HANSEN TECHNOLOGIES LTD
ABN 90 090 996 455
AND CONTROLLED ENTITIES

FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2005
PROVIDED TO THE ASX UNDER LISTING RULE 4.3A

Rule 4.3A

Appendix 4E Preliminary Final Report

Name of entity
Hansen Technologies Limited and its controlled entities

ABN: 90 090 996 455

1. Reporting period

Report for the financial year ended	30 June 2005
Previous corresponding period is the financial year ended	30 June 2004

2. Results for announcement to the market

	Current Period	Previous corresponding period	Amount Increase/ (decrease)	% Change Increase/ (decrease)
Total Revenues	53,786	53,197	589	1.1%
Profit (loss) from ordinary activities after tax attributable to members	(3,436)	651	(4,087)	N/A
Net profit (loss) for the period attributable to members	(3,438)	618	(4,056)	N/A

Dividends	Amount per security	Franked amount per security
Interim dividend	1.0¢	0.12¢
Final dividend	0¢	0¢
Record date for determining entitlements to the dividend	N/A	

Please refer to the attached Preliminary Financial Report for the year ended 30 June 2005 and the attached ASX release dated 1 September for further explanation of the above figures.

3. Statement of Financial Performance

Refer to the attached preliminary financial report

4. Statement of Financial Position

Refer to the attached preliminary financial report

5. Statement of Cash Flows

Refer to the attached preliminary financial report

6. Dividends

	Date of payment	**Total amount of dividend**
Interim dividend – year ended 30 June 2005	18th March, 2005	$1,142,790
Final dividend – year ended 30 June 2005	Not Applicable	$0

Amount per security

		Amount per security	Franked amount per security at 30% tax	Amount per security of foreign sourced dividend
Total dividend:	Current year	1¢	0.12¢	N/A
	Previous year	1¢	1¢	N/A

Total dividend on all securities

	Current period $A'000	Previous corresponding Period - $A'000
Ordinary securities	1,143	1,120
Total	**1,143**	**1,120**

7. Statement of retained earnings

Refer to Note 17 of the attached preliminary financial report

8. Net tangible assets per security

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	3.8 cents	5.0 cents

9. Details of entities over which control has been gained or lost during the period:

There has been no change in the entities controlled within the consolidated group during the reporting period.

10. Significant information relating to the entity's financial performance and financial position.

There is a potential material impact on the Group's results that may arise with the adoption in the coming year of the Australian equivalent of the International Financial Reporting Standards (IFRS) in respect of;

- The removal of the requirement to amortise Goodwill. (The current year's results include an amortisation expense for Goodwill of $1.059 million).
- Share based payments to executives and other employees.

In June 2005 the Directors determined to restrict its pro-active energy industry marketing activities in the USA. In light of this decision and in compliance with the requirements of the Australian and International Accounting Standards the carrying value of Goodwill on Consolidation for Hansen's USA business has been reassessed. As a result the Fiscal 2005 results will include a one-off write-down for Goodwill on Consolidation of approximately AUD 3.6 million. This adjustment is an accounting book entry only and has no cash related consequence.

11. The financial information provided in the Appendix 4E is based on the preliminary financial report (attached), which has been prepared in accordance with Australian accounting standards

12. Commentary on the results for the period.

Please see attached for the ASX Release entitled "A period of consolidation and product development" dated 1 September 2005.

13. Audit of the financial report

The financial report is in the process of being audited.

14. The audit has not yet been completed

The financial report is not likely to be the subject of dispute or qualification.

Statement of financial performance
For the year ended 30 June 2005

		Consolidated	
		2005	2004
	Note	$'000	$'000
Revenue from rendering of services		51,840	50,191
Other revenues from ordinary activities		1,946	3,006
Total revenue	2	53,786	53,197
Employee expenses		(30,797)	(27,763)
Depreciation and amortisation expenses		(5,967)	(5,741)
Write-down in carrying value of non-current assets		(3,640)	(221)
Borrowing costs		(281)	(169)
Operating lease rental expenses		(4,954)	(5,145)
Contractor and consultant expenses		(1,865)	(1,734)
Software licence expenses		(719)	(451)
Hardware and software expenses		(4,409)	(2,310)
Transportation expenses		(586)	(745)
Travel expenses		(1,183)	(1,289)
Data communication expenses		(3,099)	(2,967)
Legal, settlement and liquidation costs		(40)	(971)
Other expenses from ordinary activities		(898)	(3,524)
Profit / (loss) from ordinary activities before related income tax expense		(4,652)	166
Income tax credit relating to ordinary activities	4	1,216	485
Net profit / (loss) attributable to members of the parent entity		(3,436)	651
Net exchange difference relating to self-sustaining foreign operations	16	(2)	(33)
Total valuation adjustments attributable to members of the entity and recognised directly in equity		(3,438)	618
Basic earnings / (loss) per share	5	($0.030)	$0.006
Diluted earnings / (loss) per share	5	($0.030)	$0.006

Statement of financial position
As at 30 June 2005

	Note	Consolidated 2005 $'000	Consolidated 2004 $'000
Current assets			
Cash assets	6	887	3,623
Receivables	7	5,471	5,275
Other	8	2,763	1,817
Total current assets		9,121	10,715
Non-current assets			
Receivables	7	893	1,179
Plant and equipment	9	6,746	6,819
Intangible assets	10	20,429	23,147
Deferred tax assets		5,011	3,054
Other	8	35	155
Total non-current assets		33,114	34,354
Total assets		42,235	45,069
Current liabilities			
Payables	11	4,671	4,943
Interest-bearing liabilities	12	962	556
Current tax liabilities		0	51
Provisions	13	4,247	4,013
Other	14	3,160	3,438
Total current liabilities		13,039	13,001
Non-current liabilities			
Payables	11	0	300
Interest-bearing liabilities	12	1,177	893
Deferred tax liabilities		2,699	1,947
Provisions	13	621	153
Total non-current liabilities		4,497	3,293
Total liabilities		17,536	16,294
Net assets		24,699	28,775
Equity			
Contributed equity	15	43,452	96,158
Foreign Currency Translation Reserve	16	(480)	(478)
Accumulated losses	17	(18,273)	(66,905)
Total equity	18	24,699	28,775

Statement of cash flows
For the year ended 30 June 2005

		Consolidated	
		2005	**2004**
	Note	**$'000**	**$'000**
Cash flows from operating activities			
Cash receipts in the course of operations		50,889	54,536
Cash payments in the course of operations		(46,480)	(51,568)
Interest received		175	201
Borrowing costs paid		(502)	(169)
Income taxes (paid)/refund		(41)	116
Net cash provided by/(used in) operating activities		4,041	3,115
Cash flows from investing activities			
Payments for plant and equipment		(2,921)	(1,308)
Proceeds from sale of plant and equipment		19	85
Proceeds from sale of intellectual property		558	0
Payments for controlled entities (net of cash acquired)		(223)	(628)
Payment for resolution of legal dispute		(300)	(525)
Payments for capitalised research and development		(3,933)	(2,000)
Net cash provided by/(used in) investing activities		(6,800)	(4,376)
Cash flows from financing activities			
Dividends:			
Dividends paid		(2,263)	0
Proceeds from dividend reinvestment through issue of shares		1,471	0
Issue of shares under employee share plan		154	72
Financing made under lease arrangement		0	(676)
Proceeds from borrowings		1,480	1,334
Finance and hire purchase lease payments		(819)	(509)
Net cash provided by/(used in) financing activities		23	222
Net increase/(decrease) in cash held		(2,736)	(1,040)
Cash at the beginning of the financial year		3,623	4,663
Cash at the end of the reporting period		887	3,623

1 Statement of significant accounting policies

The significant policies which have been adopted in the preparation of this financial report are:

(a) Basis of preparation

The financial report has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.
The financial report covers Hansen Technologies Ltd and controlled entities as a consolidated entity. Hansen Technologies is a company limited by shares, incorporated and domiciled in Australia.
It has been prepared on an accruals basis and is based on historical costs, and does not take into account changing money values or, except where stated, current valuations of non current assets.
These accounting policies have been consistently applied by each entity in the consolidated entity and are consistent with those of the previous year.

(b) Principles of consolidation

Controlled entities
The financial statements of controlled entities are included in the consolidated financial statements from the date control commences until the date control ceases.

Transactions eliminated on consolidation
Unrealised gains and losses and inter-entity balances resulting from transactions with or between controlled entities are eliminated in full on consolidation.

(c) Revenue recognition

Revenues have been measured at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority.

Rendering of services
Revenue for rendering of services is recognised in proportion to the stage of completion of the contract when the stage of contract completion can be reliably measured.
Where the outcome of a contract cannot be reliably estimated, contract costs are expensed as incurred. Where it is probable that the costs will be recovered, revenue is only recognised to the extent of costs incurred. An expected loss is recognised immediately as an expense.
A deferred income liability is recognised upon receipt of payment for maintenance and enhancement contracts. Revenue is then recognised and brought to account over the time as it is earned.

Interest revenue
Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

Sale of non-current assets
The gross proceeds of non-current asset sales are included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.
The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs).

(d) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.
Receivables and payables are stated with the amount of GST included.
The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.
Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(e) Foreign currency

Transactions

Foreign currency transactions are translated to Australian currency at the rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at reporting date are translated at the rates of exchange ruling on that date.

Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account as exchange gains or losses in the statement of financial performance in the financial year in which the exchange rates change, except where amounts payable or receivable in foreign currency form part of a net investment in a self-sustaining foreign operation. In this case, the exchange difference, together with any related income tax expense / revenue, is transferred to the foreign currency translation reserve on consolidation.

Translation of controlled foreign entities

The assets and liabilities of controlled foreign entities that are self-sustaining are translated at the rates of exