our Customers to increase participation and build stronger relationships with their communities.

Pushpay is designated as a for-profit entity and is a FMC reporting entity for the purposes of the Financial Markets Conduct Act 2013 ('FMCA') and the Financial Reporting Act 2013 and is listed on the New Zealand Stock Exchange ('NZX') and the Australian Securities Exchange ('ASX').

2. Summary of significant accounting policies

(a) Basis of preparation

The consolidated financial statements for the year ended 31 March 2020 have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ('NZ GAAP'), Part 7 of the FMCA and the NZX Listing Rules. They comply with New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS') and other applicable Financial Reporting Standards, as appropriate for profit oriented entities. The financial statements comply with International Financial Reporting Standards ('IFRS').

The financial statements have been prepared using the going concern assumption and are presented in thousands of United States (US) Dollars.

(b) Critical, accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. These are areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements.

Judgements, estimates and assumptions made by management in the preparation of these financial statements are outlined in the notes to the financial statements.

Key sources of estimation, uncertainty and judgement include:

Recognition of subscription revenue

Identification of performance obligations contained within the sales contract and timing for recognition of revenue is on the basis of the completion of the performance obligation throughout the contract term. Refer to 'Note 3: Revenue'.

Purchase price allocation following the acquisition of Church Community Builder LLC (Church Community Builder)

The Group acquired 100% of the ownership interests in Church Community Builder for a total cash consideration of $87.5 million, effective 1 December 2019. The purchase price included identifiable tangible and intangible assets acquired and liabilities assumed. The Group engaged a third party expert to assist in a process to identify and determine the fair value of the intangible assets acquired. Identified intangible assets and goodwill of $23.5 million and $66.8 million, respectively, have been recognised in the statement of financial position. The identification and determination of the fair value of the tangible and intangible assets acquired, and liabilities assumed, is based to a considerable extent on management's judgement. Refer to 'Note 22: Business Combinations'.

The amount of goodwill initially recognised is a function of the allocated purchase price to the fair value of the identifiable net assets acquired. The determination of the net assets' fair value, particularly intangible assets, is to a considerable extent based on judgement. The Group identified two Cash Generating Units (CGUs) - donor management and church management systems, that would benefit from the synergies from the Church Community Builder acquisition for the purposes of goodwill allocation. However, the Group has determined that it was not possible to allocate the goodwill between the CGUs on a reasonable basis and Goodwill has therefore been allocated to the group of CGUs. The two CGUs combined equate to the Group's sole operating segment. Refer to 'Note 7: Intangible assets'.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be measurable under the circumstances.

(c) Changes in accounting policies and disclosures

The Group has applied NZ IFRS 16 'Leases' from 1 April 2019. The standard requires a lessee to recognise a right of use asset and a lease liability at inception for all applicable lease contracts. The expense that was previously recorded in relation to these leases changes from being included in operating expenses, to being included in depreciation and interest expenses. The cash payments that were previously recorded in operating activities within the statement of cash flows are now split into the principal portion (presented within financing activities) and interest portion (presented within operating activities).

In determining applicable leases, the Group has excluded leases where either the underlying asset is considered low value or the lease term is less than 12 months from commencement date by exercising the exemptions provided in the standard. Lease payments associated with excluded leases are recognised as an expense in the income statement on a straight-line basis over the lease term.

In accordance with the assessment disclosed in the Group's annual report for the financial year ended 31 March 2019, the Group has recognised a lease liability and a right of use asset at an amount equal to the lease liability (net of the exisiting deferred lease incentive) on all applicable leases in effect at the date of adoption. These leases would have previously been classified as 'operating leases' under the principles of NZ IAS 17. The Group has applied the modified retrospective transitional approach and is not required to restate comparative figures. For detail on the overall impact on the income statement, refer to 'Note 4: Expenses'. For detail on the overall impact on the statement of financial position, refer to 'Note 6: Property Plant and Equipment' and 'Note 14: Lease liability'.

(d) Basis of consolidation

The Group financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has the rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

Subsidiaries are consolidated from the date the Company obtains control. They are de-consolidated from the date that control is lost. The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The consideration transferred for an acquisition is measured as the fair value of the assets acquired by the Group, equity instruments issued, and liabilities incurred or assumed, by the Group at the date of exchange. Costs directly attributable to the acquisition are recognised in the income statement.

At the acquisition date the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

Intra-Group transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each subsidiary are measured using the currency of the primary economic environment in which it operates. The Group financial statements are presented in US Dollars, which is the Group's presentation currency. The Company's functional currency is New Zealand (NZ) Dollars.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement.

(iii) Foreign operations

The results and financial position of all foreign operations that have a functional currency different from US Dollars are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each profit or loss component of the income statement are translated at average exchange rates for the period; and
- All resulting exchange differences are recognised as other comprehensive income and accumulated in the foreign currency translation reserve.

(f) Statement of cash flows

For the purpose of the statement of cash flows, cash and cash equivalents includes: cash on hand; deposits held at call with financial institutions; and other short-term, highly liquid investments readily convertible to a known amount of cash and which are subject to an insignificant risk of change in value.

The statement of cash flows is prepared exclusive of regional sales taxes, which is consistent with the method used in the income statement.

Definition of terms used in the statement of cash flows:

(i) Operating activities include all transactions and other events that are not investing or financing activities.

(ii) Investing activities are those activities relating to the acquisition and disposal of current and non-current investments, and any other non-current assets.

(iii) Financing activities are those activities relating to changes in the equity and debt capital structure of the Group, and those activities relating to the cost of servicing the Group's equity.

3. Revenue

Revenue comprises the fair value of the consideration received or receivable for the provision of services, excluding regional sales taxes, rebates and discounts.

Subscription revenue comprises recurring monthly and annual fees for donor management and church management systems provided to Customers, forming the Group's sole performance obligation. The performance obligation is satisfied as and when the services are delivered to the Customer, resulting in revenue to be recognised over the term of the contract, commencing with the date the contract is signed by the Customer. Unearned revenue represents amounts billed to Customers in advance, either monthly or annually, of the provision of services and is recognised in the statement of financial position as unearned revenue in current liabilities.

Processing revenue consists of volume fees that are primarily based on a percentage of the total dollar value of payments processed. Revenues from volume fees are recognised on a gross basis when the Customer has an obligation to pay transaction fees on the related through-put, via the interchange merchant. Associated costs payable to processing parties are classified as third party direct costs.

Other operating revenue consists of data integration, training and other implementation costs. These revenues are recognised upon completion of services.

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Interest income is accrued on a time basis by reference to the principal outstanding and using the effective interest rate method.

Interest income from finance leases is recognised at a constant periodic rate of return on the net investment in the lease. Payments received by the Group in relation to finance leases are allocated between interest income and a reduction in finance lease receivables.

Year ended 31 March	*2020 US$000*	*2019 US$000*
Operating revenue*		
Subscription revenue	35,307	26,656
Processing revenue	91,985	69,251
Other operating revenue	175	-
Total operating revenue	**127,467**	**95,907**
Government grants		
Callaghan Innovation Project Grant	50	193
Callaghan Innovation Growth Grant	1,950	2,063
Total Government grants	**2,000**	**2,256**
Other income		
Interest income	193	158
Interest income from finance leases	5	-
Other income	132	44
Total other income	**330**	**202**
Total revenue	**129,797**	**98,365**

* Operating revenue comprises revenue from contracts with Customers.

4. Expenses

Assets, liabilities, revenues and expenses are stated exclusive of regional sales taxes, with the exception of receivables and payables, which include regional sales taxes. Included in expenses are the following items:

Year ended 31 March	*2020 US$000*	*2019 US$000*
Advertising and marketing	5,344	5,817
Auditor's remuneration	123	113
Depreciation and amortisation	5,093	3,770
Directors fees	294	239
Employee benefits - defined contribution expense	719	587
Employee benefits/entitlements	42,599	41,854
Employee benefits/entitlements - capitalised commissions	(1,855)	(2,715)
Interest on borrowings	688	-
Interest on lease liability	263	-
IT and communications	3,182	2,741
Net foreign exchange gains	(2,403)	(632)
Occupancy costs	419	1,243
Other professional services	3,880	2,385
Share-based payments	1,354	2,085
Third party direct costs	44,791	37,889
Travel-related costs	815	990
Write-off of impaired receivables	350	174
Other operating expenses	2,468	3,241
Total expenses	**108,124**	**99,781**

Year ended 31 March	*2020 US$000*	*2019 US$000*
Depreciation and amortisation		
Relating to:		
Amortisation of development costs	1,795	1,620
Amortisation of other intangible assets	1,348	1,204
Depreciation of property, plant and equipment	1,950	946
Total depreciation and amortisation	**5,093**	**3,770**
Depreciation and amortisation included in function expenses as follows:		
Product design and development	3,673	3,076
Sales and marketing	701	364
Customer success	382	159
General and administration	337	171
Total depreciation and amortisation	**5,093**	**3,770**

Depreciation has been allocated to each function on a headcount basis and amortisation is entirely allocated to product design and development.

Auditor's remuneration	2020 US$000	2019 US$000
Audit of financial statements	116	113
Other assurance services	7	-
Total auditor's remuneration	**123**	**113**

Other assurance services relate to a limited review of the Group's compliance with Callaghan Innovation Grant requirements.

Impact of adoption of NZ IFRS 16

Year ended 31 March	2020 US$000	2019 US$000
Occupancy costs	419	1,243
Depreciation on right of use asset	1,224	-
Interest on lease liability	263	-
Total	**1,906**	**1,243**
Total by function:		
Product design and development	518	331
Sales and marketing	685	478
Customer success	373	209
General and administration	330	225
Total	**1,906**	**1,243**

Total impact from adoption of NZ IFRS 16 has been allocated to each function on a headcount basis, and interest expense is entirely allocated to general and administration.

5. Taxation

Income tax expense comprises current and deferred tax. Income tax is recognised in the profit or loss component of the income statement. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of the previous year.

Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related benefits will be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income tax levied by the same taxation authority on either the same taxable entity, or different entities, where there is an intention to settle the balance on a net basis.

(a) Income statement:

The analysis of income tax expense is as follows:

Year ended 31 March	*2020 US$000*	*2019 US$000*
Current income tax (expense)	(30)	(765)
Adjustment for prior years	8	78
Deferred tax benefit/(expense)	(5,650)	20,930
Income tax benefit/(expense)	**(5,672)**	**20,243**

(b) Reconciliation of income tax expense to prima facie tax expense

Year ended 31 March	*2020 US$000*	*2019 US$000*
Net profit/(loss) before income tax	21,673	(1,416)
At the New Zealand statutory income tax rate of 28%	**(6,068)**	**396**
Non-deductible expenses	119	(1,524)
Taxation rate variances on subsidiaries	87	363
Adjustment for prior years	(109)	78
Deferred tax adjustment	293	20,930
Future benefit of tax losses not recognised	6	-
Income tax benefit/(expense)	**(5,672)**	**20,243**

(c) Current tax assets and liabilities

As at 31 March	*2020 US$000*	*2019 US$000*
Income tax receivable/(payable)	728	(25)

(d) Deferred tax balances

	Deferred research and development expenditure US$000	*Tax losses US$000*	*Other timing differences US$000*	*Net US$000*
As at 1 April 2018	**-**	**432**	**(432)**	**-**
Charged to income statement	7,041	12,527	1,362	20,930
As at 31 March 2019	**7,041**	**12,959**	**930**	**20,930**
As at 1 April 2019	**7,041**	**12,959**	**930**	**20,930**
Charged to income statement	4,361	(10,261)	250	(5,650)
Foreign exchange variation	(1,167)	(772)	(86)	(2,025)
As at 31 March 2020	**10,235**	**1,926**	**1,094**	**13,255**

The Group estimates NZ deferred research and development expenditure, and tax losses of US$43.4 million (2019: US$71.4 million) available to carry forward, subject to shareholder continuity being maintained as required by NZ tax legislation for the tax losses.

The Group has elected to defer the deduction of research and development expenditure in accordance with DB 34(7) and EE 1(5) of the Income Tax Act 2007. The Group elected to defer the deduction of US$15.6 million of research and development expenditure incurred during the year ended 31 March 2020, and US$25.1 million of research and development expenditure incurred up until the year ended 31 March 2019. The total amount of deferred research and development expenditure available to the Group is US$40.7 million.

The deferred research and development expenditure can be deducted from taxable income in future periods, and the ability to carry forward deferred research and development expenditure is not dependent on maintaining shareholder continuity.

(e) Imputation credits

As at 31 March	*2020 US$000*	*2019* US$000*
Imputation credits	88	148

* As a result of the filing of historic New Zealand tax returns the imputation credit account as at 31 March 2019 has been restated.

6. Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight line basis so as to write off the differences between the cost and the estimated residual values of the assets over their expected useful lives, as follows:

Category	**Estimated useful life**
Computer equipment	3 years
Office equipment	5 years
Fixtures and fittings	5-7 years
Right of use assets	Term of lease

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the assets. These are included in the income statement.

	Computer equipment US$000	*Office equipment US$000*	*Fixture and fittings US$000*	*Right of use assets* US$000*	*Total US$000*
Balance as at 1 April 2018					
Cost	2,167	955	568	-	3,690
Accumulated depreciation	(1,252)	(432)	(200)	-	(1,884)
Net book value as at 1 April 2018	**915**	**523**	**368**	-	**1,806**
Cost					
Balance as at 1 April 2018	2,167	955	568	-	3,690
Additions	331	56	40	-	427
Disposals	(78)	(17)	(1)	-	(96)
Foreign exchange variation	(40)	(8)	(18)	-	(66)
Balance as at 31 March 2019	**2,380**	**986**	**589**	-	**3,955**

Continued	*Computer equipment US$000*	*Office equipment US$000*	*Fixture and fittings US$000*	*Right of use assets* US$000*	*Total US$000*
Accumulated depreciation					
Balance as at 1 April 2018	(1,252)	(432)	(200)	-	(1,884)
Depreciation	(601)	(185)	(160)	-	(946)
Disposals	59	-	-	-	59
Foreign exchange variation	24	4	9	-	37
Balance as at 31 March 2019	**(1,770)**	**(613)**	**(351)**	**-**	**(2,734)**
Net book value as at 31 March 2019	**610**	**373**	**238**	**-**	**1,221**
Balance as at 1 April 2019					
Cost	2,380	986	589	-	3,955
Accumulated depreciation	(1,770)	(613)	(351)	-	(2,734)
Net book value as at 1 April 2019	**610**	**373**	**238**	**-**	**1,221**
Cost					
Balance as at 1 April 2019	2,380	986	589	-	3,955
Acquisitions through a business combination	96	5	74	1,225	1,400
Additions	450	29	-	3,310	3,789
Disposals	(308)	-	-	(35)	(343)
Foreign exchange variation	(83)	(12)	(32)	-	(127)
Balance as at 31 March 2020	**2,535**	**1,008**	**631**	**4,500**	**8,674**
Accumulated depreciation					
Balance as at 1 April 2019	(1,770)	(613)	(351)	-	(2,734)
Depreciation	(258)	(188)	(41)	(1,224)	(1,711)
Disposals	164	-	-	14	178
Foreign exchange variation	-	8	-	28	36
Balance as at 31 March 2020	**(1,864)**	**(793)**	**(392)**	**(1,182)**	**(4,231)**
Net book value as at 31 March 2020	**671**	**215**	**239**	**3,318**	**4,443**

* Right of use assets relate primarily to building leases.

7. Intangible assets

Intangible assets consist of both internally generated intangible assets such as capitalised expenditure for software development, and externally generated intangible assets such as trademarks, software licences and Customer databases, and goodwill upon acquisition.

Costs that are directly associated with the development of the software products controlled by the Group are recognised as intangible assets only if all of the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use or sale;
- Management intends to complete the software product and use or sell it;

- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Software assets relate to the continued development of the Group's donor and church management systems. The Group capitalises software development costs based on direct costs associated with the project and a proportion of employee costs that directly relate to the software development project. Computer software development costs recognised as assets are amortised over their estimated useful lives.

Goodwill represents the excess of purchase consideration over the fair value of the net assets acquired in a business combination. The goodwill recognised reflects the technology and technical expertise of Church Community Builder and the synergies expected to be achieved from integrating Church Community Builder into the Group's existing business.

Other development expenditures that do not meet the above criteria are recognised as expenses as incurred. This includes research costs and costs associated with maintaining internal computer software programs.

Intangible assets acquired in a business combination are measured at fair value, while other intangible assets acquired are initially measured at cost. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the income statement in the year in which the expenditure is incurred. Assets with finite lives are amortised over their useful lives and tested for impairment whenever there are indications that the assets may be impaired.

Intangible assets are amortised over their useful lives on a straight-line basis, except goodwill which has an indefinite useful life, and are tested for impairment annually. Amortisation is recognised as an expense in the income statement. The estimated useful lives are as follows:

Category	**Estimated useful life**
Customer contracts and brands	3-5 years
Software assets	3-5 years
Patents and trademarks	10 years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the income statement when the asset is derecognised.

	Customer contracts and brands US$000	*Software assets US$000*	*Patents and trademarks US$000*	*Goodwill US$000*	*Total US$000*
Balance as at 1 April 2018					
Cost	1,310	9,499	310	-	11,119
Accumulated amortisation	(592)	(5,538)	(117)	-	(6,247)
Net book value as at 1 April 2018	**718**	**3,961**	**193**	**-**	**4,872**
Cost					
Balance as at 1 April 2018	1,310	9,499	310	-	11,119
Additions	-	41	8	-	49
Foreign exchange variation	(35)	(498)	-	-	(533)
Balance as at 31 March 2019	**1,275**	**9,042**	**318**	**-**	**10,635**

Continued	*Customer contracts and brands US$000*	*Software assets US$000*	*Patents and trademarks US$000*	*Goodwill US$000*	*Total US$000*
Accumulated amortisation					
Balance as at 1 April 2018	(592)	(5,538)	(117)	-	(6,247)
Amortisation	(426)	(2,364)	(34)	-	(2,824)
Foreign exchange variation	15	290	7	-	312
Balance as at 31 March 2019	**(1,003)**	**(7,612)**	**(144)**	**-**	**(8,759)**
Net book value as at 31 March 2019	**272**	**1,430**	**174**	**-**	**1,876**
Balance as at 1 April 2019					
Cost	1,275	9,042	318	-	10,635
Accumulated amortisation	(1,003)	(7,612)	(144)	-	(8,759)
Net book value as at 1 April 2019	**272**	**1,430**	**174**	**-**	**1,876**
Cost					
Balance as at 1 April 2019	1,275	9,042	318	-	10,635
Acquisitions through a business combination	8,100	15,400	-	66,805	90,305
Foreign exchange variation	(156)	(1,103)	(42)	-	(1,301)
Balance as at 31 March 2020	**9,219**	**23,339**	**276**	**66,805**	**99,639**
Accumulated amortisation					
Balance as at 1 April 2019	(1,003)	(7,612)	(144)	-	(8,759)
Amortisation	(859)	(2,251)	(33)	-	(3,143)
Foreign exchange variation	145	1,032	20	-	1,197
Balance as at 31 March 2020	**(1,717)**	**(8,831)**	**(157)**	**-**	**(10,705)**
Net book value as at 31 March 2020	**7,502**	**14,508**	**119**	**66,805**	**88,934**

Impairment considerations

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of the recoverable amount. Where the carrying value of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the asset may be impaired. The recoverable amount is the greater of fair value less costs to sell or the asset's value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets, with the exception of goodwill, are reviewed for possible reversal of the impairment loss at each reporting date. Impairment losses on goodwill are not reversed.

Goodwill and goodwill impairment testing

The amount of goodwill initially recognised is a function of the allocated purchase price to the fair value of the identifiable net assets acquired. The determination of the net assets' fair value, particularly intangible assets, is to a considerable extent based on judgement.

Goodwill is monitored internally at a Group level. The Group identified two cash generating units (CGUs) - donor management and church management systems, that would benefit from the synergies from the Church Community Builder acquisition for the purposes of goodwill allocation. However, the Group has determined that it was not possible to allocate the goodwill between the CGUs on a reasonable basis given the nature of the synergies, the functional structure of the Group and the expectation that the two CGUs will become increasingly interdependent over time. Goodwill has therefore been allocated to the group of CGUs. The two CGUs combined equate to the Group's sole operating segment.

Goodwill is not amortised and is tested for impairment at least annually irrespective of whether there is any indication of impairment. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

An impairment loss is recorded if the recoverable amount of an asset is less than its carrying amount. The recoverable amount of an asset is the greater of its Value in Use or Fair Value less Costs of Disposal. For the purposes of assessing impairment, the Group determines Fair Value less Cost of Disposal only if using Value in Use would result in an impairment loss.

In assessing Value in Use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The discount rate is determined using the Capital Asset Pricing Model (CAPM) methodology of determining the weighted average cost of capital (WACC), using market specific inputs. A pre-tax WACC of 11.9% was used (equivalent to a post-tax WACC of 9.8%) for the impairment test as at 31 March 2020. The market risk premium used in calculating the WACC incorporates the significantly higher market risk premium which existed at 31 March 2020 due to COVID-19.

Future cash flows are forecast based on a five year business model for the operating segment, which included the budget for the year to 31 March 2021. The forecast financial information is based on both past experience and future expectations of operating segment performance and requires judgements to be made as to revenue growth, operating cost projections and the market environment. Actual results may be substantially different. The terminal growth rate assumed is 2.0% which reflects the assumed long term growth rate for the markets in which the segment operates.

The Group applied judgement in determining a reasonably possible change in the key assumptions, which could result in impairment. The headroom in the impairment test is significant and even extreme assumptions, such as no growth in the revenue of the group of CGUs, would not result in impairment.

As part of the sensitivity analysis, the Group undertook scenario analysis of potential impacts on the group of CGUs of COVID-19 and associated economic and behavioural impacts.

As at 31 March 2020, the Group has determined that the Value in Use for the group of CGUs significantly exceeds the carrying amount, including goodwill, and there is no impairment.

8. Deferred acquisition costs

Deferred acquisition costs comprise capitalised costs of Customer acquisitions, such as commissions paid to employees. These costs are amortised in equal instalments over the duration of the associated revenue contract, from the date of Customer acquisition.

	US$000
Balance as at 1 April 2018	1,478
Additions	2,715
Amortisation	(1,429)
Net book value as at 31 March 2019	**2,764**
Net book value as at 1 April 2019	**2,764**

Continued	
	US$000
Additions	1,855
Amortisation	(1,691)
Balance as at 31 March 2020	**2,928**
Current	1,816
Non-current	1,112

9. Cash and cash equivalents and restricted cash balances

Cash and cash equivalents includes: cash on hand; deposits held at call with financial institutions; and other short-term, highly liquid investments readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

As at 31 March	*2020 US$000*	*2019 US$000*
Cash and cash equivalents	7,203	13,926
Amounts held by currency were as follows:		
United States Dollars	6,751	12,906
New Zealand Dollars	297	804
Canadian Dollars	111	139
Australian Dollars	44	77
Total cash and cash equivalents	**7,203**	**13,926**

As at 31 March	*2020 US$000*	*2019 US$000*
Restricted cash balances	1,117	1,139

Restricted cash balances primarily represent tenant security deposits relating to property lease arrangements that the Group has entered into.

10. Trade and other receivables

Trade and other receivables are initially recognised at the fair value of the amounts to be received, plus transaction costs (if any).

The Group has recognised expected credit losses in the income statement by applying the simplified impairment approach, whereby upon initial measurement of the trade receivables, the Group considers all credit losses that are expected to occur during the lifetime of the receivable. The Group has reviewed the historical ageing analysis of gross trade receivables, by geographic region, to determine the expected credit loss rate. This rate is applied to outstanding gross trade receivables as at 31 March 2020 to calculate the allowance for expected credit losses.

Additionally the Group recognises an allowance of individual receivables if there is objective evidence of credit impairment.

As at 31 March	*2020 Current US$000*	*2020 Non-current US$000*	*2019 Current US$000*	*2019 Non-current US$000*
Gross trade receivables	3,149	-	3,142	-
Allowance for expected credit losses	(130)	-	(310)	-
Net trade receivables	**3,019**	**-**	**2,832**	**-**
Other receivables				
Prepayments	2,679	231	2,624	-
Accrued revenue	7,902	-	5,401	-
Finance lease receivable	103	171	-	-
Other receivables	2,159	-	1,012	-
Trade and other receivables	**15,862**	**402**	**11,869**	**-**

Trade receivables

Trade receivables primarily relate to subscription charges. Subscriptions are generally charged monthly or annually in advance and are predominantly electronically collected.

Aging analysis

As at 31 March	*2020 US$000*	*2019 US$000*
1-60 days	3,005	2,775
61-90 days	17	27
91+ days	127	340
Gross trade receivables	**3,149**	**3,142**

Movement in allowance for expected credit loss on trade receivables

	2020 US$000	*2019 US$000*
Balance as at 1 April	310	375
Provision for expected credit losses	170	109
Written-off during the year	(350)	(174)
Balance as at 31 March	**130**	**310**

Finance lease receivable

The Group sub-leases an office premises in Redmond, Washington, US as an intermediate lessor. As the sub-lease is for the whole of the remaining non-cancellable term of the head lease, the lease is classified as a finance lease.

The profile of finance lease net receipts is set out below:

As at 31 March 2020	*Undiscounted US$000*	*Discounted US$000*
< 1 year	116	103
1-5 years	193	171
Finance lease receivable	**309**	**274**
Less unearned finance income	(35)	-
Present value of finance lease receivable	**274**	**274**

11. Trade and other payables

Trade and other payables are unsecured, non-interest bearing and usually paid within 45 days of recognition. Therefore, the carrying value of creditors and other payables approximates their fair value.

As at 31 March	2020 US$000	2019 US$000
Trade payables	621	842
Other payables and accrued expenses	3,932	2,271
Deferred lease incentive*	-	639
Balance as at 31 March	**4,553**	**3,752**

* Upon adoption of NZ IFRS 16, the balance of the deferred lease incentive is nil as this was offset against the right of use asset.

12. Unearned revenue

Unearned subscription revenue is a proportion of revenue that is invoiced in advance and yet to be recognised as revenue in the income statement, based upon the period over which the service is delivered to the Customer.

Unamortised grant revenue is the amount yet to be amortised to revenue based on the estimated life of the software development to which the grant relates.

As at 31 March	2020 US$000	2019 US$000
Unearned subscription revenue	14,305	7,045
Unamortised grant revenue	-	52
Balance as at 31 March	**14,305**	**7,097**

13. Employee entitlements

Accruals are made for benefits accruing to employees in respect of wages and salaries, commissions payable and annual leave when it is probable that settlement will be required and they are capable of being measured reliably.

As at 31 March	2020 US$000	2019 US$000
Liability for annual leave	977	841
Commissions payable	782	470
Share incentive scheme bonus accrual	20	562
Other employee entitlements	375	184
Balance as at 31 March	**2,154**	**2,057**

14. Lease liability

The lease liability is measured at the present value of the remaining lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. The borrowing rate is determined by using an appropriate reference rate, plus a credit margin based on indicative borrowing rates. The amortisation of the discount applied on recognition of the lease liability is recognised as interest expense in the income statement.

The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee or if the Group changes its assessment of whether it will exercise a purchase or extension option.

In calculating the lease liability upon initial adoption of NZ IFRS 16, the remaining lease payments have been discounted at the Group's weighted average incremental borrowing rate of 6.4% at 1 April 2019.

	US$000
Balance as at 1 April 2019	-
Additions due to first-time adoption of NZ IFRS 16	4,266
Additions arising from the acquisition of Church Community Builder	1,225
Other additions	99
Repayment of lease liability	(1,290)
Foreign exchange variation	(157)
Balance as at 31 March 2020	**4,143**

The maturity of lease liabilities is as follows:	
< 1 year	1,805
1-5 years	2,338
Total lease liabilities	**4,143**

The following table provides a reconciliation of the lease liability recognised at 1 April 2019 and the operating lease commitments disclosed under NZ IAS 17 at 31 March 2019:

	US$000
Operating lease commitments as at 31 March 2019	5,032
Discounted using the Group's Incremental borrowing rate at 1 April 2019	(766)
Total lease liabilities as at 1 April 2019	**4,266**

15. Borrowings

The Group acquired Church Community Builder for a total cash consideration of $87.5 million, effective 1 December 2019. $62.5 million of the consideration was funded through two lending facilities from Bank of New Zealand ('BNZ'). Facility A with a principle amount of $50.0 million, with the facility maturing on 12 June 2022. Facility B with a principle amount of $12.5 million, with the facility maturing on 12 September 2020. Refer to the table below for outstanding borrowings as at 31 March 2020.

The Group maintains banking covenants with the BNZ, which monitor interest cover and net leverage ratios. The Group has been fully compliant with these requirements since their establishment on 12 December 2019.

There was a $0.7 million establishment fee paid to BNZ in relation to both facilities. This establishment fee has been recognised as a prepayment and amortised, on a straight line basis, over the life of the respective facilities.

As at 31 March	*2020* *US$000*	*2019* *US$000*
Current	23,611	-
Non-current	33,333	-
Total borrowings	**56,944**	**-**

16. Share capital

	Number of shares 000's	*US$000*
Balance as at 1 April 2018	**274,549**	**92,312**
Movements during the year		
Issue of shares	571	1,074
Issue of shares to Pushpay Trustees Limited	142	-
Capital raised on employee share scheme allotment	-	280
Balance as at 31 March 2019	**275,262**	**93,666**
Movements during the year		
Issue of shares	384	692
Capital raised on employee share scheme allotment	-	251
Balance as at 31 March 2020	**275,646**	**94,609**

The paid up capital comprises ordinary shares. The total number of shares on issue is 275,646,096 (2019: 275,261,739). All shares have been issued, are fully paid and have no par value.

As at 31 March 2020, the total number of shares on issue include 188,936 shares (2019: 379,281) issued to Pushpay Trustees Limited (the Trustee), a wholly owned subsidiary established for the purpose of the employee share scheme.

17. Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the income statement over the remaining vesting period, with a corresponding adjustment to the equity-settled share-based payment reserve.

Employee share incentive scheme (SIS)

The SIS was for full-time and contract employees and executives of the Group but has been superseded by the Restricted Stock Unit (RSU) plan. There were no new shares granted under the SIS during the year. Under the SIS, ordinary shares in Pushpay Holdings Limited are issued to the Trustee and allocated to participants, on grant date, using funds lent to them by the Company. The shares are beneficially owned by the participants. The length of the retention period before the shares vest is typically between one and three years.

If the individual is still employed by the Group at the end of this specific period, the employee is given a bonus that must be used to repay the loan, and shares are then transferred to the employee. For shares issued during the year ended 31 March 2019 the weighted average grant date fair value of restricted shares was $2.75. Shares with a grant date fair value of $0.3 million were vested during the year (2019: $0.3 million). The Group has no legal or constructive obligation to repurchase the shares or settle the SIS for cash.

The Trustee holds 188,936 shares (2019: 379,281). All of these shares are held on behalf of employees and subject to repayment of employee loans. Loans are not recognised as they are limited recourse and accounted for as options. The fair value of services received in return for the shares granted is based on the fair value of shares granted measured using a Black Scholes option pricing model. The volatility used in the option pricing model is the standard deviation based on a statistical analysis of the daily share price of the Company over the last 12 months. There were no new shares issued under the SIS during the year. For shares issued during the year ended 31 March 2019 the volatility used was 30%.

The number and exercise price is as follows:

	Weighted average exercise price US$	*Number of shares*
Unvested shares as at 1 April 2018		**463,334**
Granted	2.75	141,613
Vested	1.24	(225,666)
Total as at 31 March 2019, of which		**379,281**
Forfeited shares not yet reallocated - held by the Trustee		92,159
Unvested shares as at 31 March 2019 - allocated to employees		287,122
Total as at 31 March 2019		**379,281**
Granted	-	-
Vested	1.32	(190,345)
Total as at 31 March 2020, of which		**188,936**
Forfeited shares not yet reallocated - held by the Trustee		114,663
Unvested shares as at 31 March 2020 - allocated to employees		74,273

Aging of unvested shares	*2020*	*2019*
Balance of shares to vest within one year	44,310	197,307
Balance of shares to vest after one year	29,963	89,815
Total unvested shares as at 31 March	**74,273**	**287,122**

Operating expenses

Year ended 31 March	*2020 US$000*	*2019 US$000*
Share-based payment expense	341	526

Restricted Stock Units (RSUs)

The RSU plan is for full-time and contract employees and executives of the Group. No cash consideration is required to be paid to exercise the RSUs. The fair value of RSUs granted in the year ended 31 March 2020 was $1.6 million (2019: $2.0 million) as determined by the market value of the shares on grant date. The RSUs typically vest over a period of three years, and are generally exercisable annually in equal amounts, on the condition that the employee is still employed by the Group.

	Weighted average exercise price US$	*Number of RSUs*
Total as at 1 April 2018		**2,002,215**
Granted during the year	2.46	829,215
Forfeited during the year		(244,054)
Converted to shares	2.22	(540,575)
Surrendered to pay payroll tax	2.22	(162,534)
Total as at 31 March 2019		**1,884,267**
Total as at 1 April 2019		**1,884,267**
Granted during the year	2.27	708,974
Forfeited during the year		(725,990)
Converted to shares	2.51	(384,357)
Surrendered to pay payroll tax	2.51	(131,883)
Total as at 31 March 2020		**1,351,011**

Year ended 31 March	*2020 US$000*	*2019 US$000*
Share-based payment expense	1,013	1,559

18. Earnings per share (EPS)

The Group presents basic and diluted EPS data for its ordinary shares.

Basic EPS is determined by dividing the Group profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by dividing the Group profit attributable to ordinary shareholders of the Company by the weighted average number of shares outstanding, accounting for the effects of any dilutive potential ordinary shares.

The profit of $16.0 million (2019: profit of $18.8 million) represented a profit per share shown below based on weighted average ordinary shares on issue during the year.

Year ended 31 March	*2020 000's*	*2019 000's*
Number of issued ordinary shares	275,646	275,262
Weighted average ordinary shares outstanding	275,371	274,794
Basic profit per share (cents)	**5.80**	**6.85**
Weighted average ordinary shares outstanding	275,371	274,794
Weighted average dilutive potential ordinary shares	1,830	1,875
Weighted average potential ordinary shares outstanding	277,201	276,669
Diluted profit per share (cents)	**5.77**	**6.80**

No anti-dilutive employee share options were excluded from the weighted average number of dilutive potential ordinary shares for the year ended 31 March 2020 (2019: nil).

19. Net tangible assets per share

Net tangible assets per share is calculated by dividing the net tangible assets of the Group by the number of ordinary shares on issue at the end of the year. Net tangible assets is calculated by subtracting the intangible assets from the net assets of the Group. Intangible assets for this purpose include the intangible assets disclosed in 'Note 7: Intangible assets', deferred acquisition costs and the deferred tax asset. Given the borrowings used to fund the acquisition of Church Community Builder, net tangible assets are a negative number as at 31 March 2020. As a software business the economic value of the Group is primarily represented by intangible assets which are specifically excluded from the net tangible assets per share calculation.

As at 31 March	*2020 000's*	*2019 000's*
Net tangible assets	(54,222)	13,709
Number of issued ordinary shares	275,646	275,262
Net tangible assets per share (cents)	**(19.67)**	**4.98**

20. Reserves

Foreign currency translation reserve

Exchange differences relating to the translation from the functional currencies of the Group's Companies into US Dollars are recorded in other comprehensive income and accumulated in the foreign currency translation reserve.

Share-based payment reserve

This reserve is used to record the value of share-based payments provided to employees, including key management personnel as part of their remuneration.

Cash flow hedge reserve

The Group enters into forward exchange contracts to hedge certain forecast foreign currency transactions, with the majority expected to be made within 12 months. The related cash flows are recognised in the income statement and other comprehensive income over the period.

A reconciliation of movements in the cash flow hedge reserve is outlined below:

	Cash flow hedge reserve US$000
Balance as at 1 April 2019	-
Hedging gains and losses recognised in other comprehensive income	167
Balance as at 31 March 2020	**167**

21. Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenue and incur expenses, whose operating results are regularly reviewed by the Chief Executive Officer (who is the Group's chief operating decision maker) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Group had a single operating segment as at 31 March 2019. The Group's chief operating decision maker has determined that, based on the information they use for the purposes of allocating resources and assessing performance, the Group itself continues to form a single operating segment after the acquisition of Church Community Builder. The segment result is reflected in the financial statements.

Geographical information

The Group operated principally in the US for the year ended 31 March 2020, from which over 98% of its revenue from operations is generated.

22. Business Combinations

The Group acquired 100% of the ownership interests in Church Community Builder for a total purchase consideration of $87.5 million, effective 1 December 2019. Acquisition related costs (included in general and administration costs in the statement of financial position and other professional services in 'Note 4: Expenses') amounted to $2.0m.

Church Community Builder's leading church management system is highly complementary to Pushpay's donor management system, with the platforms already delivering two-way integration. By combining the two businesses, there will be a greater range of capabilities and resources to invest in product enhancement and developing the next range of solutions for Customers.

The Group result includes a discount recognised on deferred revenue balances and amortisation in relation to intangible assets recognised upon the acquisition of Church Community Builder. Adjusting for these amounts, Church Community Builder would have contributed revenue of $5.4 million and a net profit after tax of $0.1 million in the period from 1 December 2019. Excluding the adjustment above, Church Community Builder has contributed revenue of $4.4 million and a net loss after tax of $1.9 million in the period from 1 December 2019.

If the acquisition had occurred on 1 April 2019, the revenue and net profit after tax for the Group would have been $139.9 million and $12.9 million, respectively.

The purchase consideration was allocated to the acquired assets and liabilities based on their estimated fair values as at the date of acquisition, with the excess consideration recorded to goodwill as shown below.

Purchase consideration	*US$000*
Cash paid to the vendor	81,378
Debt repaid by the Group on behalf of Church Community Builder	5,771
Transaction costs paid by the Group on behalf of Church Community Builder	1,314
Working capital and other adjustments	(963)
Total purchase consideration	**87,500**
Fair Value of net assets acquired on 1 December 2019	
Cash	3,014
Trade and other receivables	764
Deferred acquisition costs	56
Property, Plant and Equipment	175
Intangible assets	23,500
Right of use asset	1,225
Trade and other payables	(1,458)
Unearned revenue	(4,789)
Employee entitlements	(567)
Lease liability	(1,225)
Net assets	**20,695**
Total purchase consideration	87,500
Net assets	(20,695)
Goodwill recognised	**66,805**

The fair value of the financial assets includes trade and other receivables with a gross contractual value of $0.8 million. The value of the contractual cash flows not expected to be collected is nil.

The goodwill recognised as a result of the acquisitions reflects the technology and technical expertise of Church Community Builder and the synergies expected to be achieved from integrating Church Community Builder into the Group's existing business. Goodwill is expected to be deductible for US income tax purposes. Intangible assets consists of fair values assessed for Customer contracts, software, and patents and trademarks, refer to 'Note 7: Intangible assets'.

23. Subsidiaries

Name	*Country of Incorporation*	*Interest 2020 (%)*	*Interest 2019 (%)*
Bluebridge Churches LLC	United States	100	100
Church Community Builder LLC	United States	100	-
NPO Apps Incorporated (not trading)	United States	100	100
Pushpay Incorporated	United States	100	100
Pushpay IP Limited	New Zealand	100	100
Pushpay Limited	New Zealand	100	100
Pushpay New Zealand Limited (formerly Run The Red Limited)	New Zealand	100	100
Pushpay Processing Incorporated (formerly ZipZap Processing Incorporated)	United States	100	100
Pushpay Pty Limited	Australia	100	100
Pushpay Trustees Limited	New Zealand	100	100
Pushpay USA Incorporated (formerly eChurch Incorporated)	United States	100	100

All companies have a 31 March balance date.

24. Related parties

The Group has a related party relationship with its key management personnel, which includes the Directors.

Remuneration

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly and include the Directors, the Chief Executive Officer and members of the executive leadership team. The Group has determined that the Chief Executive Officer and the Chief Financial Officer are the senior managers for NZX disclosure purposes.

The following table summarises remuneration paid to key management personnel:

Year ended 31 March	*2020 US$000*	*2019 US$000*
Directors' fees	294	239
Short-term employee benefits	2,116	1,883
Share-based payments	409	545

The Group pays for a car lease on behalf of the Chief Executive Officer which is later reimbursed to the Group. There is no outstanding balance owing by the Chief Executive Officer as at 31 March 2020. In the year ended 31 March 2020 the Group donated $50k to the James One27 Initiative, a charity that Christopher Fowler is a director of.

25. Financial risk management

The Group is subject to a number of financial risks including liquidity risk, credit risk and market risk. Specific risk management objectives and policies are set out below:

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of debt and equity.

The capital structure of the Group consists of shares, comprising issued capital and retained losses, and debt. The Group reviews the capital structure on a regular basis to ensure that entities in the Group are able to continue as going concerns.

Interest rate risk

The Group's interest rate risk arises from its cash and cash equivalents, and from its borrowings. These are subject to variable interest rates that expose the Group to cash flow interest rate risk.

The Group does not enter into interest rate hedges or forward rate agreements. The Group's management regularly reviews its banking arrangements to ensure the best outcome on its cash and cash equivalents, and its borrowings.

The following table demonstrates the sensitivity of the Group's net profit before tax, to a change in floating interest rates of 100 basis points, with all other variables held constant.

Year ended 31 March	*2020* *US$000*	*2019* *US$000*
Cash and cash equivalents		
Increase in interest rates of 100 basis points	50	47
Decrease in interest rates of 100 basis points	(50)	(47)
Borrowings		
Increase in interest rates of 100 basis points	(182)	-
Decrease in interest rates of 100 basis points	182	-

Credit risk

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Group. Financial instruments which potentially subject the Group to credit risk principally consist of cash, trade and other receivables. The Group monitors and manages the exposure to credit risk by ensuring Customers have an appropriate credit history, with the majority of Customer subscription fees recovered via Automated Clearing House draw (direct debit).

The maximum exposures to credit risk as at the balance date are:

As at 31 March	*2020* *US$000*	*2019* *US$000*
Cash and cash equivalents and restricted cash balances	8,320	15,065
Gross trade receivables	3,149	3,142
Other receivables	2,159	1,012

The Group does not require any collateral or security to support financial instruments. The majority of the cash and cash equivalents are held with the Group's banker, the Bank of New Zealand.

Liquidity risk management

Liquidity risk is the risk that the Group cannot pay contractual liabilities as they fall due. The Group regularly reviews its liquidity position by examining future cash requirements.

The Group has sufficient cash to meet its requirements for the foreseeable future. All bank covenants have been met for the year ended 31 March 2020.

The following table provides a maturity analysis of the Group's remaining contractual cash flows relating to financial liabilities. Contractual cash flows include contractual undiscounted principal and interest payments.

As at 31 March 2020	*Carrying amount US$000*	*Contractual cash flows US$000*	*Payable 0-6 months US$000*	*Payable 6-12 months US$000*	*Payable 1-2 years US$000*	*Payable 2-5 years US$000*
Non-derivative financial liabilities						
Trade payables	621	621	621	-	-	-
Lease liabilities	4,143	4,464	931	937	1,834	762
Borrowings	56,944	59,071	10,160	14,931	29,201	4,779
	61,708	**64,156**	**11,712**	**15,868**	**31,035**	**5,541**

As at 31 March 2019, the only non-derivative financial liabilities the Group held were trade payables of $0.8 million, all of which were payable within six months.

Foreign currency risk

The Group, through its subsidiaries, is exposed to foreign currency movements against the US Dollar as it has significant expenditure in New Zealand. As a result, the financial statements can be affected by movements in the NZ Dollar.

The following sensitivity analysis is based on the foreign currency risk exposures in existence at the reporting date. As at 31 March 2020, had the NZ Dollar moved, as illustrated in the table below, with all other variables held constant, post tax profit and loss and equity would have been affected as follows:

As at 31 March	*2020 US$000*	*2019 US$000*
Increase in value of NZ Dollar of 10 percent		
Impact on profit	(85)	(865)
Impact on equity	560	(865)
Decrease in value of NZ Dollar of 10 percent		
Impact on profit	85	865
Impact on equity	(560)	865

The sensitivity analysis was calculated by taking the spot rate as at balance date of 0.5973 (2019: 0.6806) for NZ Dollars and moving this spot rate by the reasonably possible movements of plus and minus 10 percent and then re-converting the foreign currency into US Dollars with the 'new spot rate'. This methodology reflects the translation methodology undertaken by the Group.

The Group hedges a portion of its estimated exposure in respect of forecast revenue over the next two financial years and uses forward exchange contracts (FECs) to hedge its NZD/USD foreign exchange risks. These contracts are designated cash flow hedges. Gains or losses deferred in the cash flow hedge reserve will be reclassified to the income statement and other comprehensive income as the contracts mature.

The Group designated the FECs to hedge its NZD/USD foreign exchange risk and applies a hedge ratio of 1:1.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, notional amount and timing of their respective cash flows.

The Group assesses whether the derivative designated in each hedging relationship is expected to be, and has been, effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, the main source of ineffectiveness is the effect of the counterparty and the Group's own credit risk on the fair value of the FECs which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates.

The effect of the Group's hedge accounting policies in managing foreign exchange risk related to some of its revenue denominated in foreign currency is presented in the table below:

As at 31 March 2020	*Maturing in 1-6 months US$000*	*Maturing in 6-12 months US$000*	*Maturing in more than a year US$000*
Forward foreign exchange contracts			
Hedged exposure	2,106	2,106	2,106
Average US Dollars: NZ Dollar forward contract rate	0.585	0.585	0.585

As at 31 March 2020	*Statement of financial position line item*	*Notional amount of the hedging instrument US$000*	*Carrying amount of the hedging instrument US$000*	*Recognised in other comprehensive income US$000*
Forward foreign exchange contracts	Derivative financial asset	6,318	167	167
Current				117
Non-current				50

Fair value of financial instruments

Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial instruments recognised in the statement of financial position include cash and cash equivalents, trade receivables, trade payables and accruals, and borrowings.

The carrying value of financial assets and financial liabilities, with the exception of borrowings, are assumed to approximate their fair values due to the short term maturity of these assets and liabilities. Borrowings have floating interest rates and the fair value is estimated using the discounted cash flow model based on the current market interest rate for a similar product, therefore the carrying value approximates their fair value. Both financial assets and financial liabilities are carried at amortised cost.

26. Reconciliation of net profit with cash flows from operating activities

Year ended 31 March	*2020 US$000*	*2019 US$000*
Net profit for the year	16,001	18,827
Adjustment for non-cash items		
Depreciation	1,950	946
Amortisation	3,143	2,824
Share-based payment expense	842	2,085
Deferred tax benefit	5,633	(20,930)

Continued		
Year ended 31 March	*2020 US$000*	*2019 US$000*
Net foreign exchange (gains)	(2,403)	(632)
Other non-cash items	(356)	(43)
	24,810	**3,077**
Movements in working capital		
Trade and other receivables	(3,993)	(4,527)
Deferred acquisition costs	(164)	(1,286)
Trade and other payables	801	244
Unearned revenue	7,208	(109)
Employee entitlements	97	298
Income tax payable	753	(454)
Working capital acquired through business combination	(5,991)	-
	(1,289)	(5,834)
Net cash flows from operating activities	**23,521**	**(2,757)**

27. Contingent liabilities

As at the balance date there were no material contingent liabilities (2019: nil).

28. Capital commitments

As at the balance date there were no material capital commitments (2019: nil).

29. Events after the balance sheet date

There were no significant events between the balance sheet date and the date these financial statements were authorised for issue.

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Corporate **governance**

The objective of the Board is to enhance shareholder value. The Board and management of Pushpay are committed to ensuring that Pushpay ('the Company') meets best practice governance principles and adheres to high ethical standards.

Pushpay commenced trading on the NZX Alternative Market ("NZAX") on 14 August 2014. The Company ceased quotation of its shares on the NZAX at 5:00 pm on 8 June 2015 and commenced quotation of its shares on the NZX Main Board on 9 June 2015. The Company commenced quotation on the Australian Securities Exchange ("ASX") in a foreign exempt listing on 12 October 2016. Pursuant to ASX Listing Rule 1.15.3, the Company confirms that it continues to comply with the NZX Main Board Listing Rules.

The Board considers that, as at 31 March 2020, the Company complied with the recommendations set by the NZX Corporate Governance Code 2020, except as set out below.

Reference	*Recommendation*	*Alternative Governance Practice and Reason for the Practice*	*Applicable Period*
Recommendation 2.8	A majority of the Board should be Independent Directors.	The Board comprises six Directors. Three are Independent Directors, two are Executive Directors and one is a Non-executive Director. A majority of the Board is not comprised of Independent Directors as a result of the resignation of Daniel Steinman on 26 August 2019 and the subsequent acquisition of 100% of the ownership interests in Church Community Builder, which resulted in the appointment of Christopher Fowler as an Executive Director. The Board has previously and may, from time to time, operate outside of this recommendation, where the Board believes the intended outcomes of the recommendation are being met.	At all relevant times

Continued			
Reference	*Recommendation*	*Alternative Governance Practice and Reason for the Practice*	*Applicable Period*
Recommendation 3.5	All Board committees should operate under written charters.	The Board has three standing committees, the Audit and Risk Management Committee, the Nominations and Remuneration Committee and the Technology, Innovation and Intellectual Property Committee. The written charters for these committees are appended to the Company's Corporate Governance Code. The Board may, from time to time, establish ad-hoc committees to deal with specific issues or circumstances. As these committees are established on an ad-hoc basis, they will not have written charters. However, when appointing an ad-hoc committee the Board intends to minute, or otherwise record in writing, the terms of appointment of the committee.	At all relevant times
Recommendation 4.3	Financial reporting should be balanced, clear and objective. An issuer should provide non-financial disclosure at least annually, including considering environmental, economic and sustainability factors and practices. It should explain how operational or non-financial targets are measured.	Pushpay has not provided detailed reporting on environmental, economic and social sustainability risks because it is in the early stages of reporting on non-financial information. Pushpay has reviewed the disclosure recommendations and given that the current business operations are subject to limited climate related risks and opportunities has decided that further reporting is not required and would not be useful for investors. Pushpay will consider providing more detailed non-financial reporting in the following financial years.	At all relevant times
Recommendation 5.2	An issuer should have a remuneration policy for remuneration of Directors and officers, which outlines the relative weightings of remuneration components and relevant performance criteria.	The Board has adopted a remuneration policy (see paragraph 11 of the Company's Corporate Governance Code), which addresses remuneration components (fixed, performance-based and equity- based) and confirms that executive remuneration should include an element of performance-based pay. The remuneration policy does not specify relative weightings of remuneration components or specify performance criteria. This is because the Board has concluded that the relative weightings between remuneration components, as well as the performance criteria used to determine performance-based payments, will be determined on a case-by-case basis, having regard to the nature of the executive's role and other relevant factors.	At all relevant times

Continued			
Reference	*Recommendation*	*Alternative Governance Practice and Reason for the Practice*	*Applicable Period*
Recommendation 8.5	The board should ensure that the notices of annual or special meetings of quoted equity security holders is posted on the issuer's website as soon as possible and at least 20 working days prior to the meeting.	Pushpay was in discussions with the NZX and its external legal advisors regarding a remuneration matter which was to be included in the 2019 Notice of Meeting. The discussions unavoidably continued past the recommended 20-working day date. Subsequently, the Notice of Meeting was released on 29 May, being 14 working days prior to the meeting.	At all relevant times

The alternative governance practices described in the above table have been approved by the Board.

The full content of the Company's Corporate Governance Code and related Appendices can be found on the Company's website (see https://pushpay.com/investors/governance).

Board of Directors

Role of the Board

Pushpay's Board is responsible for directing the Company and enhancing its value for shareholders in accordance with good corporate governance principles.

The main functions of the Board are to:

a) provide overall governance and strategic leadership;

b) oversee the development, adoption and communication of a clear strategy for the Company (including overseeing the implementation of the Company's strategy by management);

c) be well-informed, impartial and critically engaged in the Company's affairs;

d) apply that manner of engagement when assessing strategic, business and financial plans prepared by management;

e) bring an independent mind when deciding the viability of plans to be adopted;

f) regularly assess and monitor the Company's performance against those plans, carefully considering the CEO's management of the Company against them;

g) select and replace the CEO, determine conditions of employment, and monitor performance against agreed objectives;

h) appoint a chairperson of the Board and, if considered by the Board to be appropriate or necessary, a deputy chairperson of the Board, and monitor performance against agreed objectives;

i) approve executive management team appointments, remuneration (including performance remuneration) and monitor performance against agreed objectives;

j) assess whether appropriate training has been received by Directors on how best to perform their duties;

k) review development and succession plans for executive management team;

l) ensure that the Company has adequate management and resources to achieve its objectives and to support the Board;

m) ensure effective and timely reporting to shareholders;

n) review and approve the Company's operating budgets and major capital expenditure;

o) set delegated authority levels for the CEO and executive management team;

p) review and approve individual investment and divestment decisions which the Board has determined should be referred to it before implementation;

q) review and approve material transactions not in the ordinary course of the Company's business;

r) ensure effective accounting, reporting, audit, risk management and compliance systems are in place and monitored to protect the Company's assets and to minimise the possibility of actions beyond legal and regulatory requirements or beyond acceptable risk parameters being undertaken;

s) ensure that the Company maintains a risk management framework which identifies:

  i) material risks to the Company and its business;

  ii) the likelihood and impact of each risk to the Company's business; and

  iii) how those risks are being managed or mitigated;

t) ensure that regular reports on the risk management framework are provided to, and reviewed by, the Board;

u) determine the nature and extent of the material risks it is willing to take to achieve its strategic objectives and how it will manage them;

v) ensure ethical behaviour by the Company, the Board and management;

w) ensure compliance with the Company's Constitution, its continuous disclosure obligations, and the relevant laws, listing rules and regulations and relevant auditing and accounting principles;

x) adopt and from time to time review the Company's remuneration policy and other corporate governance documents;

y) implement and from time to time review the Company's Code of Ethics, foster high standards of ethical conduct and personal behaviour and hold accountable those Directors, managers or other employees who engage in unethical behaviours;

z) ensure the quality and independence of the Company's external audit process; and

aa) assess from time to time its own effectiveness in carrying out these functions and the other responsibilities of the Board.

The Board has delegated a number of its responsibilities to three Board Committees: Audit and Risk Management Committee, Nomination and Remuneration Committee and Technology, Innovation and Intellectual Property (IP) Committee. The role of each Committee is described below. The Board determines the strategic direction and goals, whereas day to day management of the Company is delegated to the senior management team under the leadership of the CEO.

Board composition

The NZX Listing Rules state that the Company must have at least three Directors, of which at least two must be resident in New Zealand and at least two must be Independent Directors.

As at 31 March 2020 the Board comprised six Directors:

Graham Shaw - Independent Chairman

Justine Smyth - Independent Director

Lovina McMurchy - Independent Director

Peter Huljich - Non-executive Director

Bruce Gordon - Executive Director and CEO

Christopher Fowler - Executive Director and Visionary

On 8 May 2019, Chris Heaslip resigned from his position as CEO, effective 31 May 2019. Chris remained a Non-executive Director of the Company until his resignation on 31 March 2020.

Following Chris Heaslip's resignation as CEO, Pushpay's Board appointed Bruce Gordon (previously Chairman of the Board) as CEO and Executive Director, effective 1 June 2019.

Graham Shaw (previously Independent Director) assumed the role of Chairman of the Board, effective 8 May 2019.

Christopher Huljich was replaced by Peter Huljich (previously an Alternate Director to Christopher Huljich), as a Non-executive Director, effective 8 May 2019. Subsequently, Christopher Huljich was appointed as an Alternate Director to Peter Huljich.

Daniel (Dan) Steinman resigned as an Independent Director, effective 26 August 2019.

Justine Smyth joined the Board as an Independent Director, effective 26 August 2019.

Lovina McMurchy joined the Board as an Independent Director, effective 30 March 2020.

A biography of each Director is available earlier in this Report and on Pushpay's website at https://pushpay.com/investors/board.

Chairman

The Chairman of the Board is elected by the Board. The Board supports the separation of roles of the Chairman and CEO. The Board has determined that the Chairman, Graham Shaw, is an Independent Director.

The Chairman is responsible for coordinating the activities and work streams of the Board and has the following specific responsibilities:

a) lead the Board, facilitate effective contribution by all Directors and promote constructive and respectful relations between Directors and between the Board and senior management;

b) conduct meetings of the Board and of shareholders;

c) schedule Board meetings in a manner that enables the Board and its Committees to effectively perform their duties while minimally interfering with the Company's business;

d) prepare, in consultation with the CEO, other Directors and Committee chairpersons and the Board Secretary, the agendas for the Board and committee meetings, and ensure that adequate time is available for discussing agenda items (particularly strategic issues);

e) define the quality, quantity and timeliness of the flow of information between senior management and the Board;

f) ensure that issues raised, or information requested, by any Director are responded to promptly and as fully as possible;

g) approve, in consultation with the Board, the retention of consultants who report directly to the Board;

h) foster a constructive governance culture and assist the Board and senior management in assuring compliance with, recommended revisions to, and implementation of the Company's Corporate Governance Code;

i) promote and maintain the independence of the Board from senior management;

j) participate in the Non-executive Directors' evaluation of the CEO's performance and to meet with the CEO to discuss the Board's requirements and expectations and the evaluation of the CEO's performance by the Board; and

k) to ensure that processes for annually evaluating the performance of the Board, Board Committees and individual Directors are in place and lead these processes in conjunction with the Board.

Conflicts of interests

The Board is aware of its obligations to ensure that Directors avoid conflicts of interest between their duties to the Company and any personal interests. The Company's Corporate Governance Code outlines the policy where conflicts exist (real and perceived). Pushpay maintains a Directors' interests register where relevant disclosures of interest and related party transactions are recorded.

Director independence

Consideration is given to significant shareholders or shareholder groups being represented on the Board. In addition, as required by the NZX Listing Rules, the Board also has Independent Directors to ensure that the interests of all shareholders are represented. The Board takes into account the NZX Listing Rules in determining the independence of the Directors and will review any determination it makes, on becoming aware of any information that may impact any Director's independence.

As at 31 March 2020 and the date of this Report, the Board has determined that Graham Shaw, Justine Smyth and Lovina McMurchy are Independent Directors and the remaining Directors (Peter Huljich, Bruce Gordon and Christopher Fowler) are not Independent Directors.

Retirement and re-election

Directors are subject to the retirement by rotation requirements as set out in the NZX Listing Rules and in the Company's constitution. In broad terms, a Director must not hold office without re-election past the longer of the third annual meeting following the Directors last appointment or election and three years.

Director training

All Directors are responsible for ensuring they remain current in understanding their obligations and duties. New Directors are given a copy of the Company's Corporate Governance Code and other relevant Company information, appropriate induction training and a letter of appointment covering the role of the Board, expectations and any particular terms of the appointment.

Company information

All Directors have access to senior management to discuss issues or obtain information in specific areas in relation to items to be considered at Board meetings or any other areas considered appropriate. Each Director has the right to seek independent legal and other professional advice (with approval of the Chairman) at the Company's expense to assist them to carry out their responsibilities.

Directors' and officers' insurance

Pushpay has insured and indemnified all its Directors against liabilities to other parties that may arise from acts or omissions in their capacity as Directors.

Board evaluation

The Board undertakes regular reviews of its own performance and the performance of Directors and each Committee to ensure the Board's composition has the appropriate skills, qualifications, experience and background to monitor the Company's performance in the interests of the shareholders.

Board Committees

Audit and Risk Management Committee

The current members of the Audit and Risk Management Committee are Justine Smyth (Chair), Graham Shaw and Peter Huljich, a majority of whom, the Board has determined, are Independent Directors.

The Board is committed to a transparent system for auditing and reporting the Group's financial performance. The Audit and Risk Management Committee's principal functions include assisting the Board in:

- fulfilling the Board's responsibilities in producing accurate financial statements in compliance with all applicable legal requirements and accounting and reporting standards;

- ensuring the quality and independence of the Company's external audit process; and
- discharging the Board's responsibility to exercise due care, diligence and skill in relation to oversight of, appropriate accounting policies, financial management, internal control systems and risk management framework.

The Audit and Risk Management Committee provides a forum for effective communication between the Board and external auditors. The Committee reviews the annual and interim financial statements prior to their approval by the Board, the effectiveness of internal control and management information systems and the efficiency and effectiveness of the audit function.

The Committee generally invites the Company's Chief Financial Officer and the auditors to attend Committee meetings. The Committee also meets with and receives reports from the auditors concerning any matters that arise in connection with the performance of their role, including the adequacy of internal controls.

Pushpay has established a system of risk oversight and management. Senior management maintains a risk register and this is reviewed at each meeting of the Audit and Risk Management Committee.

Pushpay has established procedures for confidential, anonymous submission of concerns by employees of the Company, including a whistle blowing scheme.

A copy of the Audit and Risk Management Committee Charter can be found on the Company's website (see Appendix D of the Company's Corporate Governance Code, located at the date of this Report at https://pushpay.com/investors/governance).

Nominations and Remuneration Committee

The current members of the Nominations and Remuneration Committee are Graham Shaw (Chair), Justine Smyth and Peter Huljich, a majority of whom, the Board has determined, are Independent Directors.

The Committee reviews the remuneration packages of all Directors and the senior management team. The Non-executive Directors approve the employee remuneration of Bruce Gordon and Christopher Fowler who are also Executive Directors. Bruce Gordon and Christopher Fowler do not receive any remuneration solely in their capacities as Directors.

The packages of the employees and contractors of the Group, which consist of base salary and incentive schemes (including performance-related bonuses) are reviewed with due regard to performance and other relevant factors.

The Committee reviews the composition of the Board annually to ensure the Board maintains an appropriate balance of skills, experience and expertise.

