

2021



Pushpay®

Annual Report

Staff profile

Kiasa Tresidder / Customer Success Manager

"What I love most about Pushpay is the challenge. I learn something new every single day and am constantly pushed out of my comfort zone. I joke and call it "Pushpay University" because of the amount I have been able to learn and continue to learn. Working at Pushpay has taught me to never settle for anything less than excellence, in my work, in myself and everything."



Contents

<i>Performance highlights</i>	2
<i>Key metric definitions</i>	3
<i>Chairman and Chief Executive report</i>	4
<i>Management commentary</i>	22
<i>Board of Directors</i>	30
<i>Independent Auditor's Report</i>	34
<i>Income Statement</i>	38
<i>Statement of Comprehensive Income</i>	39
<i>Statement of Changes in Equity</i>	40
<i>Statement of Financial Position</i>	41
<i>Statement of Cash Flows</i>	42
<i>Notes to the Financial Statements</i>	43
<i>Directors' Responsibility Statement</i>	68
<i>Corporate Governance</i>	69
<i>Directory</i>	84

Investor calendar

The following dates are indicative only and are subject to change at Pushpay's discretion.

12 July 2017	Quarterly operational update
18 July 2017	Annual Meeting
30 September 2017	Financial half year end
11 October 2017	Quarterly operational update



PwC NZ Hi-Tech Company of the Year

IBM Innovative Company of the Year

Pushpay receives funding from Callaghan Innovation to help cover the commercialisation of innovation.

Performance highlights

Key metric	FY 2017 (US\$)	FY 2016 (US\$)	Change
Increase in Annualised Committed Monthly Revenue (ACMR) over the year	\$30.9m	\$15.6m	▲ 97.9%
ACMR	\$50.5m	\$19.6m	▲ 157.7%
Total Customers	6,737	3,766	▲ 78.9%
Average Revenue Per Customer (ARPC)	\$625 per month	\$434 per month	▲ 44.1%
Increase in total Lifetime Value (LTV) of Customer base over the year	\$356.5m	\$157.3m	▲ 126.6%
Total LTV of Customer base	\$568.0m	\$211.5m	▲ 168.6%
Months to Recover Customer Acquisition Cost (CAC)	<12 months	<12 months	✓
Annual Revenue Retention Rate	>95%	>95%	✓
Staff Headcount	376	215	▲ 74.9%
Cash and Available Funding Lines	\$13.4m	\$11.2m	▲ 20.0%
Published App rank in the Apple App Store worldwide	5	13	▲ 61.5%
Transactions processed over the year	6.1m	1.9m	▲ 220.1%
Average transaction value over the year	\$197	\$183	▲ 7.7%
Annualised Monthly Payment Transaction Volume	\$1.8b	\$0.6b	▲ 193.1%

Key metric definitions

Annual Revenue Retention Rate – is recurring revenue retained from Customers (for example, in the case of Customers in the faith sector, this is measured by the amount of recurring revenue at the end of the period excluding upsells into the existing Customer base, over the amount of recurring revenue from the end of the previous period).

Annualised Committed Monthly Revenue (ACMR) – is monthly Average Revenue Per Customer (ARPC) multiplied by total Customers and annualised. ACMR is a key metric to track how a SaaS business is acquiring revenue.

Annualised Monthly Payment Transaction Volume – is the annualised four week average payment transaction volume, excluding weeks falling in December given this is a seasonal high period.

Average Revenue Per Customer (ARPC)

Current definition	Future updates to definition	Effective date
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. In order to remove the seasonal effect on Volume Fees the last 12-month average Volume Fee per Customer is used for the Volume Fee component of ARPC.	Last sentence will be updated to read: "The last 9-month average Volume Fee per Customer is used for the Volume Fee component of ARPC."	30 June 2017
	Last sentence will be updated to read: "The last 6-month average Volume Fee per Customer is used for the Volume Fee component of ARPC."	30 September 2017
	Last sentence will be updated to read: "The last 3-month average Volume Fee per Customer is used for the Volume Fee component of ARPC."	31 December 2017

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.

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

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. 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.

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).

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).

A photograph of two men in business suits sitting and talking in front of a window with sheer curtains. The man on the right is looking towards the man on the left. A large red diagonal graphic is overlaid on the bottom right of the image.

Chairman and Chief Executive report

Bruce Gordon - Chairman and Chris Heaslip - CEO, Executive Director and Co-founder

Dear fellow Shareholder,

Pushpay has delivered another year of world-class growth, whilst maintaining best-in-class SaaS efficiency metrics. In 2016, Pushpay was named the fastest growing company in New Zealand and the 10th fastest growing technology company in Asia Pacific by Deloitte. With the Asia Pacific category including global heavyweights China and Australia, the recognition was an indication of our continued success on a global scale. In May 2017, Pushpay received the highest recognition New Zealand has to offer for a technology company, the PwC NZ Hi-Tech Company of the Year and the IBM Innovative Company of the Year at the 2017 NZ Hi-Tech Awards.

We are pleased to inform you that Pushpay has entered into a relationship with Intuit, makers of Quickbooks, as a member of the Intuit Reseller Program. Intuit is the dominant USA accounting software provider, with well over a 1.5 million subscribers to their Quickbook family of solutions. Pushpay research has revealed that over 70% of our Customers use some version of Quickbooks as their primary accounting software. Becoming an Intuit Authorized Reseller is the first step for Pushpay toward a deeper relationship with Intuit, and a more streamlined experience for our mutual customers.

It has been exciting and rewarding for us to see Pushpay continue to accelerate its growth in the USA faith sector. As at 31 March 2017, Pushpay was ranked number 5 for published Apps in the Apple App Store worldwide, compared to our ranking of number 13 last year. Pushpay processed 6.1 million transactions over the year to 31 March 2017, compared to 1.9 million transactions last year. The average transaction value over the year to 31 March 2017 was \$197, compared to \$183 last year. Our Annualised Monthly Payment Transaction Volume increased to \$1.8 billion as at 31 March 2017, compared to \$0.6 billion last year. These statistics demonstrate the speed of our growth and the scale at which Pushpay is now operating.

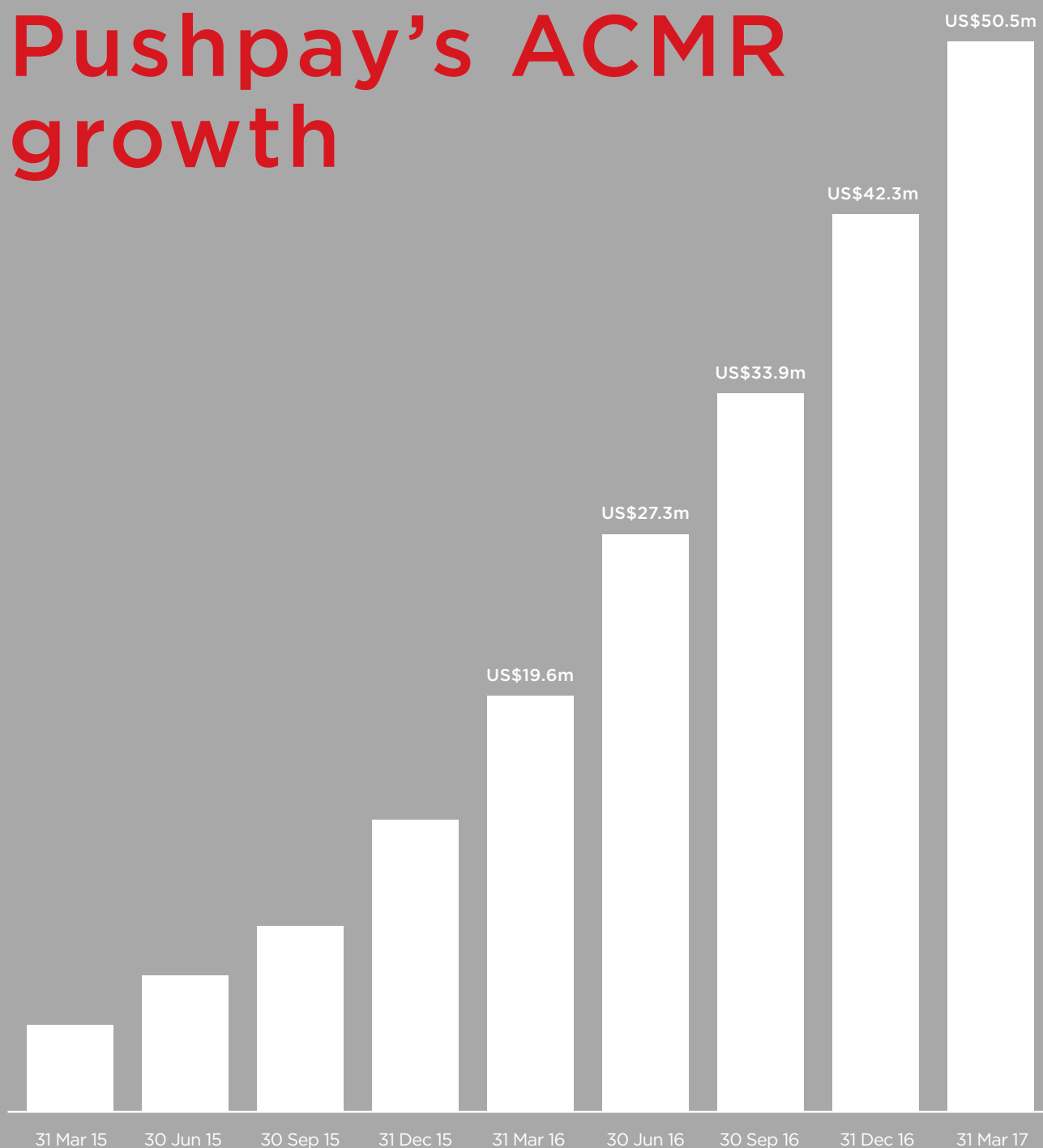
Our ACMR has increased by over 150% over the financial year and our penetration into the top 20 largest churches in the USA¹ has increased to 10 and in the top 100 has increased to 36. The USA faith sector represents a substantial opportunity and as we continue to execute on our growth strategy, we remain in a position to achieve \$72 million in ACMR and breakeven on a monthly cash flow basis prior to the end of calendar year 2017.

While historically we have offered payments solutions, in late 2016 we announced the Bluebridge acquisition and our focus on engagement solutions moving forward. Our experience has taught us that our customers need high quality engagement tools to complement our payment solutions. Our echurch App solution, stemming from the Bluebridge acquisition, offered a welcomed enhancement to the Pushpay solution. Pushpay released echurch Apps 3.0 initially as a “soft launch” to a group of existing Customers in mid-February 2017. Through the quarter ending 31 March 2017, the adoption of echurch Apps 3.0 exceeded our expectations, both in terms of number of Customers and ACMR added to the business.

Our clear growth strategy, investment in people, product and processes, combined with the large underserved target market of the USA faith sector, has driven our success to date.

1 Outreach Magazine (2016). 100 Largest Participating Churches 2016


Pushpay's ACMR growth



Annualised Committed Monthly Revenue (ACMR)

The Company increased its ACMR to \$50.5 million, an increase of 157.7% over the year to 31 March 2017. Pushpay remains in a position to achieve \$72 million in ACMR and breakeven on a monthly cash flow basis prior to the end of calendar year 2017.

Pushpay expects to reach its ACMR target through further enhancement of its products, expanding from a direct sales model to a field account-based sales model and capitalising on referrals from Pushpay's strategic partners and services partners.

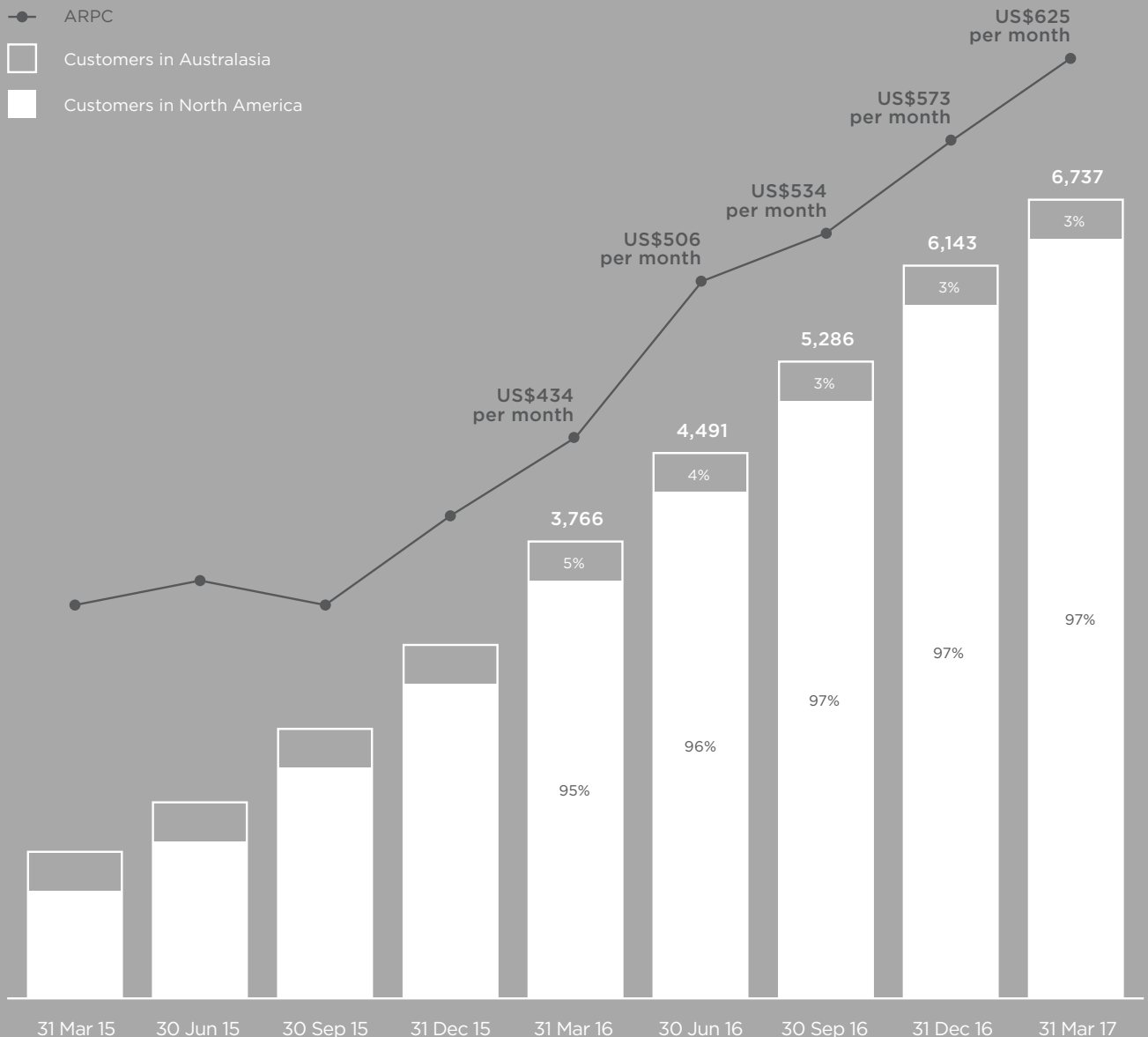


“Why do we exist? To bring people together by strengthening community, connection and belonging.”



