Altium Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Altium Limited
ACN:	009 568 772
Reporting period:	For the year ended 30 June 2015
Previous period:	For the year ended 30 June 2014

2. Results for announcement to the market

				US$'000
Revenues from ordinary activities	up	13.3%	to	80,535
Earnings Before Interest and Tax (EBIT)	up	25.0%	to	21,396
Profit before tax	up	26.0%	to	21,587
Profit from ordinary activities after tax attributable to the owners of Altium Limited	up	727.5%	to	92,398
Profit for the year attributable to the owners of Altium Limited	up	727.5%	to	92,398

Dividends

	Amount per security Cents	Franked amount per security Cents
Final dividend for year ended 30 June 2014 paid on 23 October 2014. There was no conduit foreign income component. (AU$)	8.000	-
Interim dividend for half year ended 31 December 2014 paid on 13 April 2015. There was no conduit foreign income component. (AU$)	8.000	-

The Directors have declared a final unfranked dividend of AU 8 cents per share (2014: AU 8 cents) paid out of current year profits for the year ended 30 June 2015. The dividend will be paid on 16 October 2015 based on a record date of 25 September 2015. This amounts to a total dividend of US$7,600,000 based on the total number of shares outstanding.

Comments
The profit for the consolidated entity after providing for income tax amounted to US$92,398,000 (30 June 2014: US$11,166,000). The profit after tax includes the recognition of a deferred tax asset of US$77,000,000 relating to the transfer of core business assets to the United States of America.

3. Net tangible assets

	Reporting period US Cents	Previous period US Cents
Net tangible assets per ordinary security	30.93	6.70

4. Control gained over entities

Not Applicable

5. Loss of control over entities

Not Applicable

6. Dividends

Current period

	Amount per security Cents	Franked amount per security Cents
Final dividend for year ended 30 June 2014 paid on 23 October 2014. There was no conduit foreign income component. (AU$)	8.000	-
Interim dividend for half year ended 31 December 2014 paid on 13 April 2015. There was no conduit foreign income component. (AU$)	8.000	-

Previous period

	Amount per security Cents	Franked amount per security Cents
Final dividend for year ended 30 June 2013 paid on 28 October 2013. There was no conduit foreign income component. (AU$)	8.000	-
Interim dividend for half year ended 31 December 2013 paid on 22 April 2014. There was no conduit foreign income component. (AU$)	4.000	-

7. Dividend reinvestment plans

The following dividend or distribution plans are in operation:

The last date(s) for receipt of election notices for the dividend or distribution plans: Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

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10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unqualified opinion has been issued.

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11. Attachments

Details of attachments (if any):

The Annual Report of Altium Limited for the year ended 30 June 2015 is attached.

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12. Signed

Signed ______________________________ Date: 24 August 2015

Aram Mirkazemi
Director and Chief Executive Officer
Sydney

Altium Limited

ACN 009 568 772

Annual Report - 30 June 2015

Altium Limited
Corporate directory
30 June 2015

Directors	Samuel Weiss - Non-Executive Chairman Aram Mirkazemi - Chief Executive Officer Carl Rooke - Non-Executive Director Dr David Warren - Non-Executive Director
Company secretary	Alison Raffin (BBus, ACSA)
Notice of annual general meeting	The details of the annual general meeting of Altium Limited are: L'Aqua, Gold Room Rooftop level, Cockle Bay Wharf, Sydney NSW 2000 Time: 10 am Date: Tuesday 17 November 2015
Principal registered office in Australia	3 Minna Close Belrose, NSW 2085 Australia
Share register	Computershare Investor Services Pty Limited Level 3, 60 Carrington Street, Sydney NSW 2000 Australia 1 300 850 505, Overseas +61 3 9415 4000
Auditor	PricewaterhouseCoopers Darling Park Tower 2, 201 Sussex Street Sydney NSW 2000 +61 2 8266 0000
Stock exchange listing	Altium Limited shares are listed on the Australian Securities Exchange (ASX code: ALU)
Website address	www.altium.com

Altium Limited
Directors' report
30 June 2015

The directors present their report, together with the financial statements, of the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Altium Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2015.

Directors

The following persons were directors of Altium Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Samuel Weiss (Chairman)
Carl Rooke
Dr David Warren
Aram Mirkazemi

Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of the development and sales of computer software for the design of electronic products.

Dividends

Dividends paid during the financial year were as follows:

	Consolidated	
	2015 US$'000	2014 US$'000
Final dividend for the year ended 30 June 2014 of AU 8 cents (2013: AU 8 cents)	7,941	8,594
Interim dividend for the half year ended 31 December 2014 of AU 8 cents (2013: AU 4 cents)	7,945	4,214
	15,886	12,808

The Directors have declared a final unfranked dividend of AU 8 cents per share (2014: AU 8 cents) paid out of current year profits for the year ended 30 June 2015. The dividend will be paid on 16 October 2015 based on a record date of 25 September 2015. This amounts to a total dividend of US$7,600,000 based on the total number of shares outstanding.

Review of operations

Overview
Altium achieved a record full year result in fiscal year 2015 as implementation of strategies set out two years ago continued to deliver positive outcomes. Revenue was up 13% and cost management disciplines generated an increase in net profit before tax of 26% compared to the previous corresponding period.

The balance sheet is strong with cash of US$61.9 million after a successful capital raising in September 2014 of US$39.9 million net of capital raising costs. Cash flows continue to be strong; operating cash flow increased by US$2.9 million up 16% from the previous corresponding period. Altium carries no debt with the exception of finance leases.

Relocation to USA
During the year, the Company transferred its Executive leadership team, Senior Research and Development (R&D) engineers and core business assets to the United States of America to be closer to the key executive decision makers and the design centres of its customers in North America and Europe.

A consequence of the move to the US was the change in the functional currency of the parent entity of the group, Altium Limited, to US dollars, which will reduce some foreign exchange volatility in that entity.

As a result of the transfer of core business assets to the USA a deferred tax asset of $77m was recognised. The deferred tax asset reflects future tax benefits available to the company as a result of the asset transfer, and the amount recorded is the portion that is considered "probable" when considering the company's current tax forecasts. The impact of the deferred tax benefit was 62.37c increase in earnings per share.

Normalised earnings per share for the year ended 30 June 2015 were 12.47c.

Key Financial Results
In the 2015 year management adopted new measures of performance: revenue, earnings before interest and tax, depreciation and amortisation (EBITDA) and net profit after tax, which will be reported instead of the previous measures of sales and underlying profit. In future, the Company will continue to report sales by product as well as revenue by product.

- Revenue increased by 13% to US$80.2m, which included a 19% increase in Altium Designer license revenue. For more details on revenue, refer to Note 4 of these financial statements.
- Operating expenses, excluding depreciation, amortisation and interest, increased by 9% over the prior year, which contributed to the 24% increase in EBITDA.

	2015 US$'000	**2014 US$'000**	**Change %**
Revenue (excluding interest received)	**80,216**	**70,964**	**13%**
Expenses (excluding depreciation, amortisation and interest paid)	(57,519)	(52,618)	9%
EBITDA	**22,697**	**18,346**	**24%**
Depreciation and amortisation	(1,301)	(1,226)	
EBIT	**21,396**	**17,120**	**25%**
Net Interest received	191	14	
Profit before income tax	**21,587**	**17,134**	**26%**
Income tax benefit (expense)	70,811	(5,968)	
Profit after income tax	**92,398**	**11,166**	**727%**
EPS [Cents/Share]	**74.84**	**10.26**	
Normalised EPS [Cents/Share]*	**12.47**	**10.26**	**22%**

**Normalised EPS excludes deferred tax asset of $77 million recognised on transfer of core business assets to the USA.*

	Revenue			Sales		
	2015 US$'000	**2014 US$'000**	**Change %**	**2015 US$'000**	**2014 US$'000**	**Change %**
Altium Designer licenses	29,535	24,782	19%	32,203	26,421	22%
Altium Designer subscriptions	37,307	33,561	11%	36,622	37,038	(1%)
TASKING licenses	3,376	3,628	(7%)	3,355	3,622	(7%)
TASKING maintenance	3,411	3,244	5%	2,831	3,004	(6%)
Altium Design data management	1,303	610	114%	1,335	678	97%
Other	5,284	5,139	3%	5,704	5,328	7%
Total	**80,216**	**70,964**	**13%**	**82,050**	**76,091**	**8%**

For more details on revenue, refer to Note 4 of these financial statements.

Operational Highlights
During the year, Altium began the roll-out of its multi-product, multi-channel strategy by introducing a number of new products, including PCBWorks (a specialized version of Altium Designer created to work in collaboration with the SolidWorks Mechanical CAD product), CircuitStudio (a more streamlined version of Altium Designer distributed through global parts supplier Premier Farnell), CircuitMaker (a collaborative design product for the makers' community) in addition to an upgrade of the company's flagship product Altium Designer. These new products are consistent with Altium's strategy to expand market reach and are expected to generate revenue in fiscal year 2016 and fiscal year 2017. Altium remains confident that it will achieve its aspirational revenue goal of $100 million by fiscal year 2017.

During the year, the North America sales organisation was re-purposed to a direct sales model designed to work together with partners who are responsible for channel based sales. This will increase the ability of the Company to sell both Altium Designer and the new range of PCB design tool products to a larger customer base.

Altium's R&D team anticipates and responds to market needs with a structured product development process that produces features to solve engineering challenges for customers. This work is combined with dedicated Product Management and Product Marketing processes for seamless and predictable recurring product releases.

Strategy
The key focus of the Board and Executive Team is to build financial strength through revenue growth and expanding margins. Revenue growth will be generated from a combination of increased license sales as well as an improvement in our subscription renewal rates.

For the past three years the Company has followed a clear and simple strategy:
- Focus on Customers
- Grow Revenue faster than Costs
- Focus on PCB design tools

By following this strategy Altium will create long-term shareholder wealth by creating products and services that deliver value to our customers. Altium also has a program to develop strategic partnerships in the electronic design automation (EDA) industry with chip vendors, part suppliers and other software companies to grow market share in the areas in which it already leads and to expand its reach into the upper and lower ends of the PCB market.