The terms and conditions of the appointment of Directors are set out in a formal letter of appointment, that typically deals with the following matters:

- duration of appointment;
- role of the Board;
- timing and location of board meetings and expected time commitment;
- remuneration, including timing of reviews;
- Committee involvement;
- Board and individual evaluation processes;
- outside interests including other directorships;
- dealing in Company shares;
- induction and development processes;
- access to independent professional advice;
- availability of liability insurance; and
- confidentiality of Group information.

A copy of the Nominations and Remuneration Committee Charter can be found on the Company's website (see Appendix E of the Company's Corporate Governance Code, located at the date of this Report at https://pushpay.com/investors/governance).

Technology, Innovation and Intellectual Property (IP) Committee

The current members of the Technology, Innovation and IP Committee are Graham Shaw (Chair), Lovina McMurchy, Peter Huljich, Bruce Gordon and Christopher Fowler.

The purpose of this Committee is to perform an advisory role in relation to the Company's material technology, innovation and intellectual property related matters through:

- reviewing and providing advice and recommendations to the Board on all material decisions regarding the development of the Company's technology;
- assisting the Board to determine enhancements in functionality that would be desirable to make to Pushpay's products and material investments, research and development;
- developing intellectual property policy and strategy; and
- reviewing the Company's data privacy and information security policy practices relating to Pushpay's platform and service offerings.

A copy of the Technology, Innovation and IP Committee Charter can be found on the Company's website (see Appendix F of the Corporate Governance Code, located at the date of this Report at https://pushpay.com/investors/governance).

Board and Committee meeting attendance

Board and Committee meetings are held in person and/or by teleconference. The table below shows Director attendance at these meetings during the year ended 31 March 2020:

	Board	*Audit and Risk Management Committee*	*Nominations and Remuneration Committee*	*Technology, Innovation and IP Committee*
Total meetings	16	6	3	4
Graham Shaw	15	6	4	3
Justine Smyth[1]	9	4	2	-
Lovina McMurchy[2]	-	-	-	-
Peter Huljich[3]	15	6	4	3
Bruce Gordon	16	6*	4*	4
Christopher Fowler[4]	4	-	1*	1
Christopher Huljich[3]	5*	-	1	-
Daniel Steinman[5]	5	2	1	1
Christopher Heaslip[6]	14	2*	1*	4

* Non-member attending Committee meeting.

1 Justine Smyth joined the Board as an Independent Director on 26 August 2019.

2 Lovina McMurchy joined the Board as an Independent Director on 30 March 2020.

3 Christopher Huljich was replaced by Peter Huljich (previously an Alternate Director to Christopher Huljich), as a Non-executive Director on 8 May 2019. Subsequently, Christopher Huljich was appointed as an Alternate Director to Peter Huljich.

4 Christopher Fowler joined the Board as an Executive Director on 13 December 2019.

5 Daniel Steinman resigned as a Director on 26 August 2019.

6 Christopher Heaslip resigned as a Director on 31 March 2020.

Code of Ethics

The Pushpay Code of Ethics is fundamental to the way that Pushpay does business. The purpose of the Code is to ensure high standards of ethical conduct. The Code aims to achieve this purpose by the use of principles that provide guidance on appropriate standards and conduct. As the Code and the principles set out in it cannot capture every situation that might arise, Pushpay personnel are expected to assess actions and decisions against the backdrop of the principles and spirit of the Code and always seek to act consistently with that.

The Code has been approved by the Board and all of Pushpay's personnel are expected to be familiar with it. Furthermore, all of Pushpay's personnel (including employees, contractors and other representatives of Pushpay from time to time) must comply with the letter and spirit of the Code. This is especially true of Directors and senior management. Breaches of the Code will result in appropriate disciplinary and/or legal action.

The Code covers:

- conflicts of interest;
- receipt and use of Company information;
- receipt and use of Company assets and property;
- Directors' attention to the matters before them;
- acting honestly and in the best interest of the Company;
- valuing personnel;
- giving and receiving gifts; and
- reporting and managing breaches of the Code.

A copy of the Code can be found on the Company's website (see Appendix A of the Company's Corporate Governance Code, located at the date of this Report at https://pushpay.com/investors/governance).

Interests register

An interests register is maintained for Pushpay in which the particulars of certain transactions and matters involving the Directors must be recorded. The interests register is available for inspection at Pushpay's registered office. When a Director has declared an interest in a particular entity, as a shareholder, director or otherwise, the declaration serves as notice that the Director may benefit from any transaction between the Company and the disclosed entity.

Financial Products Dealing Policy

The Board has adopted a Financial Products Dealing Policy for all Directors, officers, employees and contractors of Pushpay and its subsidiaries for trading in the Company's quoted financial products. Compliance with this Policy is actively managed. The Policy covers insider trading laws and various policy requirements, including the monitoring of trading.

Before trading Pushpay's quoted financial products, at any time, all Directors, officers and employees of Pushpay and its subsidiaries, or any trusts or companies controlled by such persons, or anyone else notified by the Company's Head of Investor Relations from time to time, must, in writing:

- notify the Company's Head of Investor Relations of their intention to trade in Pushpay's quoted financial products, seek consent to do so and receive a signed copy of the consent to trade;
- confirm that they do not hold material information; and
- confirm that there is no known reason to prohibit trading in Pushpay's quoted financial products.

A copy of the Financial Products Dealing Policy can be found on the Company's website (see Appendix B of the Company's Corporate Governance Code, located at the date of this Report at https://pushpay.com/investors/governance).

Diversity

Pushpay has a Diversity Policy as the Board acknowledges the importance of treating others with dignity, respect and fairness, and taking into consideration cultural sensitivities, as well as ensuring freedom from unlawful discrimination. Pushpay is committed to creating and maintaining an inclusive and collaborative workplace culture by recognising the values of a diverse and skilled workforce. This commitment extends to all areas of its business.

Pushpay will support the ongoing enhancement of diversity and inclusion of initiatives, which may include:

- promotion of a discrimination, harassment and victimisation-free working environment, with a focus on respect and inclusion;
- raising employee awareness of workplace diversity by designing, delivering and measuring the efficacy of gender equality and workforce diversity programmes, including employee resource groups focusing on women and under-represented minorities;
- diversity support and education;
- promotion of a culture of empowerment that rewards employees to act in accordance with the policy, for both current employees and our hiring processes; and
- striving to ensure that all employees receive equal treatment in all aspects of Pushpay's employment policies and practices.

As at 31 March 2020 the gender balance of Directors, officers and employees/contractors was as follows (with the table also showing comparative numbers as at 31 March 2019):

	As at 31 March 2020						*As at 31 March 2019*					
	Directors	*%*	*Executive leadership team*	*%*	*Employees/ Contractors*	*%*	*Directors*	*%*	*Executive leadership team*	*%*	*Employees/ Contractors*	*%*
Female	2	33	2	25	152	33	0	0	0	0	119	30
Male	4	67	6	75	305	67	5	100	6	100	273	70
Total	6	100	8	100	457	100	5	100	6	100	392	100

Pushpay is proud to have an ingrained inclusive culture, where differences become strengths that can be used to better serve the Company's Customers and drive strong business performance. Pushpay values creating equal opportunities for each of its people to progress within the Company. When assessing remuneration, Pushpay's focus is on the performance and merits of each individual relative to market benchmarks. Explicit consideration is made as part of the annual remuneration review process as to whether any differences in remuneration between individuals with similar roles is justified given the risk of unconscious bias.

Pushpay has made progress over the last financial year by putting in place processes and increasing awareness through education to create a stronger focus in the area of diversity and inclusion in order to prepare the business for growth long-term. Pushpay continues to develop an inclusive culture, which creates a better experience for its Customers, staff and candidates. Below is an update of steps the Company has taken to improve in this area:

- The Board appointed two highly experienced and qualified female Directors, and continues to search for other suitably qualified candidates of diverse backgrounds and experience;
- To ensure more internal representation and to create a culture of diversity and inclusion, Pushpay sponsored two employee resource groups focused on education, awareness and development of women, and under-represented minorities;
- Pushpay expanded the diversity of the leadership team significantly by adding several women to key leadership roles. The percentage of women in management positions increased over the last 12

months and this internal representation of women in leadership roles is critical to creating a culture that can attract and retain top diverse talent;

- To ensure diversity during the interview process Pushpay has ensured that diversity was also represented amongst the staff and leaders in the interview loop. Pushpay equipped its managers through interview training to establish the importance of diversity and to increase awareness of unconscious bias; and
- Pushpay continued to work with US military and veteran organisations, that focus on under-represented minorities in the US, to attract more diverse candidates by attending career fairs at local universities in the Seattle, Washington, US area.

Health and safety

Pushpay has a Health and Safety Policy, which sets out the Company's commitments and expectations in respect of the health, safety and welfare of employees and contractors in the workplace.

Pushpay's Health and Safety Policy was established, and is maintained and continually improved for effectiveness, in accordance with the requirements of the Health and Safety at Work Act 2015, including as a Person Conducting a Business or Undertaking.

The Health and Safety Policy is subject to review by the Board of Directors as required, and at least every two years, to ensure that the policy remains consistent with Pushpay's objectives and responsibilities. A report on the performance against the policy, policy initiatives and incident reports is regularly provided by management to the Board.

Internal audit

Although Pushpay does not currently have an internal audit function, it does have the following processes for evaluating and improving the effectiveness of its risk management and internal processes:

- the Board is responsible for determining the nature and extent of the material risks it is willing to take to achieve its strategic objectives and for ensuring that the Company maintains a risk management framework, which identifies:
    - material risks to the Company and its business;
    - the likelihood and impact of each risk to the Company's business; and
    - how those risks are being managed or mitigated.

The Board also ensures that it receives and reviews regular reports on the risk management framework; and

- the Audit and Risk Management Committee is responsible for (amongst other things):
    - regularly reviewing the Company's internal controls and systems;
    - monitoring and regularly reviewing the authorities, delegations and procedures under which the Company may be committed; and
    - establishing procedures for receipt, retention and treatment of concerns received by the Company regarding accounting, internal accounting controls and auditing matters.

Further information regarding the responsibilities of the Board and Audit and Risk Management Committee in respect of risk management is set out in Pushpay's Corporate Governance Code, which can be found on the Company's website (see the Company's Corporate Governance Code, located at the date of this Report at https://pushpay.com/investors/governance).

Auditors

Pushpay has adopted an External Audit Policy, which can be found on the Company's website (see the Corporate Governance Code, located at the date of this Report at https://pushpay.com/investors/governance).

The Policy requires, among other matters:

- the Board to facilitate full and frank dialogue among the Audit and Risk Management Committee, the auditor and senior management; and
- rotation of the lead and engagement audit partner after a maximum of five years.

The Audit and Risk Management Committee Charter, a copy of which can be found on the Company's website (see Appendix D of the Company's Corporate Governance Code, located at the date of this Report at https://pushpay.com/investors/governance), requires the Committee to, among other matters:

- facilitate continued independence of the external auditor;
- assess the external auditor's independence and qualifications, and monitor performance; and
- review the nature and scope of the audit and review the audit delivery plan.

The amounts payable by the Company to the auditor of the Company as audit fees and fees payable by the Company for other services provided by the auditor are set out in the financial statements contained in this Report.

Market disclosure

Pushpay is committed to ensuring that all of its shareholders have timely access to full and accurate material information about the Company. Equally the Directors comply with full and timely disclosure to the market of material information.

Pushpay's Disclosure and Communications Policy, a copy of which can be found on the Company's website (see Appendix C of the Company's Corporate Governance Code, located at the date of this report at https://pushpay.com/investors/governance):

- records the Company's commitment to its continuous disclosure obligations under the NZX Main Board Listing Rules and the Financial Markets Conduct Act 2013;
- sets out the processes to be followed by the Company to ensure compliance with those obligations; and
- addresses the Company's general approach to communicating with shareholders and other external parties, with a view to ensuring such communications are effective, consistent and accurate.

Non-executive Director remuneration

The total remuneration available to be paid to Non-executive Directors is fixed by shareholders. The current annual fee pool limit is US$650,000. The Board has determined that differentiation between fees for New Zealand resident Directors and other Directors is appropriate. The current standard allocation of Non-executive Directors remuneration is:

New Zealand Non-executive Directors	*NZ$**	*US$*
Board Chairman	141,931	82,320
Non-executive Director	70,966	41,160
Chair of Audit and Risk Management Committee	14,483	8,400
Other committee Chair	14,483	8,400
Committee Member	8,690	5,040
United States Non-executive Directors		
Non-executive Director	N/A	56,700
Committee Member	N/A	7,560

* An assumed exchange rate of $0.58 USD:NZD is used to convert the USD rate to NZD for New Zealand resident directors.