Robin Lott, Takuya Otani, Rodney Chong and Cara Fonseca-Ensor
Members of Pushpay's product development team

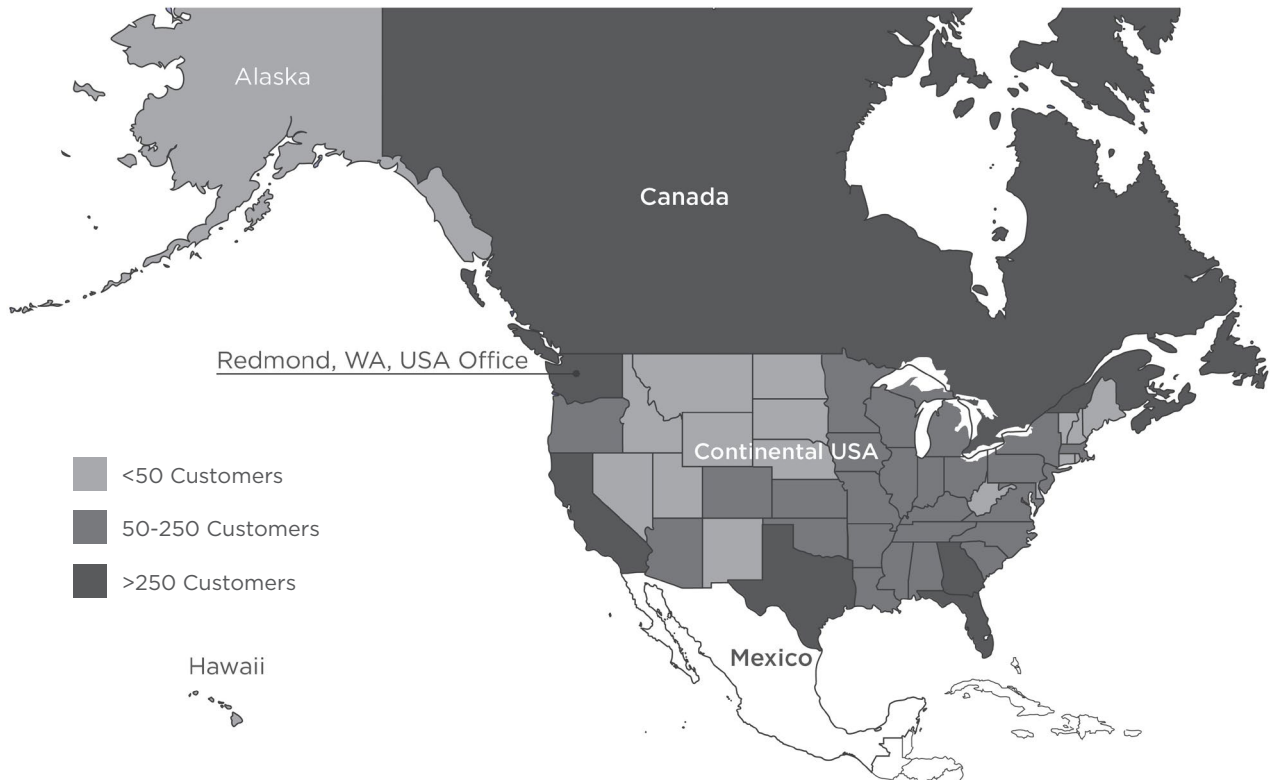
Pushpay's Customer numbers and ARPC



Average Revenue Per Customer (ARPC)

ARPC increased to \$625 per month, an increase of 44.1% over the year to 31 March 2017. As Pushpay continues to increase its Customer base, ARPC also continues to increase, implying increased adoption from our current Customer base and larger deal sizes, leading to greater sales efficiency.

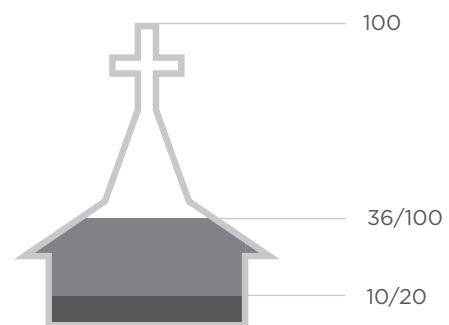
Pushpay's Customers in North America²



Pushpay's Customer numbers

Pushpay increased its Customer base to 6,737 total Customers, an increase of 78.9% over the year to 31 March 2017.

As at 31 March 2017, 10 of the top 20 and 36 of the top 100 largest churches in the USA³ have chosen to use Pushpay, including the largest church in the USA, which has over 39,000 average weekly attendees. As at 31 March 2016 we had 7 of the top 20 and 24 of the top 100 largest churches in the USA. The confidence and support of large Customers such as these demonstrates that Pushpay's engagement and giving solutions are well-understood and valued by our main target market, the USA faith sector.



As at 31 March 2017, 97% of Pushpay's Customers were located in North America, which covers the USA and Canada, with the remaining 3% located in Australasia, which covers New Zealand and Australia. Pushpay attracts Customers from all over the USA and Canada from its Redmond office, suggesting the business model is not location specific.

² Includes locations in North America of Customers which have been added to the Pushpay platform as at 31 March 2017, excluding Customers derived from the Bluebridge acquisition.

³ Outreach Magazine (2016). 100 Largest Participating Churches 2016

Sales strategy

Pushpay continues to refine its relational approach to targeted account-based selling, focusing more specifically on mid-market and enterprise sized Customers. We have found that larger Customers: invest more in implementation and are therefore more likely to implement correctly and successfully, leading to greater adoption; are easier to service long term; are less likely to churn than smaller Customers; and typically generate increased Subscription and Volume Fees over time.

The Company is implementing a number of initiatives focused on attracting mid-market and enterprise sized Customers through more targeted account-based selling. Churches in local territories are attracted through regional events, marketing content specific to the demographic and onsite visits. In conjunction with these efforts, the Company is improving its sales and marketing approach, centred on meeting Customers where they are in their purchasing journey.

As Pushpay continues to gain market share and attract the “early majority” in the USA faith sector, our product strategy will continue to evolve to promote more enhanced and specialised feature sets. The early majority segment are seeking increased engagement solutions, analytics and enhanced integration with their existing software. Pushpay’s team of software engineers is constantly innovating, with a focus on the early majority segment of the market, whilst maintaining the integrity of our underlying platform.

Definition changes

As the Company grows our methods of measuring the business need to be updated to ensure that performance is accurately represented. The Average Revenue Per Customer (ARPC) definition currently represents an overly conservative historical view of our Volume Fee growth. We believe that while the changes in our ARPC definition are still conservative, they provide a more accurate reflection of the performance of the business. Please refer to ‘*Key metric definitions*’ for more information on the definition changes.

Staff profile

James Maiocco / Chief Business Development Officer

"I used to work at Xero and before that, at Microsoft for four years, most recently as Director of Microsoft Ventures. Working at Pushpay has changed me for the better, I'm always looking to grow personally and professionally. Being surrounded by so many ambitious hard working folks helps to continue to fuel that energy to make a positive impact on the world."



James Maiocco - Chief Business Development Officer and Ashley Marth - Sales Manager

People

Pushpay's success to date in the USA faith sector is testament to the continuous investment in its people, product and processes. Pushpay has an extremely dedicated, high-quality team of professionals with true conviction in the work that they do. Pushpay continues to nurture and invest in its team of professionals, having increased staff headcount to 376, an increase of 74.9% over the year to 31 March 2017. Product development, and sales and marketing roles, comprised more than 70% of the headcount added in the year.

Pushpay has seen rapid growth at a global standard over the last three years. As we continue to execute on our growth strategy, Pushpay has attracted a world-class team that we are extremely proud of. Pushpay has also retained exceptional talent, choosing to promote from within where possible.





Steve Basden

President of echurch

Steve Basden was promoted to President of echurch effective 1 January 2017. As President of echurch, Steve is responsible for the go to market functions including sales, marketing, sales development and post sale support. Steve previously served as the Senior Vice President (SVP) of Customer Relations for Pushpay and ZipZap Processing, Inc. Steve spent 16 years with United Parcel Service (UPS) in a number of operations management and industrial engineering roles before transitioning into the non-profit 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 organization as it achieved annual growth rates in excess of 18% over 11 years.



James Maiocco

Chief Business Development Officer

James Maiocco, Chief Business Development Officer, joined Pushpay in August 2016. James is a seasoned business executive with over 20 years' experience at cutting-edge technology companies, most recently as General Manager of Business and Corporate Development at Xero for around two years. During his tenure, Xero consummated major partnerships with Apple, Google and Microsoft; further, James led a US\$110 million financing round for Xero with Accel Partners and Matrix Capital. Prior to Xero, James was a Global Director at Microsoft for over four years in the Microsoft Ventures and Microsoft Dynamics business units.



Catherine Burk

VP of Talent

Catherine joins Pushpay after spending over seven years at Amazon as a Recruiting Leader, where she focused on career development, staffing, team building, employee engagement and culture. In this role, Catherine developed a deep passion for working with employees and building a great place to work. Catherine was a leader of leaders at Amazon, managing highly functioning recruiting teams within multiple disciplines.



Kevin Kuck

VP of Operations

Kevin relocated from Auckland to the USA in February 2017 to lead Pushpay's Operations team. Kevin has 15 years' experience leading Sales and Operations teams in the USA and New Zealand. Prior to joining Pushpay, Kevin led Sales Operations for an award winning Auckland-based technology company. Kevin's team delivered solutions to Fortune 500 and Global 2000 customers including Intel, eBay, Orange (French Telecom), Paypal and the US Military. Kevin joined Pushpay in September 2014 as the first dedicated operations hire. As VP of Operations, Kevin has grown a world class team of specialists to support Pushpay's operational needs.



Matt Vaughan

Legal

Matt Vaughan, former Xero General Counsel and Company Secretary, recently joined the Pushpay team. Matt is an experienced corporate lawyer, having worked in a variety of in-house and private practice roles around the globe, with a particular focus on technology and venture capital. Matt's work has led to him being honoured with a number of awards including the Private Sector In-House Lawyer of the Year Award by the New Zealand Law Society in 2014 and a "Top 10 30-Something" award by the Association of Corporate Counsel (USA) in 2015.

Staff profile

Troy Pollock / VP of Customer Success

"I was compelled to take a chance when I became Pushpay's first US employee in 2013. At the time, they were not a market leader, they had very limited resources and they did not have a stylish/best-in-class product. I joined Pushpay because these two young Kiwis had a vision to develop world-class technology to help ignite generosity and drive engagement in church communities. Working at Pushpay has been the journey of a lifetime. I often say that I've received multiple MBA's while working at Pushpay - instead of learning from textbooks in the classroom, I have learnt from hands on application."



Product

During the financial year we launched some exciting additions to the Pushpay solution, including Cash and Check Recording, Auto Pay, Text Giving, Annual Giving Statements and echurch Apps. Pushpay continues to invest in making its engagement and giving solutions more intuitive, simple and secure.

Cash and Check Recording

From June 2016 onwards, Pushpay Customers have had the ability to record their cash and check receipts within Pushpay. While this does not contribute to platform volume as we do not process these payments, it allows Pushpay to build a full view of a user's giving. This positions Pushpay as the key information source for generosity in the church and allows us to deliver critical payment insights to each Customer.

Auto Pay

Based on feedback from our Enterprise pilot Customers and payers, Pushpay released an 'Auto Pay' feature in June 2016 that allows bill pay users to automatically pay their bill on the due date using either their bank account or debit/credit card. Uptake of this feature within our pilot groups has been encouraging, which we believe demonstrates the trust that users have with the Pushpay platform. Enterprise Customers, in particular, can benefit from this feature by knowing ahead of time the likelihood and certainty of payment.

Text Giving

To complement Pushpay's existing payment pathways of mobile, web, custom app, kiosk and envelope giving, from 1 November 2016, Pushpay Customers were able to accept donations via text message through a new text giving solution. This additional feature further reinforces Pushpay's position as a complete engagement and payments solution.

Annual Giving Statements

Annual Giving Statements successfully launched on 31 December 2016 and is now available to all USA-based Customer administrators.

Pushpay's new Annual Giving Statements solution simplifies the year-end giving statement process for our Customers' administrators, providing significant time saving opportunities, by enabling them to:

- Deliver personalised statements with ease;
- Consolidate payments in one place; and
- Save time and resources so they can be redistributed to where they are needed most.

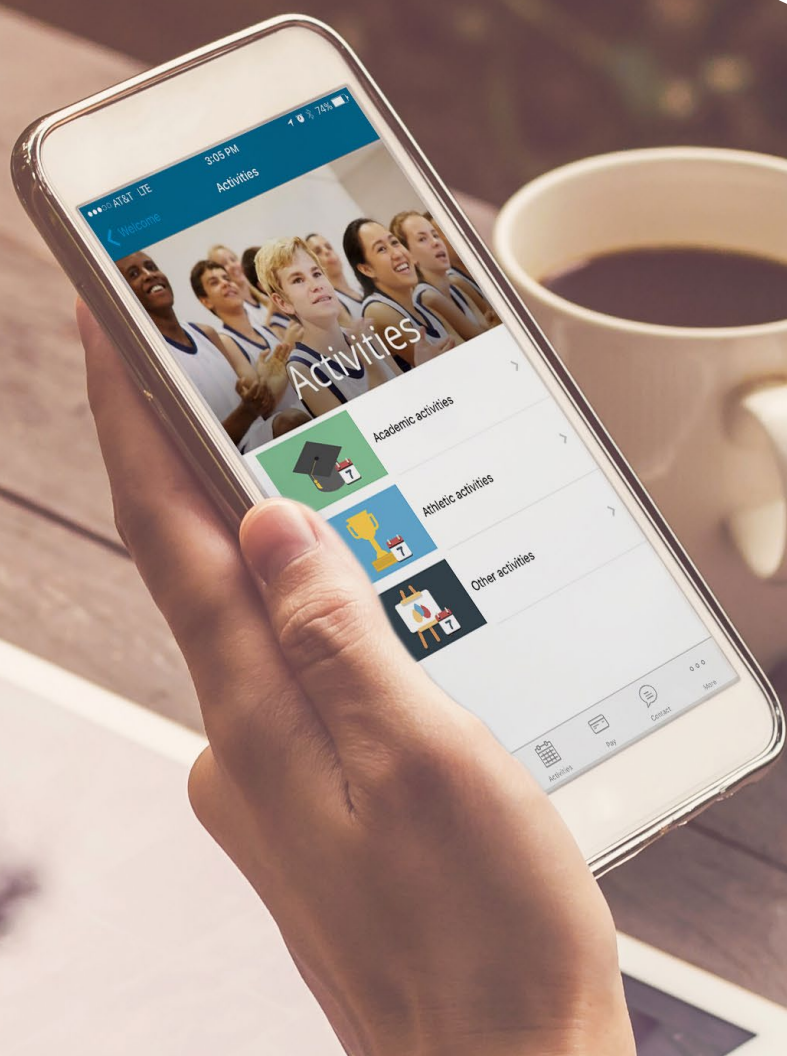
Annual Giving Statements is a critical development in our strategy to become the central system of generosity. By providing churches and givers with a simple time saving tool to manage end of year giving statements, we encourage churches and givers alike to use Pushpay as their primary and only generosity solution. We expect this will help drive Pushpay adoption throughout the church and their congregation.

echurch Apps

Pushpay acquired the church app assets of Bluebridge Digital, Inc (Bluebridge) for consideration of up to \$3.1 million in November 2016. Bluebridge's technology is world class in the faith sector and the acquisition allows Pushpay to have greater control over product development moving forward.

Following the acquisition of Bluebridge's church app assets, Pushpay released echurch Apps 3.0 initially as a "soft launch" to a group of existing Customers in mid-February 2017. Over the quarter ending 31 March 2017, the adoption of echurch Apps 3.0 exceeded our expectations both in terms of number of Customers and ACMR added to the business.

While it is still early, this was a healthy affirmation of our strategy to deliver an engagement solution to our Customers to help spur generosity in their respective communities. Pushpay has recruited a team of software engineers across our Auckland, New Zealand and Redmond, WA, USA offices to focus on expanding the current feature set. Pushpay is pleased to now make echurch Apps 3.0 generally available to all Customers as of the beginning of the 2018 financial year.



Processes

At Pushpay, we strive for continuous improvement in our processes. Internally, across all departments and positions, we are constantly looking for ways to streamline and improve processes. The ability to adapt and embrace change is a significant advantage in a rapidly growing business like Pushpay.