Outlook
In future, Altium will drive growth by:
- Expansion of channel capacity through its reseller network, with a larger product and service offer that will increase customer reach and market share in the EDA market.
- Creation of a range of PCB tools that provide more targeted solutions for Altium Designer customers.
- "Closing the Capability Gaps" with our competitors' high-end design tools with a PCB design tool that enhances collaboration and has high performance features for large Enterprise customers

- Working with Global key accounts on the co-ordinated provision of embedded software solutions from our TASKING division and PCB design tool solutions. TASKING development tools provide compiler solutions for software developers, often for the automotive industry to program micro-controller based powertrains and for driver assistance and safety related applications worldwide.
- Pursuit of partnerships and acquisitions.
- Rigorous adherence to a high performance culture in the Executive Leadership Team and throughout the Company

Risk
Factors that may impact sales growth include foreign currency fluctuations, delays in product development, commercial viability of new products, delays in the establishment of high performance sales organisations and the global economy.

The major currency risk is the EUR/USD due to the large proportion of sales made in Europe. A depreciation of the EUR against the USD would have a negative impact on group sales and revenue.

The timing of new product releases is a key factor in new license and subscription growth. New technology in releases carries inherent risks of delay and quality. Forward planning of the technology requirements for each release and disciplined project management and quality assurance processes mitigate these risks.

As the company diversifies the product base the risk of the commercial viability of new products increases. This risk will be mitigated through in depth market research, as well as continued investment in R&D and a nimble approach to product development to keep pace with market demands.

Sales of PCB and TASKING software solutions require lengthy lead times and sophisticated engagement with customers. Failure to recruit, hire and train both the Altium direct sales force and re-seller partners in a timely and effective manner could reduce revenue growth. This risk is mitigated through the due diligence process prior to appointing a new sales representative or reseller and comprehensive training, once appointed.

Significant changes in the state of affairs
Significant changes in the state of affairs of the consolidated entity during the financial year were as follows:

During the year, the Company transferred its Executive leadership team, Senior R&D engineers and core business assets to the United States of America to be closer to the key executive decision makers and the design centres of its customers in North America and Europe.

A consequence of the move to the US was the change in the functional currency of the parent entity of the group, Altium Limited, to US dollars, which will reduce some foreign exchange volatility in that head entity.

As a result of the transfer of core business assets to the USA a deferred tax asset of $77m was recognised. The deferred tax asset reflects future tax benefits available to the company as a result of the asset transfer, and the amount recorded is the portion that is considered “probable” when considering the company’s current tax forecasts.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

On 3 July 2015 the company purchased CIIVA GmbH, an electronic component management solutions company. Pursuant to the terms of the share purchase agreement, the company paid a purchase price of US$4 million of which US$2 million was paid in cash at the date of purchase. At 30 June 2015 $947k of this $2million had been placed in escrow in preparation for completion. The remaining US$2 million will be paid in equal instalments on the first and second anniversaries of the share purchase agreement date.

On 14 August 2015 the company signed an agreement to acquire Octopart, a leading provider of electronic parts data and specialized online inventory search. The acquisition represents a significant step in the evolution of Altium's content strategy. Altium will pay US$12 million for the business on completion subject to customary closing conditions. There will also be additional performance based earn-out payments over the next three financial year's contingent on meeting revenue targets and margin milestones. The transaction is expected to be completed end of August 2015.

The acquisition of both CIIVA and Octopart are of strategic significance as they are pivotal in ensuring sustainability of Altium's Content strategy and establishing differentiation in the market. At the business level, the combined acquisitions are accretive to earnings per share and the future operations are self- funding.

No other matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

At the date of this report there are no likely developments in the operations of the consolidated entity that would materially impact the results of the group. The key opportunities that may benefit the consolidated entity are set out in the "Outlook" section above, and the associated risks are set out under the heading 'risks' above.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Samuel Weiss
Title:	Non-Executive Chairman
Qualifications:	AB MS FAICD
Experience:	Sam joined the Altium Board as a Non-executive Director on 1 January 2007 and was elected Chairman of the Board on 4 October of that year. Sam is also Chairman of 3PLearning Ltd and Ensogo Ltd, a Non-executive director of Oroton Group Ltd and, Breville Group Ltd. He is Chairman of the Sydney Festival and a former Chairman of The Benevolent Society. He brings valuable experience in international markets from his previous roles as Vice President, Asia-Pacific, Gateway Computers and Chief Operating Officer for Nike Europe.
Expertise:	Sam brings to Altium a deep understanding of international markets, especially in Asia, the USA and Europe and expertise in organisation design, strategy and remuneration. He has a strong background in corporate governance and board leadership.
Other current directorships:	Oroton Group Ltd, Breville Group Ltd, Ensogo Ltd and 3PLearning Ltd
Former directorships (last 3 years):	GLG Corp Ltd, iProperty Ltd
Special responsibilities:	Member of the Audit and Risk Management Committee and the Human Resources Committee
Interests in shares:	1,850,207 (2014: 1,795,345) ordinary shares - Sam also holds a nominee interest in 2,578,500 (2014: 3,701,500) ordinary shares as a trustee of the Employee Share and Option Plan Trust
Interests in options:	None

Name:	Carl Rooke
Title:	Non-Executive Director
Qualifications:	FCA FAICD
Experience:	Carl joined the Board in 1990 as a Non-Executive Director and was appointed Chairman in 1999 and served as Chairman until October 2007. Carl is a Chairman of a Property Trust, fellow of the Institute of Chartered Accountants and the Institute of Company Directors. Carl sits on the board of several private companies and brings to the group a history of successful business practice with many years of proven experience in management, accounting and finance.
Expertise:	Carl has an in depth understanding of audit, accounting, tax and corporate regulatory issues. He is well versed in financial planning and management and statutory reporting.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chairman of the Audit and Risk Management Committee and member of the Human Resources Committee
Interests in shares:	500,574 (2014: 675,574) ordinary shares - Carl also holds a nominee interest in 2,578,500 (2014: 3,701,500) ordinary shares as a trustee of the Employee Share and Option Plan Trust
Interests in options:	None

Name:	Dr David Warren
Title:	Non-Executive Director
Qualifications:	BSc Tas Hon DSc Tas MAIP FAICD
Experience:	David has been associated with Altium since its inception in 1985. After joining Altium's management team in 1987, David served as President of Altium's USA operation from 1994 to 1995. He has served as a member of the Board since 1991. Since 1995 he has worked in the areas of mergers and, acquisitions, sales and corporate development prior to becoming a Non-Executive Board member in 2004. David has served on a number of company boards both private and public. His work in astronomy led him into the world of software and electronic design where he has since gained more than 35 years' experience.
Expertise:	David has expertise in software and electronic design, mergers and acquisitions, sales, management and corporate development.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit and Risk Management Committee and Chair of the Human Resources Committee
Interests in shares:	2,071,300 (2014: 2,471,300) ordinary shares
Interests in options:	None

Name:	Aram Mirkazemi
Title:	Chief Executive Officer
Qualifications:	BE
Experience:	Aram joined Altium in 1991 serving as Director of Research and Development from 1992 until 1999 and as a member of Altium's Board from 1992 to 2000. Following Altium's successful IPO in 1999 Aram left to explore his interest in web based software systems and went on to found Morfik Technology. Aram returned to Altium in 2010 as part of the Morfik acquisition and was appointed as Head of Engineering and later as Director and Chief Technology Officer in October 2012 before his appointment as Chief Executive Officer on the 16th January 2014. Aram brings the group over 20 years' experience in senior management roles at the forefront of CAD software development and web-based technology, and has extensive experience in directing complex software engineering projects and products.
Expertise:	Aram brings to the Altium group over 20 years' experience in senior management roles at the forefront of CAD software development and web-based technology., and Aram has extensive experience in directing complex software engineering projects and products. In his role as CEO and Executive Director, Aram is at the forefront of the development of Altium's strategic direction, leveraging his deep understanding of the EDA industry and his visionary approach. .
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	9,663,000 (2014: 12,538,000) ordinary shares
Interests in options:	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

'Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

Company secretary
The company secretary is Alison Raffin. Alison was appointed to the position of company secretary in 11 November 2011.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2015, and the number of meetings attended by each director were:

	Full Board		Human Resources Committee		Audit and Risk Management Committee	
	Attended	Held	Attended	Held	Attended	Held
Samuel Weiss	7	7	2	2	4	4
Carl Rooke	7	7	2	2	4	4
Dr David Warren	7	7	2	2	4	4
Aram Mirkazemi	7	7	-	-	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Remuneration report (audited)
The remuneration report, which has been audited, outlines the director and executive remuneration arrangements for the consolidated entity and the company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
Altium's remuneration philosophy is to ensure that it is clearly aligned with the duties and responsibilities of all of its people, including its Board, Senior Leadership, Executives, Sales Organisation and Research & Development teams. Altium calibrates its executive reward plans with its strategic objectives so that Executives are compensated for the results delivered. To this end, the group embodies the following principles in its total rewards framework:
- Provide competitive rewards to attract, motivate and retain high calibre executives;
- Link executive rewards to the creation of shareholder value;
- Establish compensation that is consistent with a desire to make Altium an 'Employer of Choice.'

The Altium total reward program includes a mixture of fixed and performance based remuneration to ensure that there is individual as well as collective accountability for the group's performance. The metrics to quantify performance adopted by the Company reflect the value added to shareholder interests, long-term sustainability of the business, and profitability. Using share rewards as a long-term incentive encourages executives to focus on creating sustainable value, personal commitment as owners and accountability to the group. Fixed pay conditions are designed to attract and retain top talent in a competitive environment, considering the capability and experience brought to the group.

Altium recognises that, while remuneration is a key factor in recruiting the right people, it is not the only factor. Altium's corporate reputation, its ethical culture and values and its ability to provide interesting and challenging career opportunities are also important.

Remuneration structure

In accordance with best practice corporate governance recommendations, the structure of Non-Executive Director remuneration and senior executive remuneration is separate and distinct. The total remuneration package of all executives is designed to ensure an appropriate mix of fixed remuneration with long-term incentive opportunities.

Non-Executive Director remuneration
Non-Executive Director remuneration pay reflects the demands made of, and the responsibilities and skill of the Non-Executive Directors. Non-Executive Director fees are recommended by the Human Resources Committee and determined by the Board.

Remuneration of Non-Executive Directors is determined by the Board within the maximum amount of cash salary approved by the shareholders from time to time. The Non-Executive Director fee pool is AU$700,000 per annum and was last approved in a general meeting on 4 October 2007.

The Chairman's fees are considered independently to the fees of the Non-Executive Directors and are based on comparative roles in the external market. The Chairman is not present at any discussions relating to the determination of his own remuneration.

Executive remuneration
The executive pay and reward framework has two key elements:
- Fixed annual remuneration and benefits, including statutory entitlements
- Variable compensation - Short-Term Incentive (STI) cash-based plan and Long-Term Incentive (LTI) equity-based plans

The combination of these comprises the executive's total remuneration.

Fixed Annual Remuneration

Fixed Annual Remuneration is a combination of cash and prescribed non-financial benefits at the executive’s discretion. Executives are offered a competitive base salary that comprises the fixed component of pay and rewards. Base pay for executives is reviewed annually and is compared to appropriate benchmark information, to ensure that the executive’s pay is competitive with the market commensurate with the executive’s individual performance and experience. Retirement benefits are paid in line with local legislation and practice.

The Board believes that well managed long-term incentives plans are important elements of employee remuneration and that the senior executives’ participation in these plans aligns their objectives with Altium’s short-term goals, long-term vision and with the best interests of shareholders.

While Altium conducts annual remuneration reviews, there are no guaranteed remuneration increases contained in any executive contracts or agreements. Any increases are determined by individual performance, economic indicators and market data.

Short-term incentives

In August 2014 the board of directors approved the establishment of a Short Term Incentive Plan ("STI Plan"). The purpose of the STI plan is to reward the Executive Team for its contribution to the achievement of Altium's financial, strategic and organisational objectives.

The STI plan is designed to incentivise the Executive Team to deliver results in excess of budget. For the 2015 Financial Year the key metrics used to determine the quantum of the STI payable were to increase the base of subscriber and maintenance customers and to achieve earnings per share (EPS) of 12.54 cents for a 100% payment or 11.29 cents for a 50% award.

STI for key management personnel for the year ended 30 June 2015 will be paid at 50% of the maximum entitlement because the ‘normalised’ eps were 12.47 cents which exceeded the 50% threshold but missed the 100% threshold.

In accordance with the STI Plan rules the STI awarded is settled in cash, which is to be paid in September 2015.

Long-term incentives

The company believes that the best way to motivate its Executive Team to create value for shareholders is to enable those individuals to become shareholders themselves so that they benefit from capital appreciation and dividend payments.

In August 2012, the board of directors approved the Key Employee Share Plan ("Share Plan") and the Altium Ltd Employee Share & Option Plan Trust, with the purpose of encouraging ownership of Altium Shares by key employees within the Altium Group. The Share Plan awards shares on a long term basis as an incentive to encourage employees to focus on creating sustainable value and a sense of ownership and accountability to the group.

The Share Plan grants are based on employees' contribution and commitment to the company over a period of several years plus the ability of the employees to impact and influence the outcome and direction of the organisation in the future.

In August 2014 the board of directors approved the establishment of the Altium Performance Rights Plan. The Performance Rights Plan which replaced the 2012 Share Plan is designed to provide “ownership” incentives for Executives to build a Company with the ability to appreciate in value and to increase its ability to deliver revenue and margin growth and higher earnings over time.

Participants are invited to join the Plan every year based upon the recommendation of the CEO, Human Resources Committee and at the discretion of the Board.

Each Performance Right is a contractual right which entitles the holder to be allocated one fully paid ordinary share in Altium at no cost upon the Performance Right becoming a Vested Performance Right in accordance with the Plan hurdles being met. Upon the performance conditions being satisfied the Performance Rights will vest in three approximately equal tranches following the end of the 2015, 2016 and 2017 financial years.

The 2015 Plan has a financial hurdle of EPS for FY 2015 and a performance hurdle of an increase in the 2015 subscriber base. The increase to the subscriber base hurdle was achieved in FY 2015. 50% of the award is paid if EPS exceeds 11.29 cents and 100% is paid if EPS exceeds 12.54 cents. Normalised EPS for FY 2015 was 12.47 cents and 50% of the award will vest if time based hurdles are met. The time-based hurdles are that 34% of the shares vest in September 2015, 33% in September 2016 and 33% in September 2017 if the participant remains employed by the Company.

	Performance Hurdle			
Performance Conditions	**100% Vesting**	**50% Vesting**	**Actual 2015**	**Awarded for 2015**
Normalised earnings per share (EPS)*	12.54c	11.29c	12.47c	50%
Increase in subscriber base	N/A	N/A	Increase achieved	50%

** Normalised EPS excludes the deferred tax asset of $77 million recognised on transfer of core business assets to the USA. This definition of normalised EPS has been approved by the Board for the purpose of the STI and LTI plan hurdles.*

Statutory performance indicators

The Altium executive remuneration philosophy is to align it to the strategic and business objectives of the company and to create returns for shareholder in capital appreciation and dividends. The table below shows measures of the group's financial performance over the last five years as required by the Corporations Act 2001. However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration awarded to KMPs, as shown above. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

	2015	**2014**	**2013**	**2012**	**2011**
Profit for the year attributable to the owners of Altium Limited ($'000)	92,398	11,166	1,366	6,077	5,656
Basic earnings per share (cents)	74.84	10.26	1.33	6.23	(7.30)
Dividend payments ($'000)	15,886	12,808	9,091	-	-
Dividend payout ratio (%)	17%	114%	665%	-	-
Total KMP incentives awarded as a percentage of profit for the year	0.26%	-	-	-	-

Details of remuneration

Amounts of remuneration

The key management personnel of the consolidated entity consisted of the non-Executive directors of Altium Limited, the Chief Executive Officer, Aram Mirkazemi and the Chief Financial Officer, Richard Leon.

Details of the remuneration of the key management personnel of the consolidated entity are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2015	Cash salary and fees US$	STI Plan US$	Non-monetary US$	Super-annuation US$	Long service leave US$	Equity-settled US$	Total US$
Non-Executive Directors:							
Samuel Weiss	168,502	-	-	16,008	-	-	184,510
Carl Rooke	100,412	-	-	-	-	-	100,412
Dr David Warren	91,910	-	-	8,732	-	-	100,642
Executive Directors:							
Aram Mirkazemi	398,647	100,000	29,941	-	-	168,698	697,286
Other Key Management Personnel:							
Richard Leon*	300,070	-	276,636	-	-	22,820	599,526
	1,059,541	100,000	306,577	24,740	-	191,518	1,682,376

* *Richard Leon was based in Shanghai, China for all of 2015 and received non-monetary benefits and allowances related to his expatriate assignment there and voluntarily forfeited his STI and LTI rights.*

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2014	Cash salary and fees US$	Termination US$	Non-monetary US$	Super-annuation US$	Long service leave US$	Equity-settled US$	Total US$
Non-Executive Directors:							
Samuel Weiss	138,878	-	-	12,846	-	-	151,724
Carl Rooke	87,146	-	-	-	-	-	87,146
Dr David Warren	114,697	-	-	10,609	-	-	125,306
Executive Directors:							
Kayvan Oboudiyat*	300,607	251,679	111,412	-	-	-	663,698
Aram Mirkazemi**	309,315	-	258,685	-	-	57,654	625,654
Other Key Management Personnel:							
Richard Leon	295,926	-	285,447	-	-	57,654	639,027
	1,246,569	251,679	655,544	23,455	-	115,308	2,292,555

* *Kayvan Oboudiyat retired as Director and Chief Executive Officer on 16 January 2014.*
** *Aram Mirkazemi was appointed Chief Executive Officer on 16 January 2014.*

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2015	2014	2015	2014	2015	2014
Non-Executive Directors:						
Samuel Weiss	100%	100%	-%	-%	-%	-%
Carl Rooke	100%	100%	-%	-%	-%	-%
Dr David Warren	100%	100%	-%	-%	-%	-%
Executive Directors:						
Aram Mirkazemi	65%	100%	14%	-%	21%	-%
Other Key Management Personnel:						
Richard Leon	100%	100%	-%	-%	-%	-%

Service agreements
Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Samuel Weiss
Title:	Chairman
Term of agreement:	Open agreement with no fixed term.
Details:	Base fee of AU$220,000, inclusive of superannuation effective 1 January 2014.

Name:	Carl Rooke
Title:	Non-Executive Director
Term of agreement:	Open agreement with no fixed term.
Details:	Base fee of AU$120,000, effective 1 January 2014.

Name:	Dr David Warren
Title:	Non-Executive Director
Term of agreement:	Open agreement with no fixed term.
Details:	Base fee of AU$120,000, inclusive of superannuation effective 1 January 2014.

Name:	Aram Mirkazemi
Title:	Chief Executive Officer (appointed to this position on 16 January 2014)
Term of agreement:	Open agreement with no fixed term, 3 month’s notice period.
Details:	Base salary of US$ 400,000, participation in the 2015 STI Plan for a maximum benefit of US$ 200,000 and participation in the 2015 Performance Rights plan (LTI) for a maximum benefit of US$ 400,000.

Name:	Richard Leon
Title:	Chief Financial Officer
Term of agreement:	Open agreement with no fixed term, 3 month’s notice period.
Details:	Base salary of RMB 1,839,348, housing allowance of RMB 732,000 and tuition fees allowance of RMB 662,400 per annum.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Performance rights

Details of performance rights over ordinary shares granted, vested and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2015 are set out below:

Name	Grant date	Vesting date	Number of rights granted	Value of rights granted US$	Number of rights vested	Value of rights vested US$	Number of rights lapsed	Value of rights lapsed US$	Number of rights forfeited	Value of rights forfeited US$
Aram Mirkazemi*	26/08/2014	30/06/2015	87,730	192,390	-	-	43,865	96,195	-	-
Aram Mirkazemi*	26/08/2014	30/06/2016	85,149	186,732	-	-	42,575	93,366	-	-
Aram Mirkazemi*	26/08/2014	30/06/2017	85,149	186,732	-	-	42,575	93,366	-	-
Richard Leon**	26/08/2014	30/06/2015	21,932	48,098	-	-	10,966	24,049	10,966	24,049
Richard Leon**	26/08/2014	30/06/2016	21,287	46,683	-	-	10,644	23,342	10,643	23,341
Richard Leon**	26/08/2014	30/06/2017	21,287	46,683	-	-	10,644	23,342	10,643	23,341

* The shares awarded to Aram Mirkazemi for the first tranche of the FY 2015 LTI Plan are subject to shareholder approval.
*** Richard Leon was based in Shanghai, China for all of 2015 and received non-monetary benefits and allowances related to his expatriate assignment there and voluntarily forfeited his LTI rights.*

The shares are subject to performance conditions as set out on page 11 of this report. The shares are subject to service conditions being that the employee remains employed until the vesting date.

Under the Performance Rights Plan 43,865 shares awarded to Aram Mirkazemi became eligible to vest as at 30 June 2015. These were exercised at the August board meeting when the results and Performance Rights Plan achievement were approved.

Performance rights(continued)

Movements in the value of performance rights granted during the year ended 30 June 2015 are set out below:

Name	Grant date	Vesting date	Value of rights at the start of the year US$	Value of rights granted US$	Value of rights vested US$	Value of rights lapsed US$	Value of rights forfeited US$	Value of rights at the end of the year US$
Aram Mirkazemi*	26/08/2014	30/06/2015	-	192,390	-	96,195	-	96,195
Aram Mirkazemi*	26/08/2014	30/06/2016	-	186,732	-	93,366	-	93,366
Aram Mirkazemi*	26/08/2014	30/06/2017	-	186,732	-	93,366	-	93,366
Richard Leon	26/08/2014	30/06/2015	-	48,098	-	24,049	24,049	-
Richard Leon	26/08/2014	30/06/2016	-	46,683	-	23,342	23,341	-
Richard Leon	26/08/2014	30/06/2017	-	46,683	-	23,342	23,341	-

* The shares issued to Aram Mirkazemi are subject to shareholder approval

Richard Leon continued to receive non-monetary benefits in China and therefore voluntarily forfeited his STI and LTI rights.

Retention rights
Details of retention rights over ordinary shares granted, vested and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2015 are set out below:

Name	Grant date	Vesting date	Number of rights granted	Value of rights granted US$	Value of rights vested during the year US$	Number of rights lapsed during the year	Value of rights lapsed during the year US$
Aram Mirkazemi	28/08/2012	30/06/2015	125,000	57,654	57,564	-	-
Richard Leon	28/08/2012	30/06/2015	125,000	57,654	57,564	-	-

The shares are subject to service conditions being that the employee remains employed until the vesting date.

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Samuel Weiss	1,795,345	-	54,862	-	1,850,207
Carl Rooke	675,574	-	-	(175,000)	500,574
Dr David Warren	2,471,300	-	-	(400,000)	2,071,300
Aram Mirkazemi	12,538,000	125,000	-	(3,000,000)	9,663,000
Richard Leon	2,623,336	125,000	-	(1,400,000)	1,348,336
	20,103,555	250,000	54,862	(4,975,000)	15,433,417

This concludes the remuneration report, which has been audited.

Loans to directors and executives
There are no loans to Directors and executives for the years ended 30 June 2015 and 30 June 2014.

Indemnity and insurance of officers
During the year the group paid a premium of US$46,016 (2014: US$40,999) to insure the Directors and officers of Altium Limited and its subsidiaries. The liabilities insured are legal costs and other expenses that may be incurred in defending any civil or criminal proceedings that may be brought against them in their capacity as Directors or officers of the group.

Proceedings on behalf of the company
No proceedings have been brought or intervened in on behalf of the company with leave of the court under Section 237 of the Corporations Act 2001.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 27 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 28 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

Officers of the company who are former partners of PricewaterhouseCoopers
There are no officers of the company who are former partners of PricewaterhouseCoopers.

Rounding of amounts
The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Auditor
PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Aram Mirkazemi	Sam Weiss
Director and Chief Executive Officer	Non-Executive Chairman

24 August 2015
Sydney

Auditor's Independence Declaration

As lead auditor for the audit of Altium Limited for the year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Altium Limited and the entities it controlled during the period.

Susan Horlin
Partner
PricewaterhouseCoopers

Sydney
24 August 2015

PricewaterhouseCoopers, ABN 52 780 433 757
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Declaration to the Board of Directors in accordance with Section 295A of the Corporations Act

In our opinion:

(a) the financial statements, and the notes to the financial statements, of the company and the group, for the financial year ended 30 June 2015:

(i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the financial year ended on that date.

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable

This declaration is made in accordance with a resolution of the directors.

Aram Mirkazemi
Chief Executive Officer

Sydney
24 August 2015

Richard Leon
Chief Financial Officer

Sydney
24 August 2015

Contents

General information

The financial report covers Altium Limited as a consolidated entity consisting of Altium Limited and the entities it controlled. The financial report is presented in US dollars, which is Altium Limited's functional and presentation currency.

Altium Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

3 Minna Close
Belrose, NSW 2085
Australia

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 August 2015. The directors have the power to amend and reissue the financial statements.

Through the use of the internet, Altium has ensured that its corporate reporting is timely, complete and available globally at minimum cost to the company. All press releases, financial reports and other information are available at the investors section on the Altium website: www.altium.com. For queries in relation to Altium's reporting, please email investor.relations@altium.com.

Altium Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2015

	Note	Consolidated 2015 US$'000	Consolidated 2014 US$'000
Revenue	4	80,535	71,112
Expenses			
Employee benefits expense		(39,358)	(34,570)
Marketing expense		(3,483)	(3,916)
Rental and occupancy expense	5	(3,005)	(3,006)
Travel expense		(2,887)	(3,103)
Professional advice expense	5	(1,805)	(1,859)
Communication expense		(1,191)	(1,336)
Share based payments	34	(1,419)	(520)
Depreciation and amortisation expense	10	(1,301)	(1,226)
Changes in inventories		(323)	(191)
Raw materials and consumables used		(70)	(144)
Restructuring costs	5	-	(152)
Net foreign exchange gain/(loss)		748	(298)
Finance costs	5	(127)	(134)
Other expenses		(4,727)	(3,523)
Profit before income tax benefit/(expense)		21,587	17,134
Income tax benefit/(expense)	6	70,811	(5,968)
Profit after income tax expense for the year attributable to the owners of Altium Limited	23	92,398	11,166
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(3,886)	700
Other comprehensive (loss)/income for the year, net of tax		(3,886)	700
Total comprehensive income for the year attributable to the owners of Altium Limited		88,512	11,866
		Cents	**Cents**
Basic earnings per share	33	74.84	10.26
Diluted earnings per share	33	74.84	10.26

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Altium Limited
Statement of financial position
As at 30 June 2015

	Note	Consolidated 2015 US$'000	2014 US$'000
Assets			
Current assets			
Cash and cash equivalents	7	61,906	22,049
Trade and other receivables	8	20,459	22,429
Inventories		152	520
Tax receivables		93	259
Other assets		1,955	803
Total current assets		84,565	46,060
Non-current assets			
Trade and other receivables	9	1,499	1,136
Property, plant and equipment	10	3,886	1,908
Deferred tax assets	11	81,622	4,879
Other assets		-	19
Total non-current assets		87,007	7,942
Total assets		171,572	54,002
Liabilities			
Current liabilities			
Trade and other payables	12	5,988	5,499
Borrowings	13	60	60
Tax liabilities	15	4,989	338
Provisions	16	1,908	1,773
Deferred revenue	18	28,773	29,727
Total current liabilities		41,718	37,397
Non-current liabilities			
Borrowings	14	53	88
Provisions	17	1,202	2,829
Deferred revenue	19	6,091	5,981
Other liabilities	20	906	116
Total non-current liabilities		8,252	9,014
Total liabilities		49,970	46,411
Net assets		121,602	7,591
Equity			
Contributed equity	21	122,460	82,494
Reserves	22	9,307	11,774
Accumulated losses	23	(10,165)	(86,677)
Total equity		121,602	7,591

The above statement of financial position should be read in conjunction with the accompanying notes

Altium Limited
Statement of changes in equity
For the year ended 30 June 2015

Consolidated	**Contributed equity US$'000**	**Reserves US$'000**	**Accumulated losses US$'000**	**Total equity US$'000**
Balance at 1 July 2013	79,551	10,554	(85,035)	5,070
Profit after income tax benefit/(expense) for the year	-	-	11,166	11,166
Other comprehensive income for the year, net of tax	-	700	-	700
Total comprehensive income for the year	-	700	11,166	11,866
Transactions with owners in their capacity as owners:				
Share-based payments (note 34)	-	520	-	520
Contribution on conversion of employee options	2,943	-	-	2,943
Dividends paid (note 24)	-	-	(12,808)	(12,808)
Balance at 30 June 2014	82,494	11,774	(86,677)	7,591

Consolidated	**Contributed equity US$'000**	**Reserves US$'000**	**Accumulated losses US$'000**	**Total equity US$'000**
Balance at 1 July 2014	82,494	11,774	(86,677)	7,591
Profit after income tax benefit/(expense) for the year	-	-	92,398	92,398
Other comprehensive income for the year, net of tax	-	(3,886)	-	(3,886)
Total comprehensive income for the year	-	(3,886)	92,398	88,512
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 21)	39,966	-	-	39,966
Share-based payments (note 34)	-	1,419	-	1,419
Dividends paid (note 24)	-	-	(15,886)	(15,886)
Balance at 30 June 2015	122,460	9,307	(10,165)	121,602

The above statement of changes in equity should be read in conjunction with the accompanying notes

Altium Limited
Statement of cash flows
For the year ended 30 June 2015

	Note	Consolidated 2015 US$'000	2014 US$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		82,464	75,689
Payments to suppliers and employees (inclusive of GST)		(60,692)	(55,708)
		21,772	19,981
Interest received		319	148
Interest and other finance costs paid		(14)	(10)
Net income taxes paid		(732)	(1,667)
Net cash from operating activities	32	21,345	18,452
Cash flows from investing activities			
Payments for property, plant and equipment	10	(2,354)	(1,296)
Proceeds from disposal of property, plant and equipment		16	-
Payment for acquisition		(947)	-
Net cash used in investing activities		(3,285)	(1,296)
Cash flows from financing activities			
Proceeds from issue of shares	21	39,966	-
Proceeds from exercise of options		-	2,943
Dividends paid	24	(15,886)	(12,808)
Repayment of borrowings		(66)	(157)
Net cash from/(used in) financing activities		24,014	(10,022)
Net increase in cash and cash equivalents		42,074	7,134
Cash and cash equivalents at the beginning of the financial year		22,049	14,756
Effects of exchange rate changes on cash and cash equivalents		(2,217)	159
Cash and cash equivalents at the end of the financial year	7	61,906	22,049

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:
- AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities
- AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets
- AASB 2013-5 Amendments to Australian Accounting Standards - Investment Entities
- AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C)

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Altium Limited is a for-profit entity for the purpose of preparing the financial statements

Compliance with IFRS
The consolidated financial statements of the Altium Limited group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

New and amended standards adopted by the group
The group has applied the following standards and amendments for first time for their annual reporting period commencing 1 July 2014:
- AASB2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities
- AASB2013-3 Amendments to Australian Accounting Standards - Limited amendment of impairment disclosures
- AASB2014-1 Amendments to Australian Accounting Standards - Annual improvements project (2010 - 2012 cycle)
- AASB2014-1 Amendments to Australian Accounting Standards - Annual improvements project (2011 - 2013 cycle)

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and interpretations is set out below.