In addition, the Board may determine from time to time that it is necessary to pay higher fees to attract specific Non-executive Directors, as long as the total remuneration paid to Non-executive Directors does not exceed the amount fixed by shareholders. Justine Smyth is paid higher remuneration than the standard remuneration stated in the table above. As announced on her appointment on 26 August 2019, after taking independent advice, the Board determined a total remuneration package of US$95,000 including fees for committee memberships.

Directors are also entitled to be paid for all reasonable travel, accommodation and other expenses incurred by them in connection with the Company's business.

Executive Director remuneration

The total salaries and other remuneration paid to Executive Directors for the period ended 31 March 2020 are paid in United States Dollars (USD) and are stated in the table below.

	2020		*2019*	
	Salary	*Other remuneration*	*Salary*	*Other remuneration*
Executive Director	*US$000*	*US$000*	*US$000*	*US$000*
Bruce Gordon	304	50	-	-
Christopher Fowler	32	-	-	-
Christopher Heaslip	62	128	369	61
Total	398	178	369	61

Bruce Gordon was appointed as an Executive Director on 1 June 2019. He receives remuneration from the Company in the form of salary, an accommodation supplement, short term incentive (STI), and restricted stock units (RSUs) and tax equalisation of any United States earnings to the New Zealand equivalent. From 1 June 2019, he did not receive any other remuneration in his capacity as a Director.

For the year to 31 March 2020 Bruce Gordon's STI performance criteria was based on the Company achieving operating revenue, subscription fees added and EBITDAF targets. All targets had performance hurdles that needed to be achieved for him to be eligible for the related STI. For the year to 31 March 2020 his target STI amount was 50% of base salary.

Christopher Fowler was appointed as an Executive Director on 13 December 2019. He receives remuneration from the Company in the form of a salary. He does not participate in the Company's Share Incentive Scheme or receive RSUs in the Company. He does not receive any other remuneration in his capacity as a Director.

Christopher Heaslip resigned as an Executive Director on 31 May 2019. Until that date he received remuneration from the Company in the form of a salary and an STI. His STI target amount was set at 50% of base salary for the year ended 31 March 2019.

Bruce Gordon and Christopher Heaslip also received fees as Non-executive Directors for part of the year, which are shown in the director remuneration table below.

Director remuneration

The total Director fees and other remuneration received by the Directors for the period ended 31 March 2020 are stated in the table below in New Zealand Dollars (NZD). Remuneration for Directors outside New Zealand have been converted into NZD using the 12-month average foreign exchange rates from the Reserve Bank of New Zealand.

	2020		2019	
	Fees	*Other remuneration*	*Fees*	*Other remuneration*
Director	*NZ$000*	*NZ$000*	*NZ$000*	*NZ$000*
Graham Shaw	148	-	64	-
Justine Smyth[1]	87	-	-	-
Lovina McMurchy[2]	-	-	-	-
Peter Huljich[3]	75	-	-	-
Bruce Gordon	15	574	139	23
Christopher Fowler[4]	-	50	-	-
Christopher Huljich[3]	6	-	60	-
Eliot Crowther	-	-	-	182
Daniel Steinman[5]	42	-	87	83
Christopher Heaslip[6]	82	292	-	631
Total	455	916	350	919

1 Justine Smyth joined the Board as an Independent Director on 26 August 2019.

2 Lovina McMurchy joined the Board as an Independent Director on 30 March 2020.

3 Christopher Huljich was replaced by Peter Huljich (previously an Alternate Director to Christopher Huljich), as a Non-executive Director on 8 May 2019. Subsequently, Christopher Huljich was appointed as an Alternate Director to Peter Huljich.

4 Christopher Fowler joined the Board as an Executive Director on 13 December 2019.

5 Daniel Steinman resigned as a Director on 26 August 2019.

6 Christopher Heaslip resigned as a Director on 31 March 2020.

The table below shows the number of employees and former employees (including Executive Directors) in the Group receiving remuneration and other benefits in their capacity as employees, the value of which was equal to or exceeded NZ$100,000 for the year ended 31 March 2020. Remuneration for those outside New Zealand has been converted into NZD using the 12-month average foreign exchange rates from the Reserve Bank of New Zealand. No Director of a subsidiary receives or retains any remuneration or other benefits from Pushpay for acting as such.

Employee remuneration range NZ$	*2020 Number of employees*	*2019 Number of employees*
$100,001-$110,000	33	19
$110,001-$120,000	25	26
$120,001-$130,000	22	24
$130,001-$140,000	25	13
$140,001-$150,000	19	14
$150,001-$160,000	13	12
$160,001-$170,000	11	7
$170,001-$180,000	8	11
$180,001-$190,000	7	6
$190,001-$200,000	5	8
$200,001-$210,000	5	5
$210,001-$220,000	4	4

Continued		
Employee remuneration range NZ$	*2020 Number of employees*	*2019 Number of employees*
$220,001-$230,000	4	2
$230,001-$240,000	3	5
$240,001-$250,000	2	2
$250,001-$260,000	5	2
$260,001-$270,000	1	1
$270,001-$280,000	4	5
$280,001-$290,000	3	1
$290,001-$300,000	2	3
$300,001-$310,000	1	1
$310,001-$320,000	1	1
$320,001-$330,000	1	1
$340,001-$350,000	1	1
$350,001-$360,000	3	3
$360,001-$370,000	1	1
$390,001-$400,000	-	1
$410,001-$420,000	1	1
$440,001-$450,000	1	-
$450,001-$460,000	-	1
$460,001-$470,000	-	1
$470,001-$480,000	2	1
$490,001-$500,000	1	-
$500,001-$510,000	1	-
$510,001-$520,000	-	1
$520,001-$530,000	-	1
$550,001-$560,000	1	-
$590,001-$600,000	1	-
$600,001-$610,000	-	1
$610,001-$620,000	-	1
$630,001-$640,000	-	1
$660,001-$670,000	-	1
	217	189

Waivers

Pushpay was granted a waiver from NZX Listing Rule 5.2.1, by the NZX Regulation (NZXR) on 11 December 2019, to the extent that this Rule would have otherwise required Pushpay to obtain shareholder approval to enter into the transaction to acquire 100% of the ownership interests in Church Community Builder.

The waiver was required because interests associated with Christopher Heaslip, who was a Director at the time of the transaction, were parties to a related series of transactions that included the acquisition of Church Community Builder (which was a Material Transaction for the purposes of the NZX Listing Rules).

The waiver was subject to the following conditions:

1. The Directors, other than Christopher Heaslip, were required to certify to NZX that:
    a. the terms of the acquisition of Church Community Builder were entered into, and negotiated, on an arm's length basis;
    b. Pushpay was not influenced to enter into the Material Transaction by Christopher Heaslip;
    c. the entry into, and performance, of the acquisition of Church Community Builder was fair and reasonable to all Pushpay shareholders and was in the best interests of Pushpay and its shareholders;
    d. the decision to proceed with the acquisition of Church Community Builder and to facilitate the sale of shares by interests associated with Christopher Heaslip was approved by Pushpay directors other than Christopher Heaslip; and
    e. from the point at which Pushpay conceived of the sale of shares by interests associated with Christopher Heaslip, Christopher Heaslip abstained from, and did not participate in discussion in respect of, Board decisions to proceed with, or relating to the terms of the acquisition of Church Community Builder and the share sale.
2. The waiver, its conditions and implications were required to be disclosed in this Annual Report.

Directors' shareholdings

Details of Director shareholdings and holdings of other financial products issued by the Company as at 31 March 2020 are set out below:

Director	*Class of share*	*Held by Director or associated entities*
Graham Shaw	Fully paid ordinary	2,881,335
Justine Smyth	Fully paid ordinary	85,000
Lovina McMurchy	Fully paid ordinary	-
Peter Huljich	Fully paid ordinary	57,625,976
Bruce Gordon	Fully paid ordinary	2,767,895
	Restricted Stock Units (RSUs)	288,684
Christopher Fowler	Fully paid ordinary	6,505,714
Christopher Huljich (Alternate Director for Peter Huljich)	Fully paid ordinary	57,733,116
Daniel Steinman[1]	Fully paid ordinary	91,812
Christopher Heaslip[2]	Fully paid ordinary	10,966,434

1 Daniel Steinman resigned as a Director on 26 August 2019.

2 Christopher Heaslip resigned as a Director on 31 March 2020.

Director share dealing

Directors disclosed, pursuant to section 148 of the Companies Act 1993 and Part 5 of the Financial Markets Conduct Act 2013, the following acquisitions and disposals of relevant interests in Pushpay shares during the year ended 31 March 2020:

Date	*Director*	*Registered holder / Associated entity*	*Class of financial product*	*Acquired/ (Disposed of)*	*Consideration $*	*Notes*
3-Jul-19	Christopher Benjamin Heaslip	DDS Trustee Services Limited as trustee of the Dorchester Trust	Fully paid ordinary shares	(12,240,000)	NZ$45,288,000	The Dorchester Trust and Mission 316 Foundation (M316) entered into a Deed of Gift of Shares on 2 July 2019, pursuant to which the Dorchester Trust gifted 1,200,000 Shares to M316. The gift was completed on 2 July 2019 after market close. On 3 July 2019, Christopher Benjamin Heaslip and the Dorchester Trust entered into an Underwriting Agreement with M316, Deutsche Craigs Limited and Craigs Investment Partners Limited and Pushpay, whereby the Underwriter was contractually required to underwrite and arrange the sale of 12,000,000 Shares for the Dorchester Trust and 240,000 Shares for M316 (the Block Trade). The Dorchester Trust and M316 entered into an Escrow Deed with Pushpay, whereby a total of 12,000,000 Shares would be sold under the Block Trade by the Dorchester Trust with its remaining 12,512,148 shares subject to an 18-month contractual lock-up as set out in the Escrow Deed (the Lock-Up) and a total of 240,000 shares would be sold under the Block Trade by M316 with its remaining 960,000 shares subject to the Lock-Up.
4-Jul-19	Christopher Benjamin Heaslip	DDS Trustee Services Limited as trustee of the Dorchester Trust	Fully paid ordinary shares	(12,240,000)	NZ$45,288,000	The sale of the Block Trade Shares by the Dorchester Trust and M316 was arranged by the Underwriter with settlement expected to take place on 9 July 2019. A total of 12,000,000 Shares were sold under the Block Trade by the Dorchester Trust. The remaining 13,512,148 Shares that the Dorchester Trust holds are subject to the Lock-Up. A total of 240,000 Shares were sold under the Block Trade by M316. The remaining 960,000 Shares held by M316 are subject to the Lock-Up.
9-Aug-19	Christopher Benjamin Heaslip	DDS Trustee Services Limited as trustee of the Dorchester Trust	Fully paid ordinary shares	3,000,000	Nil	FNZ Custodians Limited (“FNZ”) held the registered title to 3,000,000 Shares as custodian for the Dorchester Trust in connection with security and loan facility arrangements with the Bank of New Zealand. On 9 August 2019, the Bank of New Zealand released its security over the 3,000,000 Shares and on 8 July 2019 FNZ transferred the registered title to the 3,000,000 Shares to the Dorchester Trust. The Escrow Deed entered into by the Dorchester Trust with Pushpay and M316 on 3 July 2019 included the 3,000,000 Shares subject to the above transaction.
26-Aug-19	Justine Bronwyn Gay Smyth	Paul Francis Lockey, Justine Bronwyn Gay Smyth and Alison Rosemary Gerry as trustees of the PJ Trust	Fully paid ordinary shares	60,000	Nil	Justine Bronwyn Gay Smyth was appointed as an Independent Director on 26 August 2019. As of that date, associated interests held 60,000 Shares.

Continued						
Date	*Director*	*Registered holder / Associated entity*	*Class of financial product*	*Acquired/ (Disposed of)*	*Consideration $*	*Notes*
27-Aug-19	Peter Karl Christopher Huljich	Christopher & Banks V Limited	Fully paid ordinary shares	(2,150,000)	Nil	An off-market transfer of shares by Christopher & Banks V Limited to Link Market Services Limited was completed for the benefit of various parties to pursue philanthropic interests.
27-Aug-19	Christopher Peter Huljich	Christopher & Banks V Limited	Fully paid ordinary shares	(2,150,000)	Nil	An off-market transfer of shares by Christopher & Banks V Limited to Link Market Services Limited was completed for the benefit of various parties to pursue philanthropic interests.
30-Sep-19	Bruce Patrick Gordon	Bruce Patrick Gordon	Restricted Stock Units (RSUs)	288,684	Nil	Bruce Patrick Gordon was awarded 288,684 RSUs pursuant to the Pushpay Holdings Limited 2016 Share Incentive Plan as part of his remuneration package. The RSUs were granted at a value of NZ$3.3095 each. No cash consideration is required to be paid for the RSUs to vest (i.e. for an equivalent number of Ordinary Shares in Pushpay to be issued).
13-Dec-19	Christopher Benjamin Heaslip	DDS Trustee Services Limited as trustee of the Dorchester Trust	Fully paid ordinary shares	(17,472,148)	1. US$12,786,560 2. NZ$43,536,743 3. US$2,213,439	The Dorchester Trust completed an off-market sale of: 1. 5,545,714 Shares to Chris M. Fowler and Laura C. Fowler as trustees of the Christopher M. Fowler and Laura C. Fowler Living Trust ("the Fowler Family Trust") for an aggregate purchase price of US$12,786,560 pursuant to an Agreement for Sale and Purchase of Shares between the Dorchester Trust, the Fowler Family Trust and Pushpay; and 2. 10,966,434 Shares to Woodhill Investment Company LLC ("Woodhill") for an aggregate purchase price of NZ$43,536,743 pursuant to an Off-Market Share Sale and Purchase Agreement between the Dorchester Trust and Woodhill; Under the same transaction M316 completed an off-market sale of: 3. 960,000 Shares to the Fowler Family Trust for an aggregate purchase price of US$2,213,439.
13-Dec-19	Christopher Benjamin Heaslip	Woodhill Investment Company LLC	Fully paid ordinary shares	10,966,434	NZ$43,536,743	Woodhill Investment Company LLC acquired by off-market purchase 10,966,434 Shares from the Dorchester Trust for an aggregate purchase price of NZ$43,536,743 pursuant to an Off-Market Share Sale and Purchase Agreement between the Dorchester Trust and Woodhill, dated 13 December 2019. As part of the above transaction, Woodhill acceded to the Escrow Deed entered into by the Dorchester Trust with Pushpay and M316 on 3 July 2019 and became subject to a lock-up on substantially similar conditions to the Lock-Up by way of an Accession Deed.
13-Dec-19	Christopher Marshall Fowler	Christopher M. Fowler and Laura C. Fowler, as trustees of the Fowler Family Trust	Fully paid ordinary shares	6,505,714	US$14,999,999	The Fowler Family Trust entered into an agreement with interests associated with Christopher Benjamin Heaslip (The Dorchester Trust and M316) to acquire 6,505,714 Pushpay shares for an aggregate purchase price of US$14,999,999.

Continued						
Date	*Director*	*Registered holder / Associated entity*	*Class of financial product*	*Acquired/ (Disposed of)*	*Consideration $*	*Notes*
23-Dec-19	Justine Bronwyn Gay Smyth	Paul Francis Lockey, Justine Bronwyn Gay Smyth and Alison Rosemary Gerry as trustees of the PJ Trust	Fully paid ordinary shares	25,000	NZ$102,250	Justine Bronwyn Gay Smyth purchased 25,000 Shares on-market.
21-Jan-20	Christopher Marshall Fowler	Christopher M. Fowler and Laura C. Fowler as trustees of the Fowler Family Trust	Fully paid ordinary shares	Nil	Nil	The Fowler Family Trust transferred the registered ownership of 6,505,714 Shares to a custodian. The beneficial ownership remains unchanged.

Interests register disclosure

Insurance of Directors

For the purposes of section 162 of the Companies Act 1993, Directors disclosed insurance effected for Directors and Officers in relation to certain acts or omissions in their capacity as Directors and Officers of the Company.

General disclosure

The Company maintains an interests register in accordance with the Companies Act 1993. Directors of the Company have disclosed interests in the following entities both prior to and during the year ended 31 March 2020, in addition to those disclosed elsewhere in this Report:

Name	*Position*	*Entity*
Graham Shaw	Trustee	3inCommon Trust
	Director	Beep Limited
	Trustee	Benevolo Trust
	Chair	Christian Savings Limited
	Director / Shareholder	Corporate Concern Limited
	Director / Shareholder	RightWay Limited
	Chair / Shareholder	Solvam Corporation Limited
	Director / Shareholder	Spotlight Reporting Limited
	Treasurer	Wellington Central Baptist Church
	Supporter	Young Enterprise Trust
	Director / Shareholder	Zed Holdings Limited
Justine Smyth	Director	Auckland International Airport Limited
	Chair	Breast Cancer Foundation New Zealand
	Chair	Spark New Zealand Limited
Lovina McMurchy	Advisor / Shareholder	Ayannah Business Solutions Incorporated
	Director	Pacific Advisors Limited
	Director	UneeQ Limited
Peter Huljich	Director	Christopher & Banks (Valocity) CIP Limited
	Director	Christopher & Banks GP Limited

Continued		
Name	*Position*	*Entity*
Peter Huljich	Director	Christopher & Banks IX Limited
	Director	Christopher & Banks M Limited
	Director	Christopher & Banks VI Limited
	Director	Christopher & Banks VII Limited
	Director	Christopher & Banks VIII Limited
	Director	Huljich (New Zealand) Limited
	Director	HWM (NZ) Holdings Limited
	Shareholder	Huljich Family Trust Nominees Limited
	Director	Huljich Limited
	Director / Shareholder	Llireva Holdings Limited
	Trustee / Beneficiary	The CPH Trust
	Beneficiary	The Huljich Family Trust
	Trustee / Beneficiary	The PKCH Trust
	Director	Valocity Holdings Limited
Bruce Gordon	Advisor	Ask Nicely Limited (resigned 11 July 2019)
	Director	Bluebridge Churches LLC
	Director	Data Insight Limited
	Director / Shareholder	Geelong Investments Limited
	Director / Shareholder	Jude Limited
	Director	NPO Apps Incorporated
	Trustee / Beneficiary	Punchbowl Trust
	Director / Shareholder	Rfider Limited
	Director / Trustee	The East Street Trust
Christopher Fowler	Director	The James One27 Initiative
	Elder	New Life Church, Colorado Springs
	Trustee / Beneficiary	The Fowler Family Trust
Christopher Huljich	Director / Shareholder	Best Investments Limited
	Director	Christopher & Banks Limited
	Director	Christopher & Banks I Limited
	Director	Christopher & Banks II Limited
	Director	Christopher & Banks III Limited
	Director	Christopher & Banks IV Limited
	Director	Christopher & Banks V Limited
	Director / Shareholder	Hulfam Investments Limited

Continued		
Name	*Position*	*Entity*
Christopher Huljich	Director / Shareholder	Huljich Family Trust Nominees Limited
	Trustee / Beneficiary	The CPH Trust
	Settlor / Beneficiary	The Huljich Family Trust
	Trustee	The M and M Covic Family Trust
	Trustee	TRSSH Birnie Settlement Trust

Use of company information

The Board received no notice during the year from Directors requesting to use the Company or Group information received in their capacity as Directors, which would not have been otherwise available to them.

Substantial product holders

The substantial product holders in Pushpay on 31 March 2020 were as follows:*

Substantial product holder	*Number of ordinary shares at 31 March 2020***	*% of ordinary shares at 31 March 2020***
Christopher & Banks V Limited	52,544,040	19.06%
Christopher Peter Huljich	57,733,116	20.94%
Peter Karl Christopher Huljich	57,625,976	20.91%
Kabouter Management, LLC	17,530,375	6.36%

* The numbers of shares and percentage holdings represent the substantial product holders' relevant interest in Pushpay ordinary shares, and not necessarily their registered shareholdings. As at 31 March 2020, Pushpay's issued share capital was 275,646,096 ordinary shares (being the only class of quoted voting products issued by Pushpay).

** A number of the substantial product holder disclosures filed by substantial product holders before 31 March 2020 do not accurately reflect the substantial product holder's relevant interests as at 31 March 2020, including due to various share issuances undertaken by Pushpay since the dates of the relevant disclosures. Accordingly, the information provided in this table is based primarily on Pushpay's internal records and disclosures made under section 280(1)(b) of the Financial Markets Conduct Act 2013.

Twenty largest equity security holders

The 20 largest holders of Pushpay ordinary shares as at 31 March 2020 are listed below:

Rank	*Equity security holder*	*Number of shares*	*% of issued capital*
1	Christopher & Banks V Limited	52,544,040	19.06%
2	Kabouter Management LLC	17,530,375	6.36%
3	Lead Edge Capital Management LLC	11,780,196	4.27%
4	Woodhill Investment Company LLC	10,966,434	3.98%
5	Douglas David Kemsley & Linda Tanu Kemsley & Michael John Roberts	10,100,000	3.66%
6	Accident Compensation Corporation	8,545,558	3.10%
7	Fisher Funds Management Limited	7,074,778	2.57%

Continued			
Rank	*Equity security holder*	*Number of shares*	*% of issued capital*
8	The Fowler Family Trust	6,505,714	2.36%
9	Dragoneer Investment Group LLC	5,390,716	1.96%
10	Long Path Partners LLC	5,381,117	1.95%
11	Cat Rock Capital Management LP	5,015,801	1.82%
12	Harbour Asset Management Limited	4,769,738	1.73%
13	The Vanguard Group Inc	4,710,545	1.71%
14	ANZ New Zealand Investments Limited	4,283,856	1.55%
15	Mint Asset Management Limited	4,227,047	1.53%
16	Vanguard Investments Australia Limited	4,153,832	1.51%
17	Christopher Peter Huljich & Constance Maria Huljich & Elizabeth Anne Ferguson	3,999,812	1.45%
18	Nikko Asset Management New Zealand Limited	3,793,015	1.38%
19	J P Morgan Nominees Australia Pty Limited	3,756,206	1.36%
20	HSBC Custody Nominees (Australia) Limited	3,743,238	1.36%

Spread of security holders

The spread of holders of Pushpay ordinary shares as at 31 March 2020 are listed below:

	Shareholders		*Issued capital*	
Range	*Number*	*%*	*Number*	*%*
1-1,000	2,532	38.1	1,255,347	0.46
1,001-5,000	2,654	39.94	6,683,213	2.42
5,001-10,000	732	11.02	5,423,232	1.97
10,001-50,000	590	8.88	12,428,070	4.51
50,001-100,000	53	0.8	3,859,831	1.4
100,001 and over	84	1.26	245,996,403	89.24
Total	**6,645**	**100**	**275,646,096**	**100**

Donations

During the year ended 31 March 2020 the Group made donations totalling US$90,509 (2019: Nil).

Church Community Builder LLC donated a total of US$90,509 to a number of US charitable entities over the period of 1 December 2019 to 31 March 2020 as listed below.

Entity	*US$*
Bethesda Ministries International Incorporated	6,000
Care and Share Food Bank For Southern Colorado	200

Continued	
Entity	*US$*
Dream Centers Mary's Home	3,000
Friends of Club 21	15,000
Hope & Home	3,000
Schwab Charitable Fund	12,308
Springs Rescue Mission	1,000
The James One27 Initiative	50,001
Total	**90,509**

Credit rating

Pushpay has no credit rating.

Subsidiaries

As at 31 March 2020, the Company had 11 wholly-owned subsidiaries and the following people held office as Directors of those subsidiaries:

- Bluebridge Churches LLC – Bruce Gordon, Shane Sampson
- Church Community Builder LLC – Bruce Gordon, Shane Sampson
- NPO Apps Incorporated – Bruce Gordon, Shane Sampson
- Pushpay (New Zealand) Limited (formerly Run the Red Limited) – Bruce Gordon, Graham Shaw, Shane Sampson
- Pushpay Incorporated – Bruce Gordon, Shane Sampson
- Pushpay IP Limited – Bruce Gordon, Graham Shaw, Shane Sampson
- Pushpay Limited – Bruce Gordon, Graham Shaw, Shane Sampson
- Pushpay Processing Incorporated (formerly ZipZap Processing Incorporated) – Bruce Gordon, Shane Sampson
- Pushpay Pty Limited – Bruce Gordon, Shane Sampson, Michael Eefting
- Pushpay Trustees Limited – Bruce Gordon, Graham Shaw
- Pushpay USA Incorporated (previously eChurch Incorporated) – Bruce Gordon, Shane Sampson

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Directory

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Head of Investor Relations

Joshua Olley
Investor Relations Coordinator

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Graham Shaw
Independent Chairman

Justine Smyth
Independent Director

Lovina McMurchy
Independent Director

Peter Huljich
Non-executive Director

Bruce Gordon
Chief Executive Officer and Executive Director

Christopher Fowler
Visionary and Executive Director

Christopher Huljich
Alternate Director to Peter Huljich

Senior Management

Bruce Gordon
Chief Executive Officer and Executive Director

Shane Sampson
Chief Financial Officer

Legal advisors

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