Industry recognition

Pushpay's many accolades reflect the high calibre 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 honoured with three awards at the Best in Biz International Awards 2016, including one Silver Award and two Gold Awards, making it the third most awarded company at the Best in Biz International Awards 2016;
- Pushpay was awarded Best Small-Medium Workplace at the IBM Kenexa New Zealand's Best Workplace 2016 Awards;
- Pushpay is ranked 1st on the TIN100 Ten Hot Emerging Companies List;
- Pushpay was presented with four Stevie Awards in 2017, including a Gold Award in the Business Development Achievement of the Year category;
- Pushpay was recognised by Deloitte as the fastest growing company in New Zealand and the 10th fastest growing technology company in the Asia Pacific region. Pushpay was the only New Zealand company to make the top 10 on the Deloitte Technology Fast 500 Asia Pacific list, alongside mostly China-based companies; and
- Pushpay was named PwC NZ Hi-Tech Company of the Year and IBM Innovative Company of the Year at the 2017 NZ Hi-Tech Awards. Previous winners of the PwC NZ Hi-Tech Company of the Year award include Vista Group, Datacom, Fisher & Paykel Healthcare and Xero.

Capital and ASX Listing

Pushpay increased Cash and Available Funding Lines to \$13.4 million, an increase of 20.0% over the year to 31 March 2017.

Pushpay was well supported over the period by existing and new shareholders including high quality institutional investors, Directors Graham Shaw, Christopher Hujich, Peter Hujich (Alternate Director for Christopher Hujich - resigned 17 May 2016) and a number of staff.

Pushpay successfully raised AU\$40 million in October 2016 through a private placement. In addition, in February 2017, Pushpay entered into a Funding Agreement with Callaghan Innovation for a Research and Development (R&D) Growth Grant. The Funding Agreement allows for the funding by Callaghan Innovation of up to NZ\$5 million (GST exclusive) per annum for eligible R&D spend by Pushpay over a 36-month period, provided the terms of Callaghan Innovation's R&D Growth Grant have been met.

Funds raised over the period provide Pushpay with the funding to further develop our product offering and as working capital to continue growth in international markets, focusing on our key target territory - the USA.

Pushpay's shares commenced quotation on the ASX on 12 October 2016 under the ticker code 'PPH'. Pushpay is proud to have its shares quoted on the ASX and believes the secondary listing has diversified the Company's funding sources and achieved greater shareholding spread across the Company's share register.

Outlook

Pushpay continued to deliver on its targets and we are pleased with the progress we have made over the year to 31 March 2017.

We are often asked about expansion and whether we are going to move into new sectors. On top of the engagement and payment revenue opportunities in the USA faith sector, Pushpay's core software could be repurposed for other use case scenarios to service Education and Not-For-Profit (NFP) organisations, which are often closely affiliated or linked with USA faith-based institutions. We have no shortage of opportunities, but we see Pushpay delivering on its targets and succeeding long-term by remaining focused on the USA faith sector and investing lightly in other opportunities so as not to distract our team. The USA faith sector represents a large, under-served market with minimal competition and with only 2% of the market⁴, Pushpay is just scratching the surface of the revenue opportunities.

The Board and senior management are pleased with the financial result and while Pushpay believes that it is preferable to focus on and invest in growth as the best means to achieve overall value in its business, we remain in a position to achieve \$72 million in ACMR and breakeven on a monthly cash flow basis prior to the end of calendar year 2017.

Acknowledgments

Pushpay continues to deliver on its growth strategy in the USA faith sector with the direction of the Board and management's successful execution. We would like to thank you, our shareholders, for your continued support and confidence, our teams in the USA and New Zealand for their hard work and all of our Customers around the world for their loyalty and excitement, as these results are ultimately thanks to their support.



Bruce Gordon
Chairman



Chris Heaslip
CEO, Executive Director and Co-founder

Management commentary

You should read the following commentary with the 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-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

<i>Year ended 31 March</i>	2017 <i>US\$000</i>	2016 <i>US\$000</i>	<i>Change*</i>
Subscription revenue	10,789	3,027	256%
Processing revenue	23,167	6,918	235%
Total operating revenue	33,956	9,945	241%
Third party direct costs	(14,869)	(4,580)	225%
Gross profit	19,087	5,365	256%
<i>Percentage of operating revenue</i>	56%	54%	2pp
Total operating expenses	(44,349)	(19,009)	133%
<i>Percentage of operating revenue</i>	-131%	-191%	60pp
Other income and foreign exchange gains/losses	185	227	-19%
Operating deficit	(25,077)	(13,417)	87%
<i>Percentage of operating revenue</i>	-74%	-135%	61pp
Net interest income	69	60	15%
Income tax expense	(298)	(260)	15%
Net loss from continuing operations	(25,306)	(13,617)	86%
Net profit from discontinued operations	0	559	NM
Net loss	(25,306)	(13,058)	94%
<i>Percentage of operating revenue</i>	-75%	-131%	56pp

* NM stands for not meaningful and pp stands for percentage point.

This is the first full year in which results have been presented in USD. The change in presentational currency reflects the Company's revenue, expenses and cash flows being denominated principally in USD.

The growth in operating revenue of 241% over the year ended 31 March 2017 was driven by both Customer growth and an increase in ARPC. Total operating expenses, as a percentage of operating revenue decreased by 60 percentage points as the Company continued to invest in scaling its business, developing new features and products and delivering Customer growth. The operating deficit, as a percentage of operating revenue, reduced to 74% over the year ended 31 March 2017, 61 percentage points lower than the previous year ended 31 March 2016, driven by efficiencies as the business scales.

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

EBITDAF disclosures (which are non-GAAP financial measures) have been included, as we believe they provide useful information for readers to assist in understanding Pushpay's financial performance. EBITDAF is calculated by adding back net interest income, depreciation and amortisation, income tax expense and net foreign currency gains/losses to net loss from continuing operations.

<i>Year ended 31 March</i>	<i>2017 US\$000</i>	<i>2016 US\$000</i>	<i>Change</i>
Net loss from continuing operations	(25,306)	(13,617)	86%
Add back: net interest income	(69)	(60)	15%
Add back: depreciation and amortisation	2,602	1,143	128%
Add back: income tax expense	298	260	15%
Add back: net foreign currency (gains)/losses	61	(155)	-139%
EBITDAF	(22,414)	(12,429)	80%
<i>Percentage of operating revenue</i>	<i>-66%</i>	<i>-125%</i>	<i>59pp</i>

EBITDAF increased by 80% over the year ended 31 March 2017 from a \$12.4 million loss to a \$22.4 million loss. The EBITDAF loss, as a percentage of operating revenue, improved by 59 percentage points over the year ended 31 March 2017 from -125% to -66%, driven by growth in 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). Subscription fees may be billed monthly or annually in advance. 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 donations). Processing revenue is billed monthly in arrears.

	2017	2016	
<i>Year ended 31 March</i>	<i>US\$000</i>	<i>US\$000</i>	<i>Change</i>
Subscription revenue	10,789	3,027	256%
Processing revenue	23,167	6,918	235%
Total operating revenue	33,956	9,945	241%

Annualised Committed Monthly Revenue (ACMR, a non-GAAP financial measure) is monthly Average Revenue Per Customer (ARPC) multiplied by total Customers and annualised. It provides a conservative 12 month forward view of revenue from current Customers, assuming any promotions have ended and other factors such as Customer numbers and pricing remain unchanged during the year.

<i>Year ended 31 March</i>		2017	2016	Change
Total Customers		6,737	3,766	79%
ARPC per month	US\$	625	434	44%
ACMR	US\$ millions	50.5	19.6	158%
Increase in ACMR over the year	US\$ millions	30.9	15.6	98%

Operating revenue increased by 241% over the year ended 31 March 2017, primarily driven by Customer growth of 79% from 3,766 to 6,737 and a substantial increase in ARPC of 44% from \$434 per month to \$625 per month. Over the year ended 31 March 2017, ACMR increased by 158% from \$19.6 million to \$50.5 million, an increase of \$30.9 million, compared to an increase of \$15.6 million in the prior year ended 31 March 2016, an improvement of 98%.

The Company continues to enjoy strong support from existing and new Customers and the utilisation of the Company's technology and payment processing platform continues to expand at a steady rate. The growth in ARPC was driven by increased processing revenue and higher average Subscription Fees as the average size of Customers grew in line with the strategy of focusing on larger churches.

A portion of Customers contract to pay Subscription Fees annually in advance as opposed to paying monthly. The Company recognises subscription revenue as the services are delivered over the term of the contract, commencing with the date the service is made available to Customers and all other revenue recognition criteria are met. The billed but unearned portion is recognised in unearned revenue in the Statement of Financial Position.

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.

	2017	2016	
<i>Year ended 31 March</i>	<i>US\$000</i>	<i>US\$000</i>	<i>Change</i>
Third party direct costs - processing	13,763	4,230	225%
Third party direct costs - platform hosting	619	291	113%
Third party direct costs - other	487	59	725%
Total third party direct costs	14,869	4,580	225%
<i>Percentage of operating revenue</i>	44%	46%	-2pp
Third party direct costs - platform hosting, as a percentage of subscription revenue	6%	10%	-4pp
Third party direct costs - processing, as a percentage of processing revenue	59%	61%	-2pp

Total third party direct costs increased by 225% over the year ended 31 March 2017, primarily due to higher interchange fees associated with higher processing revenue. Total third party direct costs as a percentage of operating revenue, improved by 2 percentage points from 46% to 44%, largely due to economies of scale being achieved as the Company continues to scale. Platform hosting costs as a percentage of subscription revenue improved by 4 percentage points from 10% to 6%. In addition, processing costs as a percentage of processing revenue improved by 2 percentage points from 61% to 59%. Other costs increased over the year ended 31 March 2017, partly driven by one off payments to distribution partners which are not expected to be incurred in future years.

Gross profit

Gross profit disclosure (a non-GAAP financial measure) has been included, as we believe it provides useful information for readers to assist in understanding the Company's financial performance. Gross profit is calculated as operating revenue less third party direct costs.

	2017	2016	
<i>Year ended 31 March</i>	<i>US\$000</i>	<i>US\$000</i>	<i>Change</i>
Operating revenue	33,956	9,945	241%
Third party direct costs	14,869	4,580	225%
Gross profit	19,087	5,365	256%
<i>Percentage of operating revenue</i>	56%	54%	2pp

Gross profit, as a percentage of operating revenue, has increased by 2 percentage points over the year ended 31 March 2017 from 54% to 56%, due to strong operating revenue growth as well as economies of scale being achieved in third party direct costs as the business scales.

Product development and maintenance

The Company's products have been built as a 'mobile-first' solution, rather than being adapted from a desktop environment, meaning that its iOS and Android Apps are native to those operating systems.

Product development and maintenance costs consist primarily of personnel and related expenses (including salaries, benefits, bonuses and share-based payment expense) directly associated with product development employees. Under NZ IFRS, the proportion of product 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 development and maintenance expense.

	2017	2016	
<i>Year ended 31 March</i>	<i>US\$000</i>	<i>US\$000</i>	<i>Change</i>
Total product development and maintenance costs (including amounts capitalised)	7,821	3,050	156%
<i>Percentage of operating revenue</i>	23%	31%	-8pp
Less capitalised product development costs	(2,711)	(2,063)	31%
<i>Percentage of total product development and maintenance capitalised</i>	35%	68%	-33pp
Product development and maintenance expenses excluding amortisation of amounts capitalised	5,110	987	418%
Add: Amortisation of capitalised development costs	1,932	918	110%
Net product development and maintenance expenses	7,042	1,905	270%
<i>Percentage of operating revenue</i>	21%	19%	2pp

Total product development and maintenance expenses increased by 156% over the year ended 31 March 2017 from \$3.1 million to \$7.8 million. Total product development and maintenance costs (including amounts capitalised) as a percentage of operating revenue improved by 8 percentage points over the year ended 31 March 2017 from 31% to 23%. Of the \$7.8 million, \$2.7 million was capitalised, with the balance of \$5.1 million included as an expense in the Income Statement.

The Company more than doubled research and development headcount during the period in order to enhance and extend service offerings and develop new technologies.

The amortisation of capitalised product development and maintenance expenditure of \$1.9 million was also included as an expense in the Income Statement, giving a total net expense for the year ended 31 March 2017 of \$7.0 million.

The higher expense in the Income Statement was primarily driven by the increased volume of product development and maintenance expenditure and a reduction in the percentage of costs capitalised during the year ended 31 March 2017 to 35%, a significant reduction from the 68% in the prior year ended 31 March 2016.

In February 2017 Pushpay announced that it had entered into a funding agreement with Callaghan Innovation for a Research and Development (R&D) Growth Grant. R&D Growth Grants support firms to scale and increase flexibility in R&D investments for greater market impact and maximum return. They typically provide support of 20% of eligible R&D costs. The funding agreement allows for the funding by Callaghan Innovation of up to NZ\$5 million per annum for eligible R&D spend over a 36 month period, provided the terms of Callaghan Innovation's Growth Grant have been met.

Sales and marketing, and customer success

Sales and marketing expenses consist of personnel and related expenses (including salaries, benefits, bonuses, commissions and share based payments) directly associated with the sales and marketing teams, 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 (including salaries, benefits, bonuses and share based payments) and related expenses. Customer success facilitates onboarding and ongoing support of Customers, ensuring they maximise the benefit from Pushpay's services. The portion of customer success cost relating to onboarding new Customers is treated as part of CAC.

	2017	2016	
<i>Year ended 31 March</i>	<i>US\$000</i>	<i>US\$000</i>	<i>Change*</i>
Sales and marketing	19,206	10,044	91%
Customer success	3,000	1,195	151%
Total sales and marketing, and customer success costs	22,206	11,239	98%
<i>Percentage of operating revenue</i>	65%	113%	-48pp
Months to Recover CAC	<12	<12	NC

* NC stands for no change.

Total sales and marketing, and customer success costs increased by 98% over the year ended 31 March 2017 from \$11.2 million to \$22.2 million. Sales and marketing, and customer success costs as a percentage of operating revenue improved by 48 percentage points over the year ended 31 March 2017 from 113% to 65%. The increase in total sales and marketing, and customer success costs reflect the increase in the number and size of Customers acquired. Headcount increased during the year ended 31 March 2017 as a result of hiring additional sales and marketing, and customer success personnel to expand Customer acquisition and to grow relationships with both existing and new Customers. As Pushpay's Customer base grows the opportunity to grow revenue from existing Customers increases. During the year ended 31 March 2017, Pushpay invested in new initiatives to support revenue growth, including the establishment of an account management function.

The increase in Customer success costs was largely driven by headcount growth to support the greater Customer base and to drive more effective Customer implementation. Effective implementation delivers more value to the Customer, as well as greater processing revenue for the Company.

The Months to Recover CAC remained at less than 12 months at 31 March 2017, which Pushpay believes to be best-in-class for a SaaS business. The total sales and marketing, and customer success costs over the year ended 31 March 2017 were \$22.2 million, contributing to an ACMR increase of \$30.9 million.

General and other administration

General and administration expenses consist of personnel and related expenses (including salaries, benefits, bonuses and share-based payment expense) for executive, finance, human resources, operations and administrative employees. It also includes legal, accounting and other professional services fees, occupancy costs, stock exchange listing expenses and other corporate expenses.

<i>Year ended 31 March</i>	<i>2017</i> <i>US\$000</i>	<i>2016</i> <i>US\$000</i>	<i>Change</i>
General and administration	15,101	5,865	157%
<i>Percentage of operating revenue</i>	44%	59%	-15pp

General and administration costs increased by 157% over the year ended 31 March 2017 from \$5.9 million to \$15.1 million. General and administration costs improved as a percentage of operating revenue by 15 percentage points from 59% to 44%.

Drivers of the increase in general and administration costs included increased personnel related expenses as a result of headcount growth to support the growth in other business functions, higher occupancy costs as a result of headcount growth and listing expenses and other expenses incurred relating to the Company's admittance to the official list of the ASX on 11 October 2016.

The Company plans to implement a cost allocation model for certain general and administration costs to other areas of the business in line with industry best practice.

Employees

<i>Year ended 31 March</i>	<i>2017</i>	<i>2016</i>	<i>Change</i>
Product development and maintenance	94	43	119%
Sales and marketing	161	98	64%
Customer success	58	40	45%
General and other administration	63	34	85%
Total group	376	215	75%

Staff headcount increased by 75% over the year ended 31 March 2017 from 215 to 376, with 101 staff based in New Zealand and 275 staff based in the USA. Sales and marketing, and product development roles, comprised more than 70% of the headcount added as at 31 March 2017.

Cash flows

<i>Year ended 31 March</i>	<i>2017</i> <i>US\$000</i>	<i>2016</i> <i>US\$000</i>	<i>Change</i>
Receipts from Customers	20,572	8,298	148%
Other operating cash flows	(39,166)	(19,398)	102%
Total cash flows from operating activities	(18,594)	(11,100)	68%
Investing cash flows	(5,577)	(2,716)	105%
Total operating and investing cash flows	(24,171)	(13,816)	75%

Receipts from Customers increased by 148% over the year ended 31 March 2017 from \$8.3 million to \$20.6 million. The prior year ended 31 March 2016 Receipts from Customers and Other operating cash flows include cash flows related to the Run The Red business which was sold on 31 March 2016. Receipts from Customers relating to processing revenue are shown net of the processing costs reflecting the physical cash inflows.

Net investing cash flows increased by 105% over the year ended 31 March 2017 from \$2.7 million to \$5.6 million. In the previous year ended 31 March 2016, Pushpay received \$2.8 million from the sale of the Run The Red business and in the current year ending 31 March 2018 Pushpay paid \$2.1 million in relation to the acquisition of the Bluebridge software licence and customer intangibles. Cash outflows related to the purchase of property, plant and equipment reduced by \$0.7 million relative to the previous year ended 31 March 2016 and there was no increase in restricted cash (\$1.4 million increase in the prior year ended 31 March 2016).

Board of Directors



Bruce Gordon

Independent Chairman

Bruce has over 30 years' experience in business holding senior positions with both SMEs and Corporate Organisations across Asia Pacific, the UK and the USA.

He currently serves as Chief Executive of Eco-Products Group which was recently acquired by Vector and has expertise in retail, banking, finance and electronic payments.

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

Bruce is a Fellow of FINSIA and holds an MBA and a PGDipBus (Information Systems) both from the University of Auckland. Bruce lives with his family in Auckland.



Graham Shaw

Independent Director

Graham is a chartered accountant with over 30 years' experience in business. He sits on a number of corporate and not-for-profit boards, and has extensive SaaS governance experience from being on the board of Xero for eight years and more recently Gentrack.

He spent 10 years with KPMG 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 Member of Chartered Accountants Australia and New Zealand, a Chartered Member of the Institute of Directors in New Zealand, a Fellow of the New Zealand Institute of Management and a Companion of the Institution of Professional Engineers New Zealand. Graham lives with his family in Wellington.



Christopher Huljich

Non-Executive Director

Christopher Huljich was the 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 for Diligent Board Member Services. He is also the 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. Chris lives with his family in Auckland.



Douglas (Doug) Kemsley

Non-Executive Director

Doug has more than 25 years' experience as an investor and director of software and technology companies in New Zealand.

Doug was a co-founder and director of CA-Systems, a \$1,200 start-up which sold to MYOB for \$22 million in 1999. During his time as Chairman of Maxnet, the company grew from a start-up internet service provider to become a leading data centre and cloud services provider and was subsequently acquired by Vocus Communications in 2012.

Outside of his Pushpay directorship, Doug is passionate about a number of causes in New Zealand and Nepal. Formerly, a helicopter pilot in the Royal New Zealand Air Force and an administrator of a community health program in Nepal. Doug lives with his family in Hamilton.



Christopher (Chris) Heaslip

Chief Executive Officer, Executive Director and Co-Founder

Chris Heaslip is the Chief Executive Officer (CEO) and Co-Founder of Pushpay. Along with his Co-Founder Eliot Crowther, Chris envisioned an integrated Consumer friendly cloud-based mobile commerce solution that could simultaneously provide a platform for increased sales and revenue, while simplifying business processes and reducing costs.

Chris has worked in and for a number of SMEs and Corporate Organisations to develop effective and efficient systems and optimal accounting treatment.

He has previously served as CEO of an accounting and tax consultancy and prior to that as a tax management professional and business adviser at KPMG. Chris was also an investigator at the New Zealand Inland Revenue Department.

Chris is an Accountant by vocation, with a BCom (Accounting), DipCom (Taxation and Law) and a MCom Hons (Taxation) all from the University of Auckland. Chris lives with his family in Seattle in the USA.



Eliot Crowther

Sales, Executive Director and Co-Founder

Eliot Crowther is a Co-Founder of Pushpay (along with CEO Chris Heaslip) and is a proven sales professional with several years' experience working in commercial high value sales. Eliot co-founded Pushpay after realising there was a significant opportunity to aggregate mobile commerce tools to enable Merchants to efficiently and effectively communicate and transact with Consumers. Eliot helps drive Merchant growth and Consumer engagement through targeted product offerings.

Prior to co-founding Pushpay, Eliot was a leading sales executive at HRV, the home ventilation business. His in-depth understanding of the sales process and mobile commerce was essential in establishing two of Pushpay's key vertical markets, the Faith Sector and Non-Profit Organisations (NPOs). Eliot is now focused on executing Pushpay's strategy to adapt its mobile commerce solutions to expand into SMEs and Corporate Organisations.

Eliot, a former New Zealand representative in cycling, holds a DipAppSc from AUT University and lives with his family in the USA.



Staff profile

Steve Basden / President of echurch

"I am naturally process and metrics oriented, directed at continuous improvement. We're at the stage where we need to execute at scale so these competencies are critical. I've learned a lot in my time at Pushpay. Whenever you learn things, it makes you better."

Independent Auditor's Report

To the Shareholders of Pushpay Holdings Limited

Opinion	<p>We have audited the consolidated financial statements of Pushpay Holdings Limited (the 'Company') and its subsidiaries (the 'Group'), which comprise the statement of financial position as at 31 March 2017, and the 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.</p> <p>In our opinion, the accompanying financial statements, on pages 38 to 67 present fairly, in all material respects, the financial position of the Group as at 31 March 2017, and its financial performance and its 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').</p>
Basis for opinion	<p>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.</p> <p>We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.</p> <p>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.</p> <p>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. These services have not impaired our independence as auditor of the Company and Group.</p>
Audit materiality	<p>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.</p> <p>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 USD \$400,000.</p>
Key audit matters	<p>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.</p>

Key audit matter

Software development costs

As a Software as a Service (SaaS) provider the Group incurs significant expenditure in developing new software features.

Software development costs have a carrying value of \$3.858 million at 31 March 2017 as outlined in note 7.

We have included capitalisation and impairment considerations of the software development assets as a key audit matter due to the level of judgement involved in determining which costs meet the criteria to be capitalised and in evaluating capitalised development costs for indicators of impairment.

Development costs that meet certain criteria under NZ IAS 38 Intangible Assets, which include technical feasibility, likelihood of generating future economic benefits and sufficient funding for completion, are capitalised and subsequently amortised over their estimated useful lives as the software is used to generate revenue. The Group has to exercise judgement in determining which costs associated with the software meet the criteria for capitalisation and which costs must be expensed as incurred.

The Group must also assess each period whether there are any indications that the development assets may be impaired and must perform impairment testing on any capitalised development costs for which there are indicators of impairment or which relate to software that is not yet available for use. In the current period the Group has assessed the development assets and determined that impairment testing was not required and that the estimated useful lives continue to be appropriate.

Recognition of subscription revenue

Subscription revenue was \$10.789 million for the year to 31 March 2017 as outlined in note 3. Unearned revenue at 31 March 2017 was \$5.621 million as disclosed in note 12.

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 measurement of the performance of the Group and the level of judgement required in determining the periods over which the services are delivered.

How our audit addressed the key audit matter

We have evaluated the appropriateness of the costs capitalised as software development assets by:

- challenging the Group's determination of which development costs meet the criteria to be capitalised. We met with project managers to obtain an understanding of the nature of the projects including how they are used in the business, the stage of development, and the likelihood of the software being successfully completed and used to generate revenue;
- checking capitalisation of cost calculations for mathematical accuracy; and
- testing the amounts capitalised on a sample basis and agreeing this to underlying evidence, including, for employee costs allocated to the development projects, testing a sample of hours worked on each project and the relevant wage rates.

We tested the carrying amount of completed development projects by:

- considering whether the useful economic lives remained appropriate; and
- challenging management's assessment of indicators of impairment, with a particular focus on projects which currently generate low or no revenue.

We have evaluated the systems, processes and controls in place to calculate the amount and timing of subscription revenue recorded by the Group.

For a sample of customer contracts, we:

- 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 deferred 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.

Going concern

As detailed in note 25, the Group has recorded a net deficit of \$25.306m (2016: \$13.058m) for the year ended 31 March 2017 and had net cash outflows from operating activities of \$18.594m (2016: \$11.100m). At year end the Group had \$13.406m (2016: \$8.420m) of cash available for future expenditure.

The Group has prepared a forecast which demonstrates that there will be sufficient funding to operate for a period that is not less than twelve months beyond the date these financial statements are approved. The forecast takes into account the available cash on hand at year-end, combined with the forecast cash flows from operations.

Given the judgement involved in determining the forecast cash flows from operations, we have included the going concern assumption as a key audit matter.

We have evaluated Pushpay's latest cash flow forecast for a period that is not less than 12 months beyond the date of the financial statements are approved.

We have considered whether there are indicators that Pushpay may face a liquidity shortfall and assessed the resulting implications by:

- Understanding and challenging the reasonableness of key assumptions used by the Group in their cash flow forecast for a period that is not less than 12 months beyond the date of these financial statements are approved;
- Performing a retrospective review of the prior year cash flow forecast to assess Pushpay's historical accuracy in preparing cash flow forecasts and in applying this historical accuracy to the current cash flow forecast;
- Performing sensitivity analysis to determine the robustness of the cash flow forecast and the impact of changing key assumptions; and
- Assessing the adequacy of the disclosures made by management in the consolidated financial statements.

Acquisition of certain Bluebridge assets and liabilities

As detailed in note 7, the Group acquired a source code licence and 100% of Bluebridge Churches LLC ("BBC") from Bluebridge Digital, Inc during the year for \$3.1m. BBC's assets primarily comprised customer contracts related to the source code license separately acquired.

The Group has considered whether the purchase of the source code and BBC was an acquisition of a business, as defined by NZ IFRS 3 Business Combinations ('NZ IFRS 3'), or an acquisition of a group of assets. The Group concluded that, based on their assessment of the facts and circumstances of the acquisition against the requirements of NZ IFRS 3, that the purchase of the source code and BBC was an acquisition of a group of assets.

We have included this as a key audit matter given the significance of the Group's judgement in assessing the accounting treatment of their purchase of the source code and BBC.

We obtained and read the relevant sale and purchase agreements and the Group's assessment of their purchase of the source code and BBC.

We then evaluated and challenged the Group's assessment of their purchase of the source code and BBC by comparing the facts and circumstances of the purchase against the requirements of NZ IFRS 3 and other relevant literature and industry guidance.

Other information	<p>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.</p> <p>Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.</p> <p>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.</p>
Directors' responsibilities for the financial statements	<p>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.</p> <p>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.</p>
Auditor's responsibilities for the audit of the financial statements	<p>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.</p> <p>A further description of our responsibilities for the audit of the financial statements is located on the External Reporting Board's website at:</p> <p>https://xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1</p> <p>This description forms part of our auditor's report.</p>
Restriction on use	<p>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.</p>

Deloitte Limited

Andrew Dick, Partner for Deloitte Limited

Auckland, New Zealand

18 May 2017

Income Statement

		<i>Year ended 31 March</i>	
		<i>2017</i>	<i>2016</i>
	<i>Notes</i>	<i>US\$000</i>	<i>US\$000</i>
Continuing operations			
Revenue			
Operating revenue		33,956	9,945
Other income		315	132
Total revenue and other income	3	34,271	10,077
Third party direct costs		(14,869)	(4,580)
Product development and maintenance		(7,042)	(1,905)
Sales and marketing		(19,206)	(10,044)
Customer success		(3,000)	(1,195)
General and other administration		(15,101)	(5,865)
Net foreign exchange gains/(losses)		(61)	155
Total expenses	4	(59,279)	(23,434)
Net loss before tax		(25,008)	(13,357)
Income tax (expense)	5	(298)	(260)
Net loss for the year from continuing operations		(25,306)	(13,617)
Net profit for the year from discontinued operations	22	-	559
Net loss for the year		(25,306)	(13,058)
Loss per share			
Basic and diluted (loss) per share (cents) from continuing and discontinued operations	16	(10.53)	(5.92)
Basic and diluted (loss) per share (cents) from continuing operations	16	(10.53)	(6.17)

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

Statement of Comprehensive Income

	<i>Year ended 31 March</i>	
	<i>2017</i>	<i>2016</i>
	<i>US\$000</i>	<i>US\$000</i>
Net loss for the year	(25,306)	(13,058)
Other comprehensive income*		
Exchange differences on translation of foreign operations	90	(901)
Total other comprehensive income/(loss)for the year	90	(901)
Total comprehensive loss for the year	(25,216)	(13,959)

*Items of other comprehensive income may be 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	Foreign currency translation reserve US\$000	Share based payment reserve US\$000	Accumulated losses US\$000	Total equity US\$000
Balance at 1 April 2015		14,283	(1,405)	157	(7,881)	5,154
Net loss		-	-	-	(13,058)	(13,058)
Currency translation movements		-	(901)	-	-	(901)
Total comprehensive loss		-	(901)	-	(13,058)	(13,959)
<i>Transactions with owners:</i>						
Issue of shares	14	22,898	-	-	-	22,898
Share issue costs	14	(190)	-	-	-	(190)
Share based payments	15	-	-	51	-	51
Balance at 31 March 2016		36,991	(2,306)	208	(20,939)	13,954
Balance at 1 April 2016		36,991	(2,306)	208	(20,939)	13,954
Net loss		-	-	-	(25,306)	(25,306)
Currency translation movements		-	90	-	-	90
Total comprehensive loss		-	90	-	(25,306)	(25,216)
<i>Transactions with owners:</i>						
Issue of shares	14	31,278	-	-	-	31,278
Share issue costs	14	(1,768)	-	-	-	(1,768)
Share based payments	15	-	-	557	-	557
Balance at 31 March 2017		66,501	(2,216)	765	(46,245)	18,805

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

Statement of Financial Position

		At 31 March		
		2017	2016	2015
<i>Assets</i>	<i>Notes</i>	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
<i>Current assets</i>				
Cash and cash equivalents	9	13,406	8,420	188
Trade and other receivables	10	4,523	1,516	1,275
Deferred acquisition costs	8	1,190	716	276
Total current assets		19,119	10,652	1,739
<i>Non-current assets</i>				
Property, plant and equipment	6	2,306	1,914	428
Intangible assets and goodwill	7	7,252	2,856	4,770
Long term receivable	10	-	48	50
Restricted cash balances	9	1,425	1,461	55
Total non-current assets		10,983	6,279	5,303
Total assets		30,102	16,931	7,042
<i>Liabilities</i>				
<i>Current liabilities</i>				
Trade and other payables	11	4,044	1,241	1,649
Unearned revenue	12	6,094	836	46
Employee entitlements	13	1,014	814	193
Income tax payable	5	145	86	-
Total current liabilities		11,297	2,977	1,888
Total liabilities		11,297	2,977	1,888
Net assets		18,805	13,954	5,154
<i>Equity</i>				
Share capital	14	66,501	36,991	14,283
Accumulated losses		(46,245)	(20,939)	(7,881)
Share based payment reserve		765	208	157
Foreign currency translation reserve		(2,216)	(2,306)	(1,405)
Total equity		18,805	13,954	5,154

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

For and on behalf of the Board, 18 May 2017:



Bruce Gordon
Chairman



Chris Heaslip
CEO, Executive Director and Co-founder

Statement of Cash Flows

		<i>Year ended 31 March</i>	
		<i>2017</i>	<i>2016</i>
	<i>Notes</i>	<i>US\$000</i>	<i>US\$000</i>
Operating activities			
Receipts from customers		20,572	8,298
Other income		246	72
Interest received		69	63
Payments to suppliers & employees		(39,380)	(19,533)
Income tax paid		(101)	-
Net cash flows from operating activities	23	(18,594)	(11,100)
Investing activities			
Purchase of property, plant and equipment		(1,074)	(1,762)
Capitalised development costs and intangible assets		(2,740)	(2,075)
Acquisition of software licence and customer contracts	7	(2,100)	-
Purchase of business – Run The Red		-	(269)
Disposal of business – Run The Red	22	301	2,796
Restricted cash balances		36	(1,406)
Net cash flows from investing activities		(5,577)	(2,716)
Financing activities			
Issue of shares (net of costs)		29,510	22,898
Net cash flows from financing activities		29,510	22,898
Net increase in cash and cash equivalents		5,339	9,082
Foreign currency translation adjustment		(353)	(850)
Cash and cash equivalents at the beginning of the year		8,420	188
Cash and cash equivalents at the end of the year	9	13,406	8,420

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

Notes to the Financial Statements

1. Reporting entity and statutory base

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 2017.

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

The financial statements have been prepared in accordance with the requirements of the NZX Main Board Listing Rules, the Financial Markets Conduct Act 2013, the Financial Reporting Act 2013 and the Companies Act 1993.

In accordance with the Financial Markets Conduct Act 2013, because Group financial statements are prepared and presented for Pushpay Holdings Limited and its subsidiaries, separate financial statements for Pushpay Holdings Limited are not required and therefore have not been presented.

The financial statements for the year ended 31 March 2017 were authorised for issue in accordance with a resolution of the Directors on 18 May 2017.

The Group’s principal activity is to provide engagement solutions that enable meaningful connections and mobile commerce tools that facilitate fast, secure and easy non-point of sale payments. The Group targets customers who are looking to offer convenient, personalised and intuitive payment solutions to their consumers.

2. Summary of significant accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice (“NZ GAAP”). They comply with New Zealand equivalents to International Financial Reporting Standards (“NZ IFRS”) and other applicable Financial Reporting Standards, as appropriate for profit entities. The financial statements comply with International Financial Reporting Standards (“IFRS”).

The financial statements are presented in thousands of United States Dollars (USD).

(b) Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgments, 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 judgment or complexity or areas where assumptions and estimates are significant to the financial statements.

Judgments, 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 judgment include:

- The application of the going concern assumption (see Note 25);
- Determining whether the intangible assets to which the development expenditure relate meet the criteria for capitalisation and are not assessed as impaired (see Note 7);
- Identification of subscription services provided and allocation of the revenue across the periods on the basis of the periods over which the subscription services are delivered (see Note 3); and
- Accounting for acquisition for Bluebridge software licence and customer intangibles as an assets purchase (see Note 7).

Estimates and judgments 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

Apart from the changes noted below, the accounting policies adopted are consistent with those of the previous year.

(i) Presentation currency – change in accounting policy

The Group's revenues, profits and cash flows are primarily generated in USD and are expected to remain principally denominated in USD in the future. During the year ended 31 March 2017, the Group changed the currency in which it presents its financial statements from New Zealand Dollars (NZD) to USD, in order to better reflect the underlying performance of the Group. A change in presentation currency is a change in accounting policy which is accounted for retrospectively. Statutory financial information included in the Group's financial statements for the years ended 31 March 2016 and 31 March 2015, previously reported in NZD, has been restated into USD using the procedures outlined below:

- Assets and liabilities denominated in currencies other than USD were translated into USD at the closing rates of exchange on the last day of the relevant accounting period;
- Revenues and expenses in currencies other than USD were translated into USD at the monthly average rate of exchange over the relevant accounting period;
- Share capital and reserves were translated at the historic rates prevailing at the transaction dates; and
- In each case, the rates of exchange were consistent with those used by the Group in the relevant accounting period.

As the only adjustment to prior periods resulting from the change in accounting policy is to change the currency in which they are presented we have not included the original amounts and the adjustment as we consider this would not be meaningful to users of the financial statements.

(ii) Reclassifications

Following a regular review of reporting practices and policies, certain expenses have been reclassified to better align the presentation with actual operations as the Company grows. In the Income Statement, Customer success and Third party direct costs are presented separately from Sales and marketing costs.

In the Statement of Financial Position, Deferred acquisition costs are presented separately from Trade and other receivables. Deferred acquisition costs consist of Deferred commissions.

Unearned revenue comprises amounts billed to customers but not yet earned and is now presented separately from Trade and other payables.

In the Statement of Cash Flows, receipts related to processing revenue are shown net of the third party direct costs – processing, reflecting the physical cash in-flows. The cash flows for the year to 31 March 2016 have been restated for consistency.

(d) Basis of consolidation

The Group financial statements incorporate the financial statements of the Company and entities controlled by the Group. 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 USD, which is the Group's presentation currency. The Company's functional currency is NZD.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using a monthly exchange rate set at the start of each month as an estimate of the exchange rate prevailing at the dates 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 USD 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 flow, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments net of outstanding bank overdrafts.

The statement of cash flow is prepared exclusive of GST, which is consistent with the method used in the income statement.

Definition of terms used in the Cash Flow Statement:

- Operating activities include all transactions and other events that are not investing or financing activities.
- Investing activities are those activities relating to the acquisition and disposal of current and non-current investments and any other non-current assets.
- 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.

(g) Adoption of new and revised standards and interpretations

New standards, amendments and interpretations have been published that are not yet effective and have not been early adopted by the Group. Those which may be relevant to the Group are explained below:

- NZ IFRS 2 Amendments 'Classification and Measurement of Share-based Payment Transactions'. The amendments will be effective for the year ended 31 March 2019 and provide requirements on the accounting for:
 - The effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
 - Share-based payment transactions with a net settlement feature for withholding tax obligations;
 - A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.
- NZ IFRS 9 'Financial Instruments – Classification and Measurement'. This standard addresses the classification, measurement and de-recognition of financial assets, financial liabilities, impairment of financial assets and hedge accounting, and will be effective for the year ended 31 March 2019.
- NZ IFRS 15 'Revenue from Contracts with Customers'. This standard establishes the framework for revenue recognition, and will be effective for the year ended 31 March 2019.
- NZ IFRS 16 'Leases'. This standard requires a lessee to recognise a lease liability reflecting the future lease payments and a 'right-of-use asset' for substantively all lease contracts and will be effective for the year ended 31 March 2020.
- NZ IAS 7 Amendments 'Disclosure Initiative'. These amendments require an entity to provide disclosures that enable users of financial statements to evaluate both cash flow and non-cash changes in liabilities arising from financing activities and will be effective for the year ended 31 March 2018.

The Group has not yet assessed the potential impact of the above standards. The Group has adopted all relevant standards and amendments effective in the current year and has assessed their effect as not material to the financial statements.

3. Revenue and other income

Revenue comprises the fair value of the consideration received or receivable for the provision of services, excluding Goods and Services Tax, Value Added Tax, rebates and discounts.

Subscription revenue comprises recurring monthly and annual fees for engagement and giving solutions provided to customers. 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 service is made available. Revenue in advance 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 volume fees that are primarily based on a percentage of the total dollar value of payments processed, predominantly within the USA faith sector. 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 banks are classified as third party direct costs.

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. Government grants whose primary condition is that the Group should purchase, construct, or otherwise acquire non-current assets are recognised as deferred revenue in the Statement of Financial Position and transferred to the income statement on a systematic and rational basis over the useful lives of the related assets.

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

<i>Year ended 31 March</i>	<i>Continuing Operations</i>		<i>Discontinued Operations</i>	
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
Subscription revenue	10,789	3,027	-	2,691
Processing revenue	23,167	6,918	-	-
Government grants	246	72	-	-
Interest income	69	60	-	3
	34,271	10,077	-	2,694

4. Expenses

Assets, liabilities, revenues and expenses are stated exclusive of GST, with the exception of receivables and payables, which include GST.

<i>Year ended 31 March</i>	<i>Continuing Operations</i>		<i>Discontinued Operations</i>	
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
Advertising and marketing	6,416	2,845	-	370
Amortisation of intangibles	1,932	918	-	316
Auditor's remuneration	90	47	-	-
Bad debts	98	-	-	-
Depreciation	670	225	-	11
Directors fees	177	105	-	-
Employee benefits – defined contribution expense	363	456	-	13
Employee benefits/entitlements	30,741	12,546	-	431
Employee benefits/entitlements - capitalised	(4,958)	(2,415)	-	-
Foreign exchange variations	61	(155)	-	1
IT and communications	1,863	835	-	64
Loss on disposal of property, plant and equipment	10	35	-	-
Other operating expenses	3,963	2,462	-	78
Rental costs	1,192	535	-	35
Share based payment	857	51	-	2
Third party direct costs	14,869	4,580	-	1,097
Travel-related costs	935	364	-	13
Total expenses	59,279	23,434	-	2,431

Auditor's remuneration

<i>Year ended 31 March</i>	<i>2017</i>	<i>2016</i>
	<i>US\$000</i>	<i>US\$000</i>
Audit of financial statements	67	37
Agreed upon procedures	-	7
Assurance services related to the Prospectus and ASX listing	23	-
Taxation services	-	3
Total Auditor's remuneration	90	47

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 by 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:

<i>Year ended 31 March</i>	<i>2017</i> <i>US\$000</i>	<i>2016</i> <i>US\$000</i>
Current income tax expense from continuing operations	(298)	(86)
Deferred tax (expense)/benefit	-	(174)
Income tax (expense)	(298)	(260)

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

<i>Year ended 31 March</i>	<i>2017</i> <i>US\$000</i>	<i>2016</i> <i>US\$000</i>
Loss before tax (continuing operations)	(25,008)	(13,357)
Earnings before tax (discontinued operations – Note 22)	-	385
	(25,008)	(12,972)
Benefit at 28%	7,002	3,632
Non-deductible expenses	(59)	(40)
Taxation rate variances on subsidiaries	(71)	(5)
Deferred tax (expense)/benefit arising on disposal/acquisition of business activity	-	(174)
Future benefit of tax losses not recognised	(7,170)	(3,673)
Income tax (expense)	(298)	(260)

(c) Current tax assets and liabilities

<i>At 31 March</i>	<i>2017</i> <i>US\$000</i>	<i>2016</i> <i>US\$000</i>	<i>2015</i> <i>US\$000</i>
Income tax payable	(145)	(86)	-

d) Deferred tax balances

	<i>Employee benefits</i>	<i>Depreciation and amortisation</i>	<i>Capitalised commissions</i>	<i>Other timing differences</i>	<i>Tax losses</i>	<i>Identifiable intangible assets</i>	<i>Net</i>
Deferred tax asset/ liability balances:							
At 1 April 2015	31	(35)	(77)	11	264	(194)	-
Charged to income statement	47	(1)	(131)	(63)	(26)	-	(174)
Disposal of business activity	-	-	-	-	-	174	174
Foreign exchange variation	(1)	3	2	(3)	(21)	20	-
At 31 March 2016	77	(33)	(206)	(55)	217	-	-
Deferred tax asset/ liability balances:							
At 1 April 2016	77	(33)	(206)	(55)	217	-	-
Charged to income statement	71	(11)	(127)	15	50	-	(2)
Foreign exchange variation	2	-	-	-	-	-	2
At 31 March 2017	150	(44)	(333)	(40)	267	-	-

The Group also has an unrecognised deferred tax asset arising from tax losses of \$11.7 million (2016: \$4.7 million). These are subject to confirmation by the Inland Revenue and subject to meeting the requirements of the Income Tax Act 2007.

The Group had estimated New Zealand tax losses of US\$41.8 million (2016: US\$16.9 million) available to carry forward, subject to shareholder continuity being maintained as required by New Zealand tax legislation.

(e) Imputation credit account balances

<i>At 31 March</i>	<i>2017 US\$000</i>	<i>2016 US\$000</i>
Balance at the end of the financial year	16	17

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
Office equipment	5 years
Computer equipment	3 years
Fixtures and Fittings	5-7 years

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.

	<i>Fixture and fittings US\$000</i>	<i>Office equipment US\$000</i>	<i>Computer equipment US\$000</i>	<i>Total US\$000</i>
Balance at 1 April 2015				
Cost	-	264	246	510
Accumulated depreciation	-	(20)	(62)	(82)
Net book value at 1 April 2015	-	244	184	428
Year ended 31 March 2016				
Additions	454	675	633	1,762
Disposal of business	-	(37)	-	(37)
Disposals	-	(17)	(18)	(35)
Depreciation	(6)	(79)	(151)	(236)
Foreign exchange variation	16	7	9	32
Net book value at 31 March 2016	464	793	657	1,914
Balance at 1 April 2016				
Cost	468	888	864	2,220
Accumulated depreciation	(4)	(95)	(207)	(306)
Net book value at 1 April 2016	464	793	657	1,914
Year ended 31 March 2017				
Additions	26	25	843	894
Disposals	(11)	(3)	(3)	(17)
Depreciation	(87)	(181)	(402)	(670)
Foreign exchange variation	17	1	(13)	5
Net book value at 31 March 2017	409	635	1,082	2,126
Balance at 31 March 2017				
Cost	506	889	1,687	3,082
Accumulated depreciation	(97)	(254)	(605)	(956)
Net book value at 31 March 2017	409	635	1,082	2,126
Capital work in progress	180	-	-	180
Total as at 31 March 2017	589	635	1,082	2,306

As at 31 March 2017, the Group has capital work in progress amounting to \$179,664 (2016: Nil), which relates to undeployed lease improvements for the US and NZ offices.

7. Intangible assets

Non-current intangible assets

Non-current intangible assets consist of capitalised expenditure or internally and externally generated intangible assets such as trademarks, software developments and customer databases.

Research costs are expensed as incurred. Costs associated with maintaining internal computer software programs are recognised as an expense as incurred. Costs that are directly associated with the development of the software products controlled by the Group are recognised as intangible assets only if all 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 development relates to the continued development of the Group's mobile commerce and engagement software. The Group capitalises software development costs based on direct costs associated with the project and a proportion of employee costs that directly relate to software development. Computer software development costs recognised as assets are amortised over their estimated useful lives.

Other development expenditures that do not meet the above criteria are recognised as expenses as incurred. Development costs previously recognised as expenses are not recognised as assets in a subsequent period.

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.

The useful lives of the Group's intangible assets are assessed to be finite. Assets with finite lives are amortised over their useful lives and tested for impairment whenever there are indications that the assets may be impaired.

Amortisation is recognised in the income statement on a straight-line basis over the estimated useful life of the intangible asset, from the date it is available for use.

The estimated useful lives are:

Trademarks/patents	10 years
Software development costs	3-5 years
Customer contracts and brands	3 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 at 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.

	<i>Customer contracts & brands US\$000</i>	<i>Software development US\$000</i>	<i>Patents & trademarks US\$000</i>	<i>Goodwill US\$000</i>	<i>Total US\$000</i>
Balance at 31 March 2015					
Cost	834	2,365	294	1,815	5,308
Accumulated amortisation	(142)	(379)	(17)	-	(538)
Net book value 31 March 2015	692	1,986	277	1,815	4,770
Cost					
Balance at 1 April 2015	834	2,365	294	1,815	5,308
Additions	-	2,063	12	-	2,075
Disposal of business activity (see Note 22)	(749)	(809)	(15)	(1,631)	(3,204)
Foreign exchange variation	(85)	(150)	(23)	(184)	(442)
Balance at 31 March 2016	-	3,469	268	-	3,737
Amortisation					
Balance at 1 April 2015	(142)	(379)	(17)	-	(538)
Amortisation	(153)	(1,045)	(36)	-	(1,234)
Disposal of business activity (see Note 22)	280	297	3	-	580
Foreign exchange variation	15	296	-	-	311
Balance at 31 March 2016	-	(831)	(50)	-	(881)
Net book value 31 March 2016	-	2,638	218	-	2,856

	<i>Customer contracts & brands US\$000</i>	<i>Software development US\$000</i>	<i>Patents & trademarks US\$000</i>	<i>Software licence US\$000</i>	<i>Total US\$000</i>
Cost					
Balance at 1 April 2016	-	3,469	268	-	3,737
Additions	1,310	2,711	29	2,290	6,340
Foreign exchange variation	-	(34)	3	-	(31)
Balance at 31 March 2017	1,310	6,146	300	2,290	10,046
Amortisation					
Balance at 1 April 2016	-	(831)	(50)	-	(881)
Amortisation	(155)	(1,475)	(30)	(272)	(1,932)
Foreign exchange variation	-	18	1	-	19
Balance at 31 March 2017	(155)	(2,288)	(79)	(272)	(2,794)
Net book value 31 March 2017	1,155	3,858	221	2,018	7,252

Bluebridge software licence and customer contracts

The Group acquired a source code licence, customer contracts and the related liabilities from Bluebridge Digital Inc. for US\$3.1m. The allocation of the purchase price is as follows:

	US\$000
Customer contracts	1,310
Software licence	2,290
Deferred revenue	(500)
	3,100

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 other than goodwill that suffered an impairment loss are reviewed for possible reversal of the impairment loss at each reporting date.

8. Deferred acquisition costs

Deferred acquisition costs Deferred acquisition costs are comprised of capitalised costs of customer acquisitions, such as commissions paid to employees. These costs are amortised over a period of 12 months from the date of customer acquisition.

	Capitalised commissions US\$000
Net book value 1 April 2015	276
Additions	674
Amortisation	(234)
Net book value 31 March 2016	716
Net book value 1 April 2016	716
Additions	2,349
Amortisation	(1,875)
Net book value 31 March 2017	1,190

9. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, 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.

<i>At 31 March</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
Cash and cash equivalents	13,406	8,420	188
	13,406	8,420	188

<i>As at 31 March the amounts held by currency were as follows:</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
United States Dollars	1,467	1,414	91
New Zealand Dollars	11,904	6,952	90
Australian Dollars	16	54	7
Canadian Dollars	19	-	-

<i>At 31 March</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
Restricted Cash Balances	1,425	1,461	55

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

Trade and other receivables are initially recognised at the fair value of the amounts to be received, plus transaction costs (if any). They are subsequently measured at amortised cost (using the effective interest method) less impairment losses.

Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

<i>At 31 March</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
Gross trade receivables	2,025	165	346
Provision for impairment of receivables	(91)	-	(88)
Net trade receivables	1,934	165	258
Prepayments	1,294	774	628
Accrued revenue	1,275	-	-
Deferred consideration – disposal of business activity	-	301	-
Other receivables	20	276	44
Charity revenue	-	-	345
Current trade and other receivables	4,523	1,516	1,275

Trade receivables

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

Aging analysis

The aging analysis of these trade receivables is as follows:

<i>At 31 March</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
1-60 days	1,907	136	254
61-90 days	20	12	46
91+ days	98	17	46
	2,025	165	346

Past due but not impaired trade receivables Included in the trade receivables balance are debtors amounting to \$27,000 (2016: \$29,000) which are past due but not impaired at balance date.

Impaired receivables

As at 31 March 2017 trade receivables with impairment in respect of the Group amounts to: \$91,000 (2016: Nil).

Movement in provision for impairment of receivables

	<i>2017</i>	<i>2016</i>
	<i>US\$000</i>	<i>US\$000</i>
Balance at 1 April	-	88
Impaired receivables recognised	91	-
Net foreign currency exchange differences	-	(9)
Written-off during the year	-	(79)
Balance at 31 March	91	-

<i>At 31 March</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
Long term receivables - rental bonds	-	48	50

11. Trade and other payables

Trade payables are initially recognised at fair value and subsequently at amortised cost using the effective interest method. The amounts are unsecured, non-interest bearing and usually paid within 45 days of recognition.

<i>At 31 March</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
Trade payables	627	490	393
Other payables and accrued expenses	1,509	494	575
Operating lease liability	908	257	-
Deferred payment from acquisitions	1,000	-	300
Charity revenue	-	-	381
	4,044	1,241	1,649

12. Unearned revenue

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

<i>At 31 March</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
Unearned revenue	5,621	680	(89)
Unamortised grant	473	156	135
	6,094	836	46

13. Employee entitlements

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

<i>At 31 March</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
Liability for annual leave	537	272	126
Commissions payable	358	376	67
Share incentive scheme bonus accrual	88	166	-
Liability for retirement fund	31	-	-
	1,014	814	193

14. Share capital

	<i>Number of shares</i>	
	<i>000's</i>	<i>US\$000</i>
Balance at 1 April 2015	50,103	14,283
Movements during the year		
Issue of shares	7,736	22,671
Issue of shares to Pushpay Trustees Limited	177	-
Capital raised on employee share scheme	-	79
Share issue costs	-	(190)
Balance prior to share subdivision 9 February 2016	58,016	36,843
Share subdivision 9 February 2016 – 4 per 1 share	232,067	-
Capital raised on employee share scheme	-	148
Issue of shares to Pushpay Trustees Limited	41	-
Share buyback from employee share scheme	(942)	-
Balance at 31 March 2016	231,166	36,991
Movements during the year		
Issue of shares	19,139	30,383
Issue of shares to Pushpay Trustees Limited	245	-
Capital raised on employee share scheme	-	895
Share issue costs	-	(1,768)
Balance at 31 March 2017	250,550	66,501

The paid up capital comprises ordinary shares. The total number of shares on issue is 250,550,483 (2016: 231,166,080) shares. All shares have been issued, are fully paid and have no par value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

As at 31 March 2017, these include 1,368,177 (2016: 4,731,580) shares issued to Pushpay Trustees, a subsidiary established for the purpose of the employee share scheme.

On 11 October 2016, US\$30.4 million of new capital was raised, before costs of the issuance, by way of private placement of 19,138,756 new shares. The shares were issued at AU\$2.09 per share for a total of AU\$40.0 million before costs of the issuance.

15. 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 scheme

The employee share incentive scheme (the “SIS”) was introduced for employees and executives of the Group. Under the SIS, ordinary shares in Pushpay Holdings Limited are issued to a trustee, Pushpay

Trustees Limited, a wholly owned subsidiary, 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. The weighted average grant date fair value of restricted shares issued during the year was \$1.48 (2016: \$0.78) and was determined by the share price on grant date. Shares with a grant date fair value of \$703,354 vested during the year (2016: \$79,288). The Group has no legal or constructive obligation to repurchase the shares or settle the SIS for cash.

The Trustee holds 1,368,177 (2016: 4,731,580) shares. 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 share granted is based on the fair value of share 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. For shares issued during the year the volatility used was 55% (2016: 55%).

The number and exercise price is as follows:

	<i>Weighted average exercise price US\$</i>	<i>Number of shares</i>
Unvested shares at 1 April 2015	-	1,590,843
Granted	3.04	302,012
Vested	0.29	(186,273)
		1,706,582
Share subdivision 9 February 2016 – 4 per 1 share		6,826,328
Granted	1.13	40,824
Vested	0.08	(1,193,936)
Forfeited and repurchased	1.97	(941,636)
Unvested shares at 31 March 2016 - allocated to employees		4,731,580
Forfeited shares not yet reallocated – held by Trustee		-
Total at 31 March 2016		4,731,580
Granted	1.48	116,799
Vested	0.19	(3,480,202)
Total at 31 March 2017, of which		1,368,177
Forfeited shares not yet reallocated – held by Trustee		169,278
Unvested shares at 31 March 2017 – allocated to employees		1,198,899

<i>Ageing of unvested shares</i>	<i>2017</i>	<i>2016</i>
Balance of shares to vest within one year	921,991	3,480,202
Balance of shares to vest after one year	446,186	1,251,378
Total unvested shares at 31 March	1,368,177	4,731,580

<i>Operating expenses</i>	<i>2017</i>	<i>2016</i>
<i>Year ended 31 March</i>	<i>US\$000</i>	<i>US\$000</i>
Share based payment expense	135	51

Restricted Stock Units (RSUs)

During the year, the RSU plan was introduced 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 2017 was \$2.5 million (2016: nil) as determined by the market value of the shares on grant date. The RSUs are conditional on the employees completing up to four years' service (the vesting period) and are typically exercisable in equal amounts annually over the vesting period.

	<i>2017</i>	
	<i>Weighted average exercise price US\$</i>	<i>Number of RSUs</i>
Total at 1 April 2016		
Granted during the year	1.46	1,721,046
Forfeited during the year		-
Converted to shares	0.96	(128,848)
Surrendered to pay payroll tax	0.96	(51,765)
Total 31 March 2017		1,540,433

<i>Operating expenses</i>	<i>2017</i>	<i>2016</i>
<i>Year ended 31 March</i>	<i>US\$000</i>	<i>US\$000</i>
Share based payment expense	722	-

16. Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares:

Basic EPS is calculated by dividing the Group profit or loss 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 profit or loss attributable to ordinary shareholders and the weighted average number of shares outstanding for the effects of any dilutive potential ordinary shares.

Net tangible assets per share is determined by dividing the net asset value of the Group, adjusted by the intangible assets, and the number of shares issued at the end of the year.

The loss of \$25.3 million (2016: \$13.1 million) represented a loss per share shown below based on weighted average ordinary shares on issue during the year.

<i>Year ended 31 March</i>	<i>2017</i>	<i>2016</i>
Number of issued ordinary shares	250,550,483	231,166,080
Weighted average ordinary shares outstanding	240,217,634	220,589,296
Basic and diluted loss per share (cents) from continuing and discontinued operations	(10.53)	(5.92)
Basic and diluted loss per share (cents) from continuing operations	(10.53)	(6.17)

Diluted loss per share is the same as basic loss per share. There are no instruments that could potentially dilute basic earnings per share.

Net tangible assets per share

<i>Year ended 31 March</i>	<i>2017</i>	<i>2016</i>
Net tangible assets per share (cents)	4.61	4.80

17. Reserves

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

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

18. 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 and senior management team (who are the entity's Chief Operating Decision Makers) 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's Chief Operating Decision Makers have determined that based on the information they use for the purposes of allocating resources and assessing performance, the Group itself forms a single operating segment, the development and deployment of engagement and payment solutions. The segment result is reflected in the continuing operations financial statements. Prior to the sale of the Run the Red business, the Group had a second operating segment, text messaging, the segment result of which is reflected in discontinued operations.

a) Geographical information

The Group operated principally in the USA for the year ended 31 March 2017, of which over 98% of its revenue from continuing operations is generated.

19. Subsidiaries

<i>Name</i>	<i>Country of Incorporation</i>	<i>Interest 2017 (%)</i>	<i>Interest 2016 (%)</i>
Bluebridge Churches LLC	United States	100	N/A
eChurch Inc.	United States	100	100
NPO Apps Inc. (not trading)	United States	100	N/A
Pushpay Inc.	United States	100	100
Pushpay IP Limited	New Zealand	100	100
Pushpay Limited (not trading)	New Zealand	100	100
Pushpay New Zealand Limited (formerly Run The Red Limited)	New Zealand	100	100
Pushpay Pty Limited	Australia	100	100
Pushpay Trustees Limited	New Zealand	100	100
ZipZap Processing Incorporated	United States	100	100

All companies have a 31 March balance date.

20. Related parties

The Group has a related party relationship with its directors.

Loans to directors Loans include transactions under the employee share incentive scheme, are limited recourse and not recognised on balance sheet. During the year, these loans have been repaid in full and the relevant employee share incentive shares were transferred to the legal ownership of the relevant directors (prior year balance \$80,191).

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 senior managers.

The following table summarises remuneration paid to key management personnel:

<i>Year ended 31 March</i>	<i>2017 US\$000</i>	<i>2016 US\$000</i>
Directors' fees	177	105
Short term employee benefits	1,565	1,776
Share based payments	271	27

Standby Loan Facility on 16 March 2015, Christopher & Banks V Limited, a company in which Director Christopher Huljich has beneficial ownership, provided a standby facility of up to NZ\$4.0 million (US\$2.9 million). No amounts were drawn on that facility during the year.

In June 2016, the Group renewed and extended its standby facility from Christopher & Banks V Limited for an amount of up to NZ\$10.0 million (US\$6.9 million) and drew down the equivalent of US\$0.9 million during the year. This balance was repaid in full on 13 October 2016 and the facility was retired during the year. No interest was charged on the loan balance.

21. Financial risk management

The Group is subject to a number of financial risks including liquidity risk, credit risk and market risk. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. 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 maximizing the return to stakeholders through the optimisation of debt and equity.

The capital structure of the Group consists of shares, comprising issued capital and retained losses. The Group's board of directors reviews the capital structure on a regular basis to ensure that entities in the Group are able to continue as going concerns. The Group is not subject to externally imposed capital requirements.

Interest rate risk

The Group's interest rate risk arises from its cash balances. These are placed on deposit at variable rates that expose the Group to cash flow interest rate risk. The Group does not enter into forward rate agreements.

The Group's management regularly reviews its banking arrangements to ensure the best returns on funds.

<i>At 31 March</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
Variable rate instruments			
Financial assets - cash and cash equivalents	13,406	8,420	188
Financial assets - restricted cash balances	1,425	1,461	55
	14,831	9,881	243

Cash at bank is subject to floating interest rate risk. During the year interest rates ranged from 0.5% to 3.2% (2016: 0%-2.0%). As at 31 March 2017 if interest rates had been 1% higher/lower with all other variables held constant, the impact on interest income and net loss of the Group would have been \$56,000 higher/lower (2016: \$30,000).

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 and accounts receivable. The Board monitors and manages the exposure to credit risk by ensuring the customers have an appropriate credit history.

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

<i>At 31 March</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
Accounts receivable	1,934	165	258
Cash and cash equivalents and restricted cash balances	14,831	9,881	243

The Group does not require any collateral or security to support financial instruments. The Groups' bank accounts are held with ASB Bank, Commonwealth Bank of Australia, City National Bank and Wells Fargo Bank.

Liquidity risk management

Liquidity risk is the risk that the Group cannot pay contractual liabilities as they fall due. During the year the Company raised AU\$40.0 million through a private placement of new shares in conjunction with the ASX Foreign Exempt Listing. Following receipt of these proceeds the Company had sufficient cash to meet its requirements. The Board regularly reviews its liquidity position by examining future cash requirements.

All financial liabilities of the Group for 31 March 2017 and 31 March 2016 are non-interest bearing and mature within 3 months of balance sheet date.

Foreign currency risk

The Group is exposed to foreign currency movements against the USD as it has significant expenditure in New Zealand. As a result, the financial statements can be affected by movements in NZD rates.

The following sensitivity analysis is based on the foreign currency risk exposures in existence at the reporting date. As at 31 March 2017, had the NZD 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:

At 31 March	2017	2016
	US\$000	US\$000
Increase in value of NZD of 10 percent		
Impact on profit or (loss)	(1,469)	(981)
Impact on equity	(1,469)	(981)
Decrease in value of NZD of 10 percent		
Impact on profit or (loss)	1,469	981
Impact on equity	1,469	981

The sensitivity analysis was calculated by taking the spot rate as at balance date of 0.6991 (2016: 0.6913) for NZD and moving this spot rate by the reasonably possible movements of plus and minus 10 percent and then re-converting the foreign currency into USD with the “new spot rate”. This methodology reflects the translation methodology undertaken by the Group.