AASB 15 Revenue from contracts with customers: The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. When adopted, the standard will affect the group's accounting for its revenue contracts such as bundled revenue and licences. The date of adoption by the group is likely to be 1 January 2017.

Note 1. Significant accounting policies (continued)

Functional currency
Altium Limited has selected US dollars as its presentation currency as a significant portion of Altium Limited’s activity is denominated in US dollars; and US dollars is the currency used in Altium Limited’s major markets. The functional currency of Altium Limited was changed on 1 December 2014 from Australian dollars to US dollars.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 30.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Altium Limited ('company' or 'parent entity') as at 30 June 2015 and the results of all subsidiaries for the year then ended. Altium Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Employee Share Trust
The group has formed a trust to administer the group's employee share scheme. This trust is consolidated, as the substance of the relationship is that the trust is controlled by the group.

Shares held by the Altium Employee Share and Option Plan Trust are disclosed as treasury shares and deducted from contributed equity.

Foreign currency translation
Foreign currency transactions
Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into US dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into US dollars using the average exchange rates, which approximate the rate at the date of the transaction, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold a proportionate share of such exchange difference is reclassified to profit and loss, as part of the gain or loss on sale where applicable.

Note 1. Significant accounting policies (continued)

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is current when it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts
The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Income tax
The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Calculation of future taxable amounts involve the use of assumptions and management judgments.

During the year, the Company transferred its executive level management and core business assets to the United States of America to be closer to Altium's core customer base. The relocation of the business to the USA resulted in a change in the tax base of core business assets, leading to the recognition of a deferred tax asset.

A deferred tax asset can only be recorded for the portion of a potential benefit where utilisation is considered probable. The assessment of future taxable amounts involves the use of assumptions and management judgments. A portion of the potential deferred tax asset has not been recognised due to the inherent uncertainty of forecasts as they project further in to the future. The Company has recorded a deferred tax asset of $77 million in the current year. The remainder of the unrecorded potential asset will be reassessed for probable utilisation each year.

Share-based payment transactions
The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Onerous lease provision
A provision has been made for onerous lease contracts. Calculation of this provision involves significant estimates and judgement which may affect the carrying amount of the liability. These include the potential for future sub-lease rental, the make-good liability, the amount of the space that will be occupied by Altium, and the discount rate.

Multiple element contracts
Revenue is recognised for multiple element contracts by attributing a fair value to each element of the contract and then recognising revenue according to the accounting policy stated in note 4. Fair values are based on sales information for the discrete elements.

Note 3. Operating segments

Description of segments
Management has determined the operating segments based on the reports used by the Board and Executive Team to make strategic decisions and review operational performance.

The Board and Executive Team consider the business from a geographical perspective and have identified four reportable segments:

- Americas – comprises the sales of products throughout the USA, Canada and South America;
- EMEA – comprises the sales of products throughout Europe, Middle East and Africa;
- Greater China – comprises the sales of products throughout People's Republic of China, Taiwan and Hong Kong; and
- Asia Pacific – comprises the sales of products throughout the rest of Asia, Australia and New Zealand

Segment sales represent invoiced sales. These are subsequently adjusted for the deferred component which is recognised over the service period to arrive at revenue. Revenue is management's key metric in understanding the results by segment. Revenue from segments comprise software and hardware sales, subscriptions services, training services and project services as well as interest income received.

Types of products and services
Revenue from segments comprise;
Software and hardware
Subscription services
Training services
Project services

Note 3. Operating segments (continued)

The chief operating decision maker assesses the performance of individual segments on the basis of earnings before interest expense, tax expense, depreciation and amortisation (EBITDA).

Intersegment transactions
Transactions between segments are excluded from the segment information and do not form part of the reports used by the Board and Executive Team.

Intersegment receivables, payables and loans
Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Operating segment information

Consolidated - 2015	Americas US$'000	EMEA US$'000	Greater China US$'000	Asia Pacific US$'000	Intersegment eliminations/ unallocated US$'000	Total US$'000
Revenue						
Segment sales	35,275	31,682	9,601	5,492	-	82,050
Net adjustment for deferred revenue recognition	(1,033)	(742)	(35)	(24)	-	(1,834)
Interest Income	-	-	-	-	319	319
Total revenue	34,242	30,940	9,566	5,468	319	80,535
EBITDA	21,183	23,867	4,733	3,413	(30,499)	22,697
Depreciation and amortisation	(441)	(303)	(369)	(136)	(52)	(1,301)
Net interest	-	-	-	-	191	191
Profit/(loss) before income tax benefit	20,742	23,564	4,364	3,277	(30,360)	21,587
Income tax benefit						70,811
Profit after income tax benefit						92,398
Assets						
Segment assets	16,348	10,820	5,215	715	56,852	89,950
Unallocated assets:						
Deferred tax asset						81,622
Total assets						171,572
Liabilities						
Segment liabilities	19,354	15,379	2,784	2,180	5,171	44,868
Unallocated liabilities:						
Provision for income tax						4,989
Borrowings						113
Total liabilities						49,970

Note 3. Operating segments (continued)

Consolidated - 2014	Americas US$'000	EMEA US$'000	Greater China US$'000	Asia Pacific US$'000	Intersegment eliminations/ unallocated US$'000	Total US$'000
Revenue						
Segment sales	27,151	33,662	9,731	5,547	-	76,091
Net adjustment for deferred revenue recognition	(1,404)	(3,250)	(930)	123	40	(5,421)
Other revenue	-	-	-	-	294	294
Interest Income	-	-	-	-	148	148
Total revenue	25,747	30,412	8,801	5,670	482	71,112
EBITDA	16,846	23,092	3,822	3,185	(28,598)	18,347
Depreciation and amortisation	(79)	(41)	(332)	(144)	(630)	(1,226)
Net interest	-	-	-	-	13	13
Profit/(loss) before income tax expense	16,767	23,051	3,490	3,041	(29,215)	17,134
Income tax expense						(5,968)
Profit after income tax expense						11,166
Assets						
Segment assets	10,480	11,676	5,661	1,334	19,713	48,864
Unallocated assets:						
Deferred tax asset						4,879
Current tax						259
Total assets						54,002
Liabilities						
Segment liabilities	17,441	16,586	2,500	4,980	4,418	45,925
Unallocated liabilities:						
Provision for income tax						338
Current borrowings						60
Non-current borrowings						88
Total liabilities						46,411

Comparatives have been restated to match current year presentation.

Accounting policy for operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 4. Revenue

	Consolidated	
	2015	**2014**
	US$'000	**US$'000**
Sales revenue		
Software license revenue	36,229	29,273
Hardware revenue	126	193
Subscription and maintenance revenue	39,181	36,870
Service revenue	4,680	4,334
	80,216	70,670
Other revenue		
Interest income	319	148
Other revenue	-	294
	319	442
Revenue	80,535	71,112

Accounting policy for revenue recognition
Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. The consolidated entity recognise revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the consolidated entity, and specific criteria have been met for each of the consolidated entity's activities as described below.

Software
Revenue is recognised when software has been dispatched to a customer pursuant to a sales order and the associated risks have passed to the customer.

Subscriptions
Revenue is deferred and is subsequently recognised as revenue over the period in which the subscription service is provided.

Hardware
Revenue is recognised when hardware has been delivered to a customer pursuant to a sales order and the associated risks have passed to the customer.

Training services
Revenue is recognised at the time the service is provided.

Project Services
For fixed price contracts, the stage of completion is measured by reference to services performed to date as a percentage of total services to be performed. Revenue from cost plus contracts is recognised by reference to the recoverable costs incurred during the reporting period plus time spent on each contract.

Multiple element contracts
In multiple element arrangements where licenses and service elements are sold as a bundled product, the fair value of the service element is recognised as revenue over the period during which the service is performed.

Interest income
Revenue is recognised on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the assets net carrying amount.

Dividends
Dividends are recognised as revenue when the right to receive payment is established.

Note 5. Expenses

	Consolidated 2015 US$'000	2014 US$'000
Profit before income tax includes the following specific expenses:		
Cost of revenue		
Goods	476	401
Services	1,134	1,643
Total cost of revenue	1,610	2,044
Included in professional advice expense		
Cost associated with relocation of Altium's core business assets	602	-
Restructuring costs		
Redundancy costs	-	152
Finance costs		
Interest and finance charges paid/payable	14	10
Unwinding of the discount on provisions	113	124
Finance costs expensed	127	134
Rental expense relating to operating leases		
Office rent	2,471	2,317
Equipment	66	86
Motor vehicle	99	96
Reassessment of onerous lease provision	(344)	-
Total rental expense relating to operating leases	2,292	2,499
Superannuation expense		
Defined contribution superannuation expense	159	178
Research and development costs expensed		
Research and development costs incurred	12,015	12,064

Operating lease costs
Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Research and development costs
Expenditure on research activities, undertaken with the prospect of obtaining new technical knowledge and understanding, is recognised in the statement of profit or loss and other comprehensive income as an expense when it is incurred.

Expenditure on development activities is charged as incurred, or deferred where these costs are directly associated with either integration of acquired technology or the development of new technology and it is determined that the technology has reached technological feasibility. Costs are deferred to future periods to the extent that they are expected beyond any reasonable doubt to be recoverable. The costs capitalised comprises directly attributable costs, including costs of materials, services and direct labour. Deferred costs are amortised from the date of commercial release on a straight-line basis over the period of the expected benefit, which varies from 2 to 10 years.

Note 6. Income tax expense/(benefit)

	Consolidated 2015 US$'000	Consolidated 2014 US$'000
Income tax expense/(benefit)		
Current tax	6,287	919
Deferred tax	(77,172)	5,056
Adjustment recognised for prior periods	74	(7)
Aggregate income tax (benefit)/expense	(70,811)	5,968
Deferred tax included in income tax expense/(benefit) comprises:		
(Increase)/ decrease in deferred tax assets (note 11)	(77,172)	5,056
Numerical reconciliation of income tax expense/(benefit) to prima facie tax payable		
Profit before income tax (expense)/benefit	21,587	17,134
Tax at the statutory tax rate of 30%	6,476	5,140
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	128	60
Share-based payments	348	156
Attribution of income	304	362
Sundry items	211	146
	7,467	5,864
Adjustment recognised for prior periods	74	(7)
Difference in overseas tax rates	(343)	23
Prior year tax credits not recognised now recognised	(445)	30
Temporary differences not recognised now recognised	-	58
Other	34	-
Temporary difference arising from transfer of assets to the US	(77,598)	-
Income tax (benefit)/expense	(70,811)	5,968

	Consolidated 2015 US$'000	Consolidated 2014 US$'000
Temporary differences not recognised		
Temporary differences for which no deferred tax asset has been recognised	190,061	-
Potential tax benefit at statutory tax rate	79,825	-
Unused tax losses for which no deferred tax asset has been recognised	14	5,178
Potential tax benefit at statutory tax rates	4	1,553

Note 6. Income tax expense/(benefit) (continued)

A temporary difference of $157 million (after tax) arose as a result of the relocation of Altium's core business to the USA during the current financial year. The relocation of the business to the USA resulted in a change in the tax base of core business assets, leading to temporary differences and potential tax assets of which $77 million has been recognised as a deferred tax asset at 30 June 2015.

A deferred tax asset can only be recorded to the extent that utilisation is considered probable. The assessment of future taxable amounts involves the use of assumptions and management judgement. $80 million of the potential deferred tax asset has not been recognised due to the inherent uncertainty of forecasts as they project further into the future.

The unrecorded potential deferred tax asset of $80 million will be reassessed for probable utilisation each year.

Accounting policy for Income tax
The income tax expense or revenue for the period is tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax asset and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Tax Consolidation
During the year, Altium Limited and its wholly-owned Australian controlled entities formed a tax consolidated group. As a consequence, these entities are taxed as a single entity and any deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

Under tax consolidation, the head entity, Altium Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts using the “separate taxpayer within a group” method. Individual entities adjust for transactions and events impacted by tax consolidation.

In addition to its own transactions, Altium Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Note 7. Current assets - cash and cash equivalents

	Consolidated 2015 US$'000	Consolidated 2014 US$'000
Cash at bank	20,827	20,778
Deposit at call	41,079	1,271
	61,906	22,049

The value of bank guarantees at 30 June 2015 amounted to US$981,875 (2014: US$1,208,045).

Accounting policy for 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 with original maturities of three months or less or that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 8. Current assets - trade and other receivables

	Consolidated 2015 US$'000	Consolidated 2014 US$'000
Trade receivables	20,287	21,129
Less: Provision for impairment	(60)	(98)
	20,227	21,031
Other receivables	232	1,398
	20,459	22,429

Impairment of receivables
The ageing of the impaired receivables provided for above are as follows:

	Consolidated 2015 US$'000	Consolidated 2014 US$'000
0 to 3 months overdue	12	13
3 to 6 months overdue	35	18
Over 6 months overdue	13	67
	60	98

Movements in the provision for impairment of receivables are as follows:

	Consolidated 2015 US$'000	Consolidated 2014 US$'000
Opening balance	98	107
Translation differences	9	2
Receivables written off during the year as uncollectable	(47)	(7)
Unused amounts reversed	-	(4)
Closing balance	60	98

Note 8. Current assets - trade and other receivables (continued)

Past due but not impaired
Customers with balances past due but without provision for impairment of receivables amount to US$2,735,000 as at 30 June 2015 (US$2,602,000 as at 30 June 2014).

The consolidated entity did not consider a credit risk on the aggregate balances after reviewing the credit terms of customers based on recent collection practices.

The ageing of the past due but not impaired receivables are as follows:

	Consolidated	
	2015 US$'000	2014 US$'000
0 to 1 month overdue	1,831	1,920
1 to 2 months overdue	395	243
Over 2 months overdue	509	439
	2,735	2,602

Accounting policy for trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables generally have 30 to 90 day terms.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

Note 9. Non-current assets - trade and other receivables

	Consolidated	
	2015 US$'000	2014 US$'000
Trade receivables	1,054	589
Other receivables	445	547
	1,499	1,136

Note 10. Non-current assets - property, plant and equipment

	Consolidated 2015 US$'000	Consolidated 2014 US$'000
Leasehold improvements - at cost	2,304	1,125
Less: Accumulated depreciation	(407)	(573)
	1,897	552
Plant and equipment - at cost	3,314	2,215
Less: Accumulated depreciation	(1,429)	(1,006)
	1,885	1,209
Plant and equipment under lease	517	533
Less: Accumulated depreciation	(413)	(386)
	104	147
	3,886	1,908

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Leasehold improvements US$'000	Plant & equipment US$'000	Leased plant & equipment US$'000	Total US$'000
Balance at 1 July 2013	435	913	217	1,565
Additions	317	862	117	1,296
Disposals	-	(18)	(3)	(21)
Exchange differences	1	26	4	31
Depreciation expense	(201)	(574)	(188)	(963)
Balance at 30 June 2014	552	1,209	147	1,908
Additions	1,845	1,490	31	3,366
Disposals	(7)	(9)	-	(16)
Exchange differences	10	(81)	-	(71)
Depreciation expense	(503)	(724)	(74)	(1,301)
Balance at 30 June 2015	1,897	1,885	104	3,886

Property, plant and equipment secured under finance leases
Refer to note 27 for further information on property, plant and equipment secured under finance leases.

Accounting policy for property, plant and equipment
Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably.

Plant and equipment are depreciated and leasehold improvements are amortised over their estimated useful lives using the straight-line method. Assets held under finance lease are depreciated over their expected useful lives as owned assets or, where shorter, the term of the relevant lease.

Note 10. Non-current assets - property, plant and equipment (continued)

The expected useful lives of the assets are as follows:

Office equipment	3-5 years
Computer hardware and software	2-3 years
Leasehold improvements	3-7 years

The residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date or when there is an indication that they have changed.

A carrying amount is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement profit or loss and other comprehensive income.

Note 11. Non-current assets - deferred tax assets

	Consolidated	
	2015	**2014**
	US$'000	**US$'000**
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Tax losses	266	639
Property, plant and equipment	1,030	1,024
Employee benefits	422	223
Assets transferred to the US	77,000	-
Revenue received in advance	894	601
Foreign tax credits	168	207
Provisions	656	334
Intangible assets	-	71
Foreign currency translation	535	322
Provision for onerous lease contract	616	1,176
Other tax credits	(102)	492
Undistributed reserves	(198)	(210)
	81,287	4,879
Amounts recognised in equity:		
Transaction costs on share issue	335	-
Deferred tax asset	81,622	4,879
Amount expected to be recovered within 12 months	9,355	3,096
Amount expected to be recovered after more than 12 months	72,267	1,783
	81,622	4,879
Movements:		
Opening balance	4,879	9,819
Credited/(charged) to profit or loss (note 6)	77,172	(5,056)
Translation differences	(429)	116
Closing balance	81,622	4,879

Note 12. Current liabilities - trade and other payables

	Consolidated	
	2015	2014
	US$'000	US$'000
Trade payables	425	1,260
Other payables	5,563	4,239
	5,988	5,499

Accounting policy for trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 13. Current liabilities - borrowings

	Consolidated	
	2015	2014
	US$'000	US$'000
Lease liability	60	60

The lease liability consists of finance leases for plant and equipment. Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default. As at 30 June 2015, leases due within one year have a weighted average interest rate of 9.16% (2014: 8.18%).

Assets pledged as security
The carrying amounts of assets pledged as security for current borrowings amount to US$104,000 (2014: US$147,000).

Note 14. Non-current liabilities - borrowings

	Consolidated	
	2015	2014
	US$'000	US$'000
Lease liability	53	88

Total secured liabilities
The total secured liabilities (current and non-current) are as follows:

	Consolidated	
	2015	2014
	US$'000	US$'000
Lease liability	113	148

Assets pledged as security
The lease liabilities are effectively secured as the rights to the leased assets, recognised in the statement of financial position, revert to the lessor in the event of default.

Note 14. Non-current liabilities - borrowings (continued)

Accounting policy for leases
The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term.

Note 15. Current liabilities - tax liabilities

	Consolidated	
	2015 US$'000	**2014 US$'000**
Provision for income tax	4,989	338

Note 16. Current liabilities - provisions

	Consolidated	
	2015 US$'000	**2014 US$'000**
Employee benefits	989	678
Onerous lease contract	919	1,095
	1,908	1,773

Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

Consolidated - 2015	Onerous lease contract US$'000
Carrying amount at the start of the year	1,095
Amounts transferred from non-current (note 23)	919
Amounts used	(974)
Unwinding of discount	32
Translation differences	(153)
Carrying amount at the end of the year	919

Note 16. Current liabilities - provisions (continued)

Amounts not expected to be settled within the next 12 months
The current provision for long service leave includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued long service leave or require payment within the next 12 months.

The following amounts reflect leave that is not expected to be taken within the next 12 months:

	Consolidated	
	2015 US$'000	2014 US$'000
Long service leave obligation expected to be settled after 12 months	36	111

Accounting policy for provisions
Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

The provision for onerous lease contracts represents the present value of the estimated costs, net of any sub-lease revenue that will be incurred until the end of the lease terms. The provision is recognised when the unavoidable costs of meeting the contract obligation are expected to exceed the economic benefit to be received.

Accounting policy for employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Bonus plans
The expected cost of bonus payments is recognised when there is a legal or constructive obligation to make such payments as a result of past performance and the obligation can be measured reliably.

Termination benefits
Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Note 17. Non-current liabilities - provisions

	Consolidated	
	2015	**2014**
	US$'000	**US$'000**
Employee benefits	65	2
Onerous lease contract	1,137	2,827
	1,202	2,829

Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

Consolidated – 2015	Onerous lease contract US$'000
Carrying amount at the start of the year	2,827
Amounts transferred to current (note 20)	(919)
Unwinding of discount	81
Translation differences	(508)
Reassessment of provision	(344)
Carrying amount at the end of the year	1,137

Accounting policy for other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 18. Current liabilities - Deferred revenue

	Consolidated	
	2015	**2014**
	US$'000	**US$'000**
Deferred subscription and maintenance revenue	26,663	27,473
Other deferred revenue	2,110	2,254
	28,773	29,727

Note 19. Non-current liabilities - Deferred revenue

	Consolidated	
	2015	**2014**
	US$'000	**US$'000**
Deferred subscription and maintenance revenue	6,091	5,981

Note 20. Non-current liabilities - other liabilities

	Consolidated 2015 US$'000	Consolidated 2014 US$'000
Other payables	906	116

Other payables represents lease incentives in relation to operating leases. The benefit is deferred and recognised as a reduction of the rental expense on a straight-line basis over the lease term.