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.

The carrying value of financial assets and financial liabilities are assumed to approximate their fair values due to the short term maturity of these assets and liabilities. All financial assets of the Group are classified as loans and receivables and all financial liabilities are carried at amortised cost.

22. Discontinued Operations

In the previous financial year 31 March 2016, the Group sold the Run The Red business for an aggregate value of \$3.1 million before working capital adjustments. The comparative statement of comprehensive income has been re-presented to show the discontinued operation separately from continuing operations.

Year ended 31 March

2016
US\$000

Results of discontinued operation	
Revenue	2,694
Expenses	(2,431)
Results from operating activities	263
Tax expense	-
Results from operating activities before tax	263
Gain on sale of discontinued operation	122
	385
Deferred tax credit on disposal	174
Profit (loss) for the year	559
Basic and diluted loss per share (cents)	0.002

The profit from discontinued operations of \$559,000 is attributable entirely to the owners of the Company.

2016
US\$000

Cash flows from (used in) discontinued operation	
Net cash from operating activities	430
Net cash used in investing activities	(1)
Net cash flows for the year	429

2016
US\$000

Effect of disposal on the financial position of the Group	
Property, plant and equipment	35
Intangible assets	1,021
Goodwill	1,815
Trade and other receivables	542
Cash and cash equivalents	27
Trade and other payables	(354)
Net assets and liabilities	3,086
Consideration received, satisfied in cash	2,823
Cash and cash equivalents disposed	(27)
Net cash inflow	2,796

23. Reconciliation of net loss with cash flows from operating activities

<i>Year ended 31 March</i>		<i>2017</i>	<i>2016</i>
	<i>Notes</i>	<i>US\$000</i>	<i>US\$000</i>
Net loss for the year		(25,306)	(13,058)
Adjustments for non-cash items:			
Depreciation		670	236
Loss on disposal, property, plant and equipment		10	35
Amortisation of development costs and intangibles		1,932	1,234
Gain on disposal of business activity	22	-	(296)
Share based payment expense	15	857	51
Bad debts provision		98	-
Unrealised loss/(gain) on foreign exchange		61	(156)
Deferred tax (expense)/benefit		-	174
		(21,678)	(11,780)
Movements in working capital			
Trade and other receivables		(3,308)	31
Deferred acquisition costs		(475)	(615)
Trade and other payables		1,815	(387)
Unearned revenue		4,793	944
Employee entitlements		200	621
Income tax payable		59	86
		3,084	680
Net cash flows from operating activities		(18,594)	(11,100)

Receipts related to processing revenue are shown net of the third party direct costs – processing reflecting the physical cash in-flows. The cash flows for the year to 31 March 2016 have been restated for consistency resulting in a \$4.6 million decrease in receipts from customers and payments to suppliers and employees.

24. Contingent liabilities

As at the balance date there were no material contingent liabilities (2016: nil).

25. Going concern

The financial statements have been prepared using the going concern assumption.

The Group has recorded a net loss of \$25.3 million for the year ended 31 March 2017 (2016: \$13.1 million), and as at balance date is in a net asset position of \$18.8 million (2016: \$14.0 million). The Group has no debt and at balance date had available cash of \$13.4 million (2016: \$8.4 million).

The Company has been focused on a market growth strategy and historically has required additional capital to fund execution of the growth strategy and maximise shareholder value. In the current financial year the business plan is to achieve a balance between growth and cash utilization. If opportunities to accelerate growth and increase shareholder value are identified the Company will position itself to take advantage of them. The Company's forecast is based on the recurring revenue streams of the business, anticipated new customer additions, the historic growth trend in processing revenue and planned costs. The business plan on which the forecast is based includes rationalization of the investment in growth with a focus on the areas with the strongest returns. The forecast indicates that the Company can

continue operating for the foreseeable future which is not less than twelve months from the date these financial statements are approved based on the available cash on hand.

The Directors believe the going concern assumption is valid and have reached this conclusion having regard to the circumstances which they consider likely to affect the Company during the period of one year from the date these financials are approved and to circumstances which they believe will occur after that date which could affect the validity of the going concern assumption.

26. Capital commitments and operating lease commitments

Capital commitments As at the balance date there were no material capital commitments (2016: nil).

Operating lease commitments Operating leases are recognised on a straight-line basis over the lease term. In the event that lease incentives are received, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

Non-cancellable operating lease commitments where the Group is a lessee in relation to leases of office space are:

<i>At 31 March</i>	<i>2017</i> <i>US\$000</i>	<i>2016</i> <i>US\$000</i>
Less than one year	2,778	1,539
After one year but not more than five years	10,785	8,562
More than 5 years	710	2,194
	14,273	12,295

Non-cancellable operating lease receivables where the Group is a lessor in relation to sub-leases of office space are:

	<i>2017</i> <i>US\$000</i>	<i>2017</i> <i>US\$000</i>
Less than one year	265	252
After one year but not more than five years	386	629
	651	881

27. Events after the balance sheet date

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

Director's Responsibility Statement

The Directors of Pushpay Holdings Limited are pleased to present the financial statements for Pushpay Holdings Limited and its subsidiaries (the Group) for the year ended 31 March 2017 to shareholders.

The Directors are responsible for presenting financial statements in accordance with New Zealand law and generally accepted accounting practice, which fairly present of the financial position of the Group as at 31 March 2017 and the results of its operations and cash flows for the year ended on that date.

The Directors consider the financial statements of the Group have been prepared using accounting policies which have been consistently applied and supported by reasonable judgments and estimates and that all relevant financial reporting and accounting standards have been followed.

The Directors believe that proper accounting records have been kept which enable with reasonable accuracy, the determination of the financial position of the Group and facilitate compliance of the financial statements with the Companies Act 1993, NZX Main Board Listing Rules, Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013.

The Directors consider that they have taken adequate steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

The Financial Statements are signed on behalf of the Board on 18 May 2017 by:



Bruce Gordon
Chairman



Chris Heaslip
CEO, Executive Director and Co-founder

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.

The Board considers that the Company’s corporate governance practices for the year ended 31 March 2017 do not materially differ from the NZX Corporate Governance Best Practice Code in place as at 31 March 2017, and the Financial Markets Authority’s “Corporate Governance in New Zealand Principles and Guidelines”. Further detail is set out below, and can also be found on the Company’s website, in particular in the Company’s Corporate Governance Code and related Appendices (see <https://pushpay.com/investors/governance>).

The Board acknowledges the NZX Corporate Governance Code, announced by the NZX on 10 May 2017 to take effect on 1 October 2017. The Company will report against this NZX Corporate Governance Code in its Annual Report for the year ending 31 March 2018.

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) be well-informed, impartial and critically engaged in the Company’s affairs;
- b) apply that manner of engagement when assessing strategic, business and financial plans prepared by management;
- c) bring an independent mind when deciding the viability of plans to be adopted;
- d) regularly assess and monitor the Company’s performance against those plans, carefully considering the CEO’s management of the Company against them;
- e) select and replace the CEO, determine conditions of employment, and monitor performance against agreed objectives;
- f) approve executive management team appointments, remuneration (including performance remuneration) and monitor performance against agreed objectives;
- g) review development and succession plans for the executive management team;
- h) ensure that the Company has adequate management and resources to achieve its objectives and to support the Board;
- i) ensure effective and timely reporting to shareholders;
- j) set delegated authority levels for the CEO and executive management team;
- k) review and approve individual investment and divestment decisions which the Board has determined should be referred to it before implementation;
- l) review and approve material transactions not in the ordinary course of the Company’s business;
- m) ensure effective 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;

- n) ensure ethical behaviour by the Company, the Board and management, including compliance with the Company's Constitution, relevant laws, NZX Main Board Listing Rules and regulations and relevant auditing and accounting principles;
- o) 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;
- p) ensure the quality and independence of the Company's external audit process; and
- q) 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 executive team under the leadership of the CEO.

Board composition

The NZX Main Board Listing Rules state that the number of Directors must not be less than three and at least two must be resident in New Zealand.

As at 31 March 2017 the Board comprised six Directors:

Bruce Gordon - Independent Chairman
Graham Shaw - Independent Director
Christopher Huljich - Non-executive Director
Douglas Kemsley - Non-executive Director
Christopher Heaslip - Executive Director, CEO and Co-founder
Eliot Crowther - Executive Director, Sales and Co-founder

On 17 May 2016, Peter Huljich resigned as an Alternate Director for Christopher Huljich.

A short 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, Bruce Gordon, 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) conduct meetings of the Board and of shareholders;
- b) 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;
- c) prepare, in consultation with the CEO, other directors and Committee chairpersons and the Board Secretary, the agendas for the Board and committee meetings;
- d) define the quality, quantity and timeliness of the flow of information between management and the Board;
- e) ensure that issues raised, or information requested, by any director are responded to promptly and as fully as possible;

- f) approve, in consultation with the Board, the retention of consultants who report directly to the Board;
- g) foster a constructive governance culture and assist the Board and management in assuring compliance with, recommended revisions to, and implementation of Pushpay's Corporate Governance Code;
- h) promote and maintain the independence of the Board from management;
- i) 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
- j) 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.

Conflict 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 an interest 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. The Board also has Independent Directors to ensure that the interests of all shareholders are represented. The Board takes into account the guidance provided under the NZX Main Board 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 2017 and the date of this Report, the Board determined that Bruce Gordon and Graham Shaw were Independent Directors, and the remaining Directors (Christopher Huljich, Douglas Kemsley, Christopher Heaslip, and Eliot Crowther) were not Independent Directors.

Retirement and re-election

Directors are subject to the rotation requirements as set out in the NZX Main Board Listing Rules and in the Company's constitution. In broad terms, one third (or the whole number nearest one third) of the Directors retire by rotation at each annual meeting. The Directors to retire are those who have been longest in office since the last election. Directors retiring by rotation may, if eligible, stand for re-election. A Director appointed by the Board since the previous annual meeting holds office only until the next annual meeting but is eligible for re-election at that annual meeting.

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 Graham Shaw (Chairman), Bruce Gordon and Douglas Kemsley.

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 are:

- To assist the Board in fulfilling its responsibilities in producing accurate financial statements in compliance with all applicable legal requirements and accounting and reporting standards;
- To assist the Board in ensuring the quality and independence of the Company's external audit process; and
- To assist the Board in discharging its 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 the effective communication between the Board and external auditors. The Committee reviews the annual and half-yearly 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.

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

Nominations and Remuneration Committee

The members of the Nominations and Remuneration Committee as at 31 March 2017 were: Bruce Gordon (Chairman), Graham Shaw, Christopher Huljich and Douglas Kemsley. On 17 May 2017, Douglas Kemsley ceased being a member of the Nominations and Remuneration Committee such that, as at the date of this Report, the members of the Nominations and Remuneration Committee are Bruce Gordon (Chairman), Graham Shaw and Christopher Huljich, a majority of which, 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 Christopher Heaslip and Eliot Crowther who are also Executive Directors. Christopher Heaslip and Eliot Crowther do not receive any remuneration solely in their capacity 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; and
- Induction and development processes; access to independent professional advice; availability of liability insurance and the confidentiality of Group information.

A copy of the Nominations and Remuneration Committee Charter can be found on the Company's website (see Appendix D of the 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: Bruce Gordon (Chairman), Christopher Huljich, Douglas Kemsley and Christopher Heaslip.

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; and
- Developing intellectual property policy and strategy.

A copy of the Technology, Innovation and Intellectual Property (IP) Committee Charter can be found on the Company's website (see Appendix E 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 2017:

	<i>Board</i>	<i>Audit and Risk Management Committee</i>	<i>Nominations and Remuneration Committee</i>	<i>Technology, Innovation and IP Committee</i>
Total meetings	18	4	2	4
Bruce Gordon	18	4	2	4
Christopher Heaslip	17	4*	2*	3
Christopher Huljich	12	4*	1	4
Douglas Kemsley	18	4	2	4
Eliot Crowther	18	0	0	1*
Graham Shaw	17	4	2	0
Peter Huljich**	5	1*	1*	1*

* non member attending committee meeting

** Alternate Director for Christopher Huljich - resigned 17 May 2016

Code of Ethics

The Pushpay Code of Ethics is fundamental to the way that Pushpay intends to do 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 should 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 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; and
- Reporting breaches of the Code.

A copy of the Code can be found on the Company's website (see Appendix A of the 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 or Director, the declaration serves as notice that the Director may benefit from any transaction between the Company and identified entity.

Securities Trading Policy

The Board has adopted a Securities Trading Policy for all Directors, officers, employees, contractors and advisers 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 quoted financial products, at any time, all Directors, officers, employees, contractors and advisers of Pushpay and its subsidiaries must, in writing:

- notify the Company 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 any Restricted Securities.

A copy of the Securities Trading Policy can be found on the Company's website (see Appendix B of the 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;
- diversity support and education;
- promotion of a culture of empowerment that rewards employees to act in accordance with the policy; and
- striving to ensure that all employees receive equal treatment in all aspects of Pushpay's employment policies and practices.

As at 31 March 2017 the gender balance of Directors, officers and employees/contractors was as follows (with the table also showing comparative numbers as at 31 March 2016):

	<i>As at 31 March 2017</i>				<i>As at 31 March 2016</i>		
	<i>Directors</i>	<i>Officers</i>	<i>Employees/ Contractors</i>		<i>Directors</i>	<i>Officers</i>	<i>Employees/ Contractors</i>
Female	0	0	110	Female	0	0	60
Male	6	5	269	Male	7	4	156
Total	6	5	379	Total	7	4	216

The Board considers that the company is upholding the diversity policy. The Board is actively searching for an additional director and is considering suitably qualified candidates of diverse backgrounds and experience with a focus on US experience.

Auditors

Pushpay has adopted an external audit independence 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 Committee, the auditor and management; and
- rotation of lead and engagement audit partners 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 C of the 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 monitoring performance; and
- review of nature and scope of 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 Annual 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.

Non-executive Director remuneration

The total remuneration available to Non-executive Directors is fixed by shareholders. The current annual fee pool limit is US\$450,000. The current allocation of Non-executive Directors remuneration is:

<i>Position</i>	<i>NZ\$</i>	<i>US\$</i>
Board Chairman	60,000	42,000
Non-executive Director	45,000	31,500
Chair of Audit and Risk Committee	10,000	7,000
Other Committee Chair	9,000	6,300
Committee Member	6,000	4,200

In addition, Directors are 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

Christopher Heaslip and Eliot Crowther are Executive Directors as at 31 March 2017. They did not receive any remuneration in their capacity as Directors, but were remunerated as Officers.

Christopher Heaslip is an Executive Director and receives remuneration from the Company in the form of a salary and a Short Term Incentive (STI). He does not participate in the Share Incentive Scheme or receive Restricted Stock Units and does not receive any remuneration in his capacity as a Director. His remuneration, as CEO, is paid in United States Dollars (USD) and was US\$244,000 in the twelve months to 31 March 2017 (2016: US\$252,000).

Director remuneration

The total Director fees and other remuneration received by the Directors for the period ended 31 March 2017 are stated in the table below in New Zealand Dollars (NZD). Remuneration for those outside New Zealand have been converted into NZD using the 12 month average foreign exchange rates from the Reserve Bank of New Zealand.

<i>Director</i>	<i>2017</i>		<i>2016</i>	
	<i>Fees</i>	<i>Other remuneration</i>	<i>Fees</i>	<i>Other remuneration</i>
	<i>NZ\$000</i>	<i>NZ\$000</i>	<i>NZ\$000</i>	<i>NZ\$000</i>
Bruce Gordon	80	-	68	-
Christopher Heaslip*	-	344	-	375
Christopher Huljich	53	-	21	-
Douglas Kemsley	59	-	24	-
Eliot Crowther*	-	416	-	371
Graham Shaw	57	-	44	-
Total	250	760	157	746

* Remuneration received in capacity as Officer (rather than Director)

Peter Huljich did not receive any remuneration as a Director. Subsequent to Peter Huljich resigning as Alternate Director on 17 May 2016, Peter commenced as an employee of the Company, and was remunerated by the Company in that capacity.

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 2017. Remuneration for those outside New Zealand have been converted into New Zealand Dollars using the 12 month average foreign exchange rates. No Director of a subsidiary receives or retains any remuneration or other benefits from Pushpay for acting as such.

<i>Employee remuneration range</i>	<i>2017</i>	<i>2016</i>
	<i>Number of employees</i>	<i>Number of employees</i>
\$100,000-\$110,000	11	5
\$110,001-\$120,000	12	3
\$120,001-\$130,000	10	2
\$130,001-\$140,000	15	5
\$140,001-\$150,000	5	5
\$150,001-\$160,000	6	4
\$160,001-\$170,000	4	3
\$170,001-\$180,000	4	-
\$180,001-\$190,000	5	2
\$190,001-\$200,000	3	5
\$200,001-\$210,000	1	2
\$210,001-\$220,000	4	-
\$220,001-\$230,000	1	1
\$230,001-\$240,000	2	1
\$250,001-\$260,000	1	-
\$290,000-\$300,000	3	-
\$300,001-\$310,000	-	1
\$320,001-\$330,000	2	-

<i>Employee remuneration range (continued)</i>	<i>2017 Number of employees (continued)</i>	<i>2016 Number of employees (continued)</i>
\$340,000-\$350,000	1	-
\$370,001-\$380,000	-	2
\$380,001-\$390,000	2	-
\$390,001-\$400,000	1	-
\$400,001-\$410,000	-	1
\$410,001-\$420,000	1	1
\$450,001-\$460,000	1	-
\$470,001-\$480,000	1	-
	96	44

Waivers

There were no waivers granted to Pushpay by NZX or ASX during the twelve months ended 31 March 2017 and there were no waivers granted to Pushpay by ASX or NZX either during or before the twelve months ended 31 March 2017 that were relied upon in the twelve months ended 31 March 2017.

Directors' shareholdings

Details of Director shareholdings as at 31 March 2017 are set out below:

<i>Director</i>	<i>Class of share</i>	<i>Held by associated entities</i>
Christopher Heaslip	Fully paid ordinary	29,712,148
Christopher Huljich	Fully paid ordinary	68,255,040
Douglas Kemsley	Fully paid ordinary	14,000,000
Eliot Crowther	Fully paid ordinary	27,918,976
Graham Shaw	Fully paid ordinary	1,556,832
Bruce Gordon	Fully paid ordinary	0*

* On 2 May 2017, a Disclosure of Directors and Senior Managers Relevant Interests under the Financial Markets Conduct Act 2013 was filed through the NZX and ASX Market Announcements Platforms for Bruce Gordon. That Notice disclosed that on 27 April 2017 Bruce Gordon acquired a relevant interest in 2,618,888 fully paid ordinary shares in Pushpay (being 1,534,172 shares held by Geelong Investments Limited and 1,084,716 shares held by Emma Jane Gordon & Bruce Patrick Gordon). Further detail relating to that relevant interest is set out in that Notice (which is available through the ASX and NZX as well as on Pushpay's investor website, please refer to <https://pushpay.com/investors/announcements>).

Director share dealing

Directors disclosed, pursuant to section 148 of the Companies Act 1993, the following acquisitions and disposals of relevant interests in Pushpay shares during the year ended 31 March 2017:

<i>Date</i>	<i>Director</i>	<i>Registered holder / Associated entity</i>	<i>Class of share</i>	<i>Acquired/ (Sold)</i>	<i>Consideration \$</i>
25 July 2016	Graham Shaw	Graham John Shaw & Delwyn Joy Shaw	Fully paid ordinary	800,000	NZ\$1,784,000.00
25 July 2016	Graham Shaw	Graham John Shaw	Fully paid ordinary	95,584	NZ\$66,000.00*
11 October 2016**	Christopher Huljich	Christopher & Banks V Limited	Fully paid ordinary	478,468	AU\$999,998.12 (NZ\$1,052,629.60)
11 October 2016**	Peter Huljich***	Christopher & Banks V Limited	Fully paid ordinary	478,468	AU\$999,998.12 (NZ\$1,052,629.60)
8 February 2017	Graham Shaw	Ashley David Mudford + Susan Elizabeth Mudford + Graham John Shaw	Fully paid ordinary	147,516	NZ\$247,312.14

* Legal title to shares were acquired by Graham Shaw pursuant to the Company's Share Incentive Scheme; Graham Shaw acquired the beneficial title to these shares under the Company's Share Incentive Scheme on 20 May 2015.

** These transactions involve the same shares due to common interest through beneficial interest, registered holding or power to control.

*** Peter Huljich has a relevant interest in this transaction through his partial beneficial ownership of Christopher & Banks V Limited. Peter Huljich resigned as a an Alternate Director for Christopher Huljich on 17 May 2016.

Interest 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 2017 in addition to those disclosed elsewhere in this report:

<i>Name</i>	<i>Position</i>	<i>Party</i>	<i>New disclosure in year ended 31 March 2017</i>
Bruce Gordon	Director	Cristal Air International Limited	
	Director	E-Co Products Group Limited	New
	Director	Energy Efficient Solutions Limited NZ (2016) Limited	
	Director	Geelong Investments Limited	
	Director	HRV Clean Water Limited	
	Director	HRV Filters Limited	
	Director	HRV Home Solutions Limited	
	Director	HRV Marketing Limited	

<i>Name (continued)</i>	<i>Position (continued)</i>	<i>Party (continued)</i>	<i>New disclosure in year ended 31 March 2017 (continued)</i>
	Director	HRV Nelson Limited	
	Director	HVAC Hero 2016 Limited	
	Director	Just Air Melbourne Pty Limited	
	Director	PowerSmart NZ Limited	New
	Director	Safe Filters Limited	
	Director	Safe Windows Limited	
	Director	Vector Contracting Services Limited	New
	Director	Vector Energy Solutions Limited	New
	Director	Ventilation Australia Pty Limited	
Christopher Huljich	Director	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	Huljich Family Trust Nominees Limited	
	Director	Hulfam Investments Limited	
Christopher Heaslip	Director	Bitcoinica Consultancy Limited <small>(NOTE: Christopher Heaslip is a Director of Bitcoinica Consultancy Limited, which entered liquidation on 10 January 2013)</small>	
	Trustee	The New Zealand Network for Generosity <small>(Charitable Trust)</small>	
Douglas Kemsley	Director	Edonia 2016 Limited	New
	Director	Gecko International Limited	New
	Trustee	New Zealand Network For Generosity <small>(Charitable Trust)</small>	
	Director	Oropa 2016 Limited	New
Graham Shaw	Director	Aridon IP Holdings Limited	
	Director	Aridon Holdings Limited	
	Director	Gentrack Group Limited	
	Director	Gentrack Share Sale Company Limited	
	Director	Beep Limited	
	Trustee	Benevolo Trust	
	Director	Corporate Concern Limited	
	Director	RightWay Limited	
	Director	Solvam Corporation Limited	

<i>Name (continued)</i>	<i>Position (continued)</i>	<i>Party (continued)</i>	<i>New disclosure in year ended 31 March 2017 (continued)</i>
	Director	Spotlight Reporting Limited	
	Director	Zed Holdings Limited	
Peter Huljich	Director	Huljich Family Trust Nominees Limited	
(Alternate Director for Christopher Huljich - resigned 17 May 2016)	Director	Huljich Limited	
	Director	Huljich (New Zealand) Limited	
	Director	HWM (NZ) Holdings Limited	
	Director	Llireva Holdings Limited	

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

According to substantial product holder notices filed up to 31 March 2017, the substantial product holders in Pushpay were as follows:

<i>Substantial product holder</i>	<i>Number of shares at time of disclosure</i>	<i>Post-split* equivalent number of shares</i>	<i>% of issued shares held at time of disclosure</i>	<i>Date of last disclosure</i>
Aaron Richard Bhatnagar	2,703,295	10,813,180	5.02%	5 June 2015
Christopher & Banks V Limited	11,805,188	47,220,752	23.61%	14 August 2014
Christopher Heaslip	7,428,037	29,712,148	14.86%	14 August 2014
Christopher Peter Huljich	N/A	68,255,040	27.27%	11 October 2016
DDS Trustee Services Limited	7,428,037	29,712,148	14.86%	14 August 2014
Douglas David Kemsley	3,500,000	14,000,000	6.06%	19 October 2015
Douglas David Kemsley & Linda Tanu Kemsley and Michael John Roberts	3,500,000	14,000,000	6.06%	19 October 2015
Eliot Barry Crowther	7,079,744	28,318,976	14.36%	14 August 2014
Eliot Crowther & Dorette Crowther & Crowther Trustee Limited	7,079,744	28,318,976	14.36%	14 August 2014
Peter Karl Christopher Huljich**	N/A	68,147,900	27.22%	11 October 2016
Pushpay Holdings Limited***	N/A	151,134,516	60.38%	11 October 2016

See footnotes overleaf.

* Pushpay undertook a 4:1 share split on 9 February 2016, this resulted in Pushpay shareholders holding, after the share split, four fully paid ordinary shares for each fully paid ordinary share held by them at 5:00 pm on the record date of 5 February 2016.

** Alternate Director for Christopher Huljich - resigned 17 May 2016.

*** Pushpay Holdings Limited's relevant interest as disclosed in Pushpay Holdings Limited's Substantial Product Holder Notice dated 11 October 2016 filed with NZX, arises under the following arrangements (all of which are more fully described in that Notice): (a) Investor Undertakings given by certain persons in favour of Pushpay Holdings Limited in connection with the Private Placement completed on 5 October 2015; (b) Escrow Deeds voluntarily given by certain persons to Pushpay Holdings Limited in respect of their shares in Pushpay Holdings Limited, dated 23, 25 and 27 September 2016; (c) the trust deed for, and rules of, the Share Incentive Scheme (SIS) under which Pushpay Holdings Limited issues shares to Pushpay Trustee Limited (as trustee for the SIS) for the benefit of certain employees of the Group; and (d) Agency Agreements entered into by Pushpay Limited (a wholly owned subsidiary of Pushpay Holdings Limited) with certain shareholders of Pushpay Holdings Limited. Under those arrangements, certain persons have agreed to the imposition of certain restrictions on their ability to sell, transfer or otherwise dispose of their shares in Pushpay Holdings Limited.

Twenty largest equity security holders

The 20 largest holders of Pushpay ordinary shares as at 30 April 2017 are listed below:

	<i>Number of shares</i>	<i>% of issued capital</i>
1. Christopher & Banks Private Equity V Limited	54,694,040	21.83
2. DDS Trustee Services Limited	29,712,148	11.86
3. Eliot Barry Crowther & Dorette Crowther & Crowther Trustee Limited	27,918,976	11.14
4. Douglas David Kemsley & Linda Tanu Kemsley & Michael John Roberts	14,000,000	5.59
5. HSBC Custody Nominees (Australia) Limited A/C 2	9,325,548	3.72
6. Christopher Peter Huljich & Colin Gordon Powell	8,371,924	3.34
7. FNZ Custodians Limited	7,755,715	3.10
8. Christopher Peter Huljich & Constance Maria Huljich & Elizabeth Anne Ferguson	3,999,812	1.60
9. Shannon Trustee Company Ltd & Ruth Shannon & Ross Shannon	3,732,851	1.49
10. Rodney Macdonald & Rex Macdonald & Leonard Gardner	3,033,527	1.21
11. UBS Nominees Pty Ltd	3,000,000	1.20
12. New Zealand Central Securities Depository Limited	2,969,530	1.19
13. Huljich Holdings Pty Ltd	2,934,989	1.17
14. Aaron Richard Bhatnagar & Alexander Ernest Houghton	2,203,360	0.88
15. Timothy John Cook	2,013,996	0.80
16. Rodney Macdonald & Rex Macdonald & Leonard Gardner	2,000,000	0.80
17. BNP Paribas Nominees Pty Ltd	1,603,393	0.64
18. Jason Timothy Kilgour	1,557,983	0.62
19. Geelong Investments Limited	1,534,172	0.61
20. JBWERE (NZ) Nominees Limited	1,466,482	0.59

Spread of security holders

The spread of security holders of ordinary issued shares as at 30 April 2017 are listed below:

<i>Range</i>	<i>Shareholders</i>		<i>Issued capital</i>	
	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>
1-1,000	300	16.16	182,684	0.07
1,001-5,000	614	33.08	1,813,135	0.72
5,001-10,000	306	16.49	2,361,869	0.94
10,001-50,000	420	22.63	10,079,951	4.02
50,001-100,000	81	4.36	5,862,813	2.34
100,001 and over	135	7.27	230,250,031	91.9
Total	1,856	100.00	250,550,483	100.00

Donations

No donations were made by the Group during the year ended 31 March 2017 (2016: Nil).

Credit rating

Pushpay has no credit rating.

Subsidiaries

As at 31 March 2017, the Company had 10 wholly owned subsidiaries, as set out below. As at 31 March 2017, the following people held office as Directors of those subsidiaries:

Bluebridge Churches LLC – Christopher Heaslip, Shane Sampson
eChurch Inc. – Christopher Heaslip, Shane Sampson
NPO Apps Inc. – Christopher Heaslip, Shane Sampson
Pushpay Inc. – Christopher Heaslip, Shane Sampson
Pushpay IP Limited – Bruce Gordon, Christopher Heaslip, Shane Sampson
Pushpay Limited – Bruce Gordon, Christopher Heaslip, Shane Sampson
Pushpay Pty Limited – Christopher Heaslip, Eliot Crowther, Jeremy Everett
Pushpay Trustees Limited – Bruce Gordon, Christopher Heaslip
Pushpay (New Zealand) Limited (Formerly Run The Red Limited) – Bruce Gordon, Christopher Heaslip, Shane Sampson
Zip Zap Processing Inc. – Christopher Heaslip, Shane Sampson

During the year ended 31 March 2017, Eliot Crowther ceased to be a Director of eChurch Inc and Pushpay (New Zealand) Limited.

Directory

Registered office

Level 6, Building D
167 Victoria Street West
Auckland 1010
New Zealand

Phone: +64 9 377 7720

Postal address

PO Box 90383
Victoria Street West
Auckland 1142
New Zealand

Company number

New Zealand 3481675

ARBN 613 314 104

Website

www.pushpay.com

Investor Relations

Sarah Elder

Gabrielle Wilson

investors@pushpay.com

Directors

Bruce Gordon
Chairman

Graham Shaw

Christopher Huljich

Douglas Kemsley

Christopher Heaslip

Eliot Crowther

Peter Huljich
*(Alternate Director for
Christopher Huljich -
resigned 17 May 2016)*

Leadership team

Christopher Heaslip
*CEO, Executive Director
and Co-founder*

Eliot Crowther
*Sales, Executive Director
and Co-founder*

Shane Sampson
CFO

Steve Basden
President of echurch

James Maiocco
*Chief Business
Development Officer*

Legal advisors

Harmos Horton Lusk
New Zealand

Corrs Chambers
Westgarth
Australia

Nixon Peabody
USA

Auditor

Deloitte New Zealand

Stock Exchanges

NZX Main Board

ASX

Share Registrar

Link Market Services
Level 7, Zurich House
21 Queen Street
Auckland 1010
New Zealand

Phone: + 64 9 375 5998

Level 12
680 George Street
Sydney, NSW 2000
Australia

Phone: +61 1300 554 474





Pushpay®

www.pushpay.com