Note 21. Equity - Contributed equity

	Consolidated 2015 Shares	Consolidated 2014 Shares	Consolidated 2015 US$'000	Consolidated 2014 US$'000
Ordinary shares - fully paid	129,272,762	113,272,762	122,460	82,494

Movements in ordinary share capital

Details	Date	Shares	Issue price AU$	US$'000
Balance	1 July 2013	110,066,602		79,551
Issue shares on exercise of employee options	July 2013	2,430,910	$1.00	2,232
Issue shares on exercise of employee options	August 2013	210,500	$1.00	190
Issue shares on exercise of employee options	September 2013	149,000	$1.00	140
Issue shares on exercise of employee options	March 2014	210,000	$1.00	190
Issue shares on exercise of employee options	April 2014	16,500	$1.00	15
Issue shares on exercise of employee options	May 2014	189,250	$1.00	176
Balance	30 June 2014	113,272,762		82,494
Share placement	September 2014	16,000,000	$2.80	41,055
Transaction costs	September 2014	-	$0.00	(1,089)
Balance	30 June 2015	129,272,762		122,460

Movements in treasury shares

Details	Date	Shares	US$'000
Balance	1 July 2013	6,250,000	-
Less: Shares transferred to employees		(2,603,000)	-
Add: Shares acquired on market		54,500	-
Balance	30 June 2014	3,701,500	-
Less: Shares transferred to employees		(1,123,000)	-
Balance	30 June 2015	2,578,500	-

Note 21. Equity - Contributed equity (continued)

Ordinary Shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Accounting policy for issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 22. Equity - reserves

	Consolidated	
	2015 US$'000	**2014 US$'000**
Foreign currency reserve	1,532	5,418
Equity compensation reserve	7,775	6,356
	9,307	11,774

Foreign currency reserve
The reserve is used to recognise exchange differences arising from translation of the financial statements of foreign operations to US dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Equity compensation reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Foreign currency translation US$'000	Equity compensation US$'000	Total US$'000
Balance at 1 July 2013	4,718	5,836	10,554
Foreign currency translation	700	-	700
Share based payments	-	520	520
Balance at 30 June 2014	5,418	6,356	11,774
Foreign currency translation	(3,886)	-	(3,886)
Share based payments	-	1,419	1,419
Balance at 30 June 2015	1,532	7,775	9,307

Note 23. Equity - accumulated losses

	Consolidated 2015 US$'000	Consolidated 2014 US$'000
Accumulated losses at the beginning of the financial year	(86,677)	(85,035)
Profit after income tax expense for the year	92,398	11,166
Dividends paid (note 24)	(15,886)	(12,808)
Accumulated losses at the end of the financial year	(10,165)	(86,677)

Note 24. Equity - dividends

Dividends paid during the financial year were as follows:

	Consolidated 2015 US$'000	Consolidated 2014 US$'000
Final dividend for the year ended 30 June 2014 of AU 8 cents (2013: AU 8 cents)	7,941	8,594
Interim dividend for the half year ended 31 December 2014 of AU 8 cents (2013: AU 4 cents)	7,945	4,214
	15,886	12,808

The Directors have declared a final unfranked dividend of AU 8 cents per share (2014: AU 8 cents) paid out of current year profits for the year ended 30 June 2015. The dividend will be paid on 16 October 2015 based on a record date of 25 September 2015. This amounts to a total dividend of US$7,600,000 based on the total number of shares outstanding.

Accounting policy for dividends
Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

Note 25. Financial risk management

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance'). Risk management includes identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a quarterly basis.

Market risk

Foreign currency risk
The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Note 25. Financial risk management (continued)

Foreign currency revenues are partially hedged by foreign currency denominated expenses. The consolidated entity does not have additional hedges against this risk.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
Consolidated	**2015 US$'000**	**2014 US$'000**	**2015 US$'000**	**2014 US$'000**
Euros	4,261	3,266	(10)	(1)
Australian dollars	3,936	4,184	(40)	(67)
	8,197	7,450	(50)	(68)

The following tables summarise the sensitivity of financial instruments held at statement of financial position date by the consolidated entity to the movement in exchange rate of the US dollar to the Australian dollar and Euro, with all other variables held constant. The 10% sensitivity is based on reasonably possible changes, over a financial year.

Sensitivity to foreign currency risk on financial instruments is as follows:

	US$ strengthened			US$ weakened		
Consolidated - 2015	**% change**	**Effect on profit after tax**	**Effect on equity**	**% change**	**Effect on profit after tax**	**Effect on equity**
AU$	10%	248	248	10%	(303)	(303)
EUR	10%	271	271	10%	(331)	(331)
		519	519		(634)	(634)

	US$ strengthened			US$ weakened		
Consolidated - 2014	**% change**	**Effect on profit after tax**	**Effect on equity**	**% change**	**Effect on profit after tax**	**Effect on equity**
AU$	10%	343	343	10%	(419)	(419)
EUR	10%	(229)	(229)	10%	229	229
		114	114		(190)	(190)

Price risk
The consolidated entity is not exposed to any significant price risk.

Interest rate risk
Interest rate risk is the risk that the consolidated entity’s financial position will be adversely affected by movements in interest rates. Exposures arise predominantly from assets and liabilities bearing variable interest rates as the consolidated entity intends to hold fixed rate assets and liabilities to maturity.

Note 25. Financial risk management (continued)

As at the reporting date, the consolidated entity had the following variable rate borrowings outstanding:

Consolidated	2015 Weighted average interest rate %	2015 Balance US$'000	2014 Weighted average interest rate %	2014 Balance US$'000
Cash	0.87%	48,773	1.29%	15,989
Receivables	5.61%	12	5.66%	2
Financial lease liabilities	9.16%	(113)	8.18%	(148)
Net exposure to cash flow interest rate risk		48,672		15,843

The following tables summarise the sensitivity of the fair value of financial instruments held at statement of financial position date in the consolidated entity, following a movement of 50 to 100 basis points, with all other variables held constant, and based on reasonably possible changes over a financial year.

The sensitivity to movements in interest rates is as follows:

	Basis points increase			Basis points decrease		
Consolidated - 2015	**Basis points change**	**Effect on profit after tax**	**Effect on equity**	**Basis points change**	**Effect on profit after tax**	**Effect on equity**
Net exposure	100	341	341	(50)	(170)	(170)

	Basis points increase			Basis points decrease		
Consolidated - 2014	**Basis points change**	**Effect on profit after tax**	**Effect on equity**	**Basis points change**	**Effect on profit after tax**	**Effect on equity**
Net exposure	100	111	111	(50)	(55)	(55)

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The consolidated entity manages its credit risk on trade debtors by ensuring that sales of products and services are made to customers with an appropriate credit history. New customers are subject to credit verification procedures and ongoing customer performance is monitored on a regular basis. The consolidated entity has no significant concentrations of credit risk.

Cash transactions are limited to high credit quality financial institutions.

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Note 25. Financial risk management (continued)

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2015	Weighted average interest rate %	1 year or less US$'000	Between 1 and 2 years US$'000	Between 2 and 5 years US$'000	Over 5 years US$'000	Remaining contractual maturities US$'000
Non-derivatives						
Non-interest bearing						
Trade payables	-%	5,988	-	-	-	5,988
Interest-bearing - variable						
Lease liability	9.16%	60	53	-	-	113
Total non-derivatives		6,048	53	-	-	6,101

Consolidated - 2014	Weighted average interest rate %	1 year or less US$'000	Between 1 and 2 years US$'000	Between 2 and 5 years US$'000	Over 5 years US$'000	Remaining contractual maturities US$'000
Non-derivatives						
Non-interest bearing						
Trade payables	-%	5,499	-	-	-	5,499
Interest-bearing - variable						
Lease liability	8.18%	60	88	-	-	148
Total non-derivatives		5,559	88	-	-	5,647

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 26. Key management personnel disclosures

Directors
The following persons were directors of Altium Limited during the financial year:

Samuel Weiss	Non-Executive Chairman
Aram Mirkazemi (appointed as Chief Executive Officer on 16 January 2014)	Chief Executive Officer
Carl Rooke	Non-Executive Director
Dr David Warren	Non-Executive Director

Other key management personnel
The following person also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial year:

Richard Leon	Chief Financial Officer

Note 26. Key management personnel disclosures (continued)

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2015	**2014**
	US$	**US$**
Short-term employee benefits	1,466,119	1,902,113
Post-employment benefits	24,740	23,455
Long-term benefits	145,878	-
Termination benefits	-	251,679
Share-based payments	45,639	115,308
	1,682,376	2,292,555

The group has taken advantage of the relief provided by Corporations Regulation 2M.6.04 and has transferred the detailed remuneration disclosures to the Directors' report.

Remuneration of Director-related entities
Related entities of Directors employed by any company in the group are paid on normal commercial terms and conditions. No transactions occurred with related entities of Directors during the year ended 30 June 2015 (2014 $42,175). Refer to note 29 for further details.

Note 27. Commitments

	Consolidated	
	2015	**2014**
	US$'000	**US$'000**
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	4,062	4,730
One to five years	5,469	8,409
More than five years	-	392
	9,531	13,531
Lease commitments - finance		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	67	70
One to five years	55	95
Total commitment	122	165
Less: Future finance charges	(9)	(17)
Net commitment recognised as liabilities	113	148
Representing:		
Lease liability - current (note 13)	60	60
Lease liability - non-current (note 14)	53	88
	113	148

Note 27. Commitments (continued)

Included in the commitments are amounts also provided for as onerous leases. The amount included in current provision is US$919,000 (2014: US$1,095,000) and the amount included in non-current provisions is US$1,137,000 (2014: US$2,827,000). Further details of the provision can be found in note 20 and note 23.

Several finance lease contracts have associated purchase options. Under the terms of the leases, the group can acquire the leased assets for an agreed fair value on the expiry of the leases. This option lapses in the event the group fails to maintain its credit rating at the level prevailing at inception of the lease.

Note 28. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by PricewaterhouseCoopers, the auditor of the company, its network firms and unrelated firms:

	Consolidated	
	2015 US$	**2014 US$**
Audit services - PricewaterhouseCoopers		
Audit or review of the financial statements	323,188	291,981
Other services - PricewaterhouseCoopers		
Tax consulting and tax advice	510,495	90,712
	833,683	382,693
Other services - network firms		
Tax compliance services, including review of company income tax return	44,656	10,412
Tax consulting and tax advice	29,237	34,156
	73,893	44,568
Audit services - unrelated firms		
Audit or review of the financial statements	43,205	62,289
Other services - unrelated firms		
Tax compliance services, including review of company income tax return	198,481	171,762
Tax consulting and tax advice	119,911	69,965
	318,392	241,727
	361,597	304,016

From time to time the company will employ accountants to provide consulting services. The group has a policy of seeking competitive tenders for all major projects. The annual audit fee for the group is approved by the Audit and Risk Management Committee.

Note 29. Related party transactions

Parent entity
Altium Limited is the parent entity.

Key management personnel
Disclosures relating to key management personnel are set out in note 26 and the remuneration report in the directors' report.

Note 29. Related party transactions (continued)

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	2015	**2014**
	US$	**US$**
Payment for other expenses:		
Consulting fees paid to key management personnel*	-	42,175

* This is included in the Remuneration Report, consulting fees are included in cash salary and fees.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 30. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2015	**2014**
	US$'000	**US$'000**
Profit after income tax	237,686	10,330
Total comprehensive income	237,686	10,330

Profit after income tax of the parent entity includes profit on disposal of core business assets to a subsidiary of US$223m. This transaction formed part of the transfer of core business assets to the US. As the sale of assets occurred within the consolidated group, the profit on disposal is eliminated on consolidation and thus does not form part of the consolidated result for the year ended 30 June 2015.

Note 30. Parent entity information (continued)

Statement of financial position

	Parent	
	2015 **US$'000**	**2014** **US$'000**
Total current assets	279,291	21,026
Total assets	288,994	33,024
Total current liabilities	21,099	23,473
Total liabilities	22,939	26,611
Equity		
Contributed equity	122,460	82,494
Foreign currency reserve	2,784	6,327
Equity compensation reserve	7,772	6,353
Retained profits/(accumulated losses)	133,039	(88,761)
Total equity	266,055	6,413

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
Altium Limited has provided financial guarantees in respect of credit card facilities amounting to US$122,528 (2014: US$103,682).

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2015 and 30 June 2014.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment at as 30 June 2015 and 30 June 2014.

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in the relevant notes to the financial statements.

Note 31. Events after the reporting period

On 3 July 2015 the company purchased CIIVA GmbH, an electronic component management solutions company. Pursuant to the terms of the share purchase agreement, the company paid a purchase price of US$4 million of which US$2 million was paid in cash at the date of purchase. At 30 June 2015 $947k of this $2million had been placed in escrow in preparation for completion. The remaining US$2 million will be paid in equal instalments on the first and second anniversaries of the share purchase agreement date.

On 14 August 2015 the company signed an agreement to acquire Octopart, a leading provider of electronic parts data and specialized online inventory search. The acquisition represents a significant step in the evolution of Altium's content strategy. Altium will pay US$12 million for the business on completion subject to customary closing conditions. There will also be additional performance based earn-out payments over the next three financial year’s contingent on meeting revenue targets and margin milestones. The transaction is expected to be completed end of August 2015.

The acquisition of both CIIVA and Octopart are of strategic significance as they are pivotal in ensuring sustainability of Altium’s Content strategy and establishing differentiation in the market. At the business level, the combined acquisitions are accretive to earnings per share and the future operations are self- funding.

Note 31. Events after the reporting period (continued)

No other matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 32. Reconciliation of profit after income tax to net cash from operating activities

	Consolidated	
	2015 US$'000	2014 US$'000
Profit after income tax expense for the year	92,398	11,166
Adjustments for:		
Depreciation and amortisation	1,301	1,226
Net loss on disposal of non-current assets	-	20
Share-based payments	1,419	520
Unrealised foreign exchange differences	416	172
Change in operating assets and liabilities:		
Increase in trade and other receivables	(2,372)	(5,478)
Decrease in inventories	367	106
Decrease/(increase) in deferred tax assets	(76,315)	4,140
Increase in income tax payable	4,772	217
Decrease in deferred revenue	1,079	6,781
Decrease/(increase) in other operating assets	168	(102)
Increase/(decrease) in trade and other payables	(281)	1,107
Decrease in other provisions	(1,607)	(1,423)
Net cash from operating activities	21,345	18,452

Note 33. Earnings per share

	Consolidated	
	2015 US$'000	2014 US$'000
Profit after income tax attributable to the owners of Altium Limited	92,398	11,166
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	123,468,160	108,782,726
Weighted average number of ordinary shares used in calculating diluted earnings per share	123,468,160	108,782,726
	Cents	**Cents**
Basic earnings per share	74.84	10.26
Diluted earnings per share	74.84	10.26

For the years ending 30 June 2015 and 30 June 2014 treasury shares were included in the calculation of basic and diluted earnings per share.

Note 33. Earnings per share (continued)

Accounting policy for earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Altium Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 34. Share-based payments

Share Plan

In August 2012, the board of directors approved the Key Employee Share Plan ("Share Plan"), which is part of the Altium Limited Employee Share and Option Plan Trust, with the purpose of encouraging ownership of Altium shares in key employees within the Altium Group. The Share Plan awards shares on a long-term basis as an incentive to encourage employees to focus on creating sustainable value and a sense of ownership and accountability to the group.

The Share Plan grants are based on employee's contribution and commitment to the company over a period of several years plus the ability of the employees to impact and influence the outcome and direction of the organisation in the future. The shares under the Share Plan which are not yet vested will be accounted for as non-cash expense over the remainder of the vesting period.

During the period to 30 June 2015 the Directors of the company granted 800,000 shares to 6 employees of Altium Limited and its subsidiaries. The shares vest over a 3 year period up to and including 30 June 2017.

Set out below are summaries of shares granted under the plan:

2015

Grant date	Expiry date	Fair value AU$	Balance at the start of the year	Granted	Vested	Forfeited/ other	Balance at the end of the year
28/08/2012	30/06/2015	$0.44	912,500	-	(912,500)	-	-
31/12/2012	31/12/2013	$1.28	-	-	-	-	-
31/12/2012	31/12/2014	$1.28	30,000	-	(30,000)	-	-
31/12/2012	31/12/2015	$1.28	30,000	-	-	-	30,000
01/07/2014	30/06/2015	$2.40	-	166,667	(133,333)	(33,334)	-
01/07/2014	30/06/2016	$2.40	-	166,667	-	(33,333)	133,334
01/07/2014	30/06/2017	$2.40	-	166,666	-	(33,333)	133,333
30/06/2015	01/07/2015	$3.39	-	100,000	-	-	100,000
30/06/2015	01/01/2016	$3.39	-	100,000	-	-	100,000
30/06/2015	01/07/2017	$3.39	-	100,000	-	-	100,000
			972,500	800,000	(1,075,833)	(100,000)	596,667

Note 34. Share-based payments (continued)

2014

Grant date	Expiry date	Fair value AU$	Balance at the start of the year	Granted	Vested	Forfeited/ other	Balance at the end of the year
28/08/2012	30/06/2014	$0.44	1,012,500	-	(912,500)	(100,000)	-
28/08/2012	30/06/2015	$0.44	1,012,500	-	-	(100,000)	912,500
31/12/2012	31/12/2013	$1.28	100,000	-	(100,000)	-	-
31/12/2012	31/12/2014	$1.28	75,000	-	-	(45,000)	30,000
31/12/2012	31/12/2015	$1.28	75,000	-	-	(45,000)	30,000
			2,275,000	-	(1,012,500)	(290,000)	972,500

Performance Rights Plan

The Board of Directors approved the establishment of the Altium Performance Rights Plan on 26 August 2014. The Performance Rights Plan is issued to senior executives to establish long term incentive goals which link rewards for employees with the delivery of Altium's key performance drivers and the interests of Altium's shareholders.

The Performance Rights Plan was introduced specifically to incentivise the Executive Team to build financial strength through revenue growth and expanding margins. The Plan relates to three performance periods being the 2015, 2016 and 2017 financial years and consists of two performance conditions; earnings per share (EPS) and an increase in the base of subscriber and maintenance customers. The Plan is assessed at the conclusion of each performance period with both performance conditions required to be achieved in order for the rights to become eligible to vest.

The Plan hurdles are based upon meeting specified earnings per share targets and increases in the base of subscriber and maintenance customers, as demonstrated through achieving a specified level of deferred revenue. These hurdles were based directly on the company's Strategic Plan.

Each Performance Right is a contractual right which entitles the holder to be allocated one fully paid ordinary share in Altium at no cost upon the Performance Right becoming a Vested Performance Right in accordance with the Plan hurdles being met. Upon the performance conditions being satisfied the Performance Rights will vest in three approximately equal tranches following the end of the 2015, 2016 and 2017 financial years.

Set out below are summaries of performance rights granted under the plan:

2015

Grant date	Expiry date	Fair Value AU$	Balance at the start of the year	Granted	Exercised	Lapsed	Forfeited	Balance at the end of the year
26/08/2014	30/06/2015	$2.58	-	244,911	-	(133,421)	(10,966)	111,490
26/08/2014	30/06/2016	$2.58	-	237,708	-	(140,142)	(10,644)	97,566
26/08/2014	30/06/2017	$2.58	-	237,708	-	(140,141)	(10,644)	97,567
			-	720,327	-	(413,704)	(32,253)	306,623

Under the Performance Rights Plan 111,490 shares became eligible to vest as at 30 June 2015. These were exercised at the August board meeting when the results and Performance Rights Plan achievement were approved.

Note 34. Share-based payments (continued)

Share Based Payment Expense

	Consolidated	
	2015 US$'000	2014 US$'000
Shares issued under the Share Plan	1,419	520

The Altium Share and Option Plan Trust is used to hold shares for share and option plans. As at 30 June 2015 the trust held 2,578,500 ordinary shares (2014: 3,701,500).

Accounting policy for share-based payments
Under the employee share scheme, shares issued under the Altium Key Employee Share Plan Trust to employees for no cash consideration vest immediately on grant date. On this date, the market value of the shares issued is recognised as an employee benefits expense with a corresponding increase in equity.

The fair value of deferred shares granted to employees for nil consideration under the Performance Rights Plan is recognised as an expense over the relevant service period. The fair value of compensation is determined based on the actual market price of the company's share price at the dates of grant.

Non-market vesting conditions are included in assumptions about the number of rights that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of rights that are exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the statement of profit or loss and other comprehensive income with a corresponding adjustment to equity.

Altium Limited
Directors' declaration
30 June 2015

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Aram Mirkazemi
Director and Chief Executive Officer

Sam Weiss
Non-executive Chairman

24 August 2015
Sydney

Independent auditor's report to the members of Altium Limited

Report on the financial report

We have audited the accompanying financial report of Altium Limited (the consolidated entity), which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for Altium Limited. The consolidated entity comprises the company and the entities it controlled at year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the consolidated entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001.*

PricewaterhouseCoopers, ABN 52 780 433 757
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Auditor's opinion

In our opinion:

1. the financial report of Altium Limited is in accordance with the *Corporations Act 2001*, including:

    2. giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

    3. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

4. the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the remuneration report included in pages 9 to 15 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of Altium Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

S. Horl

Susan Horlin
Partner

Sydney
24 August 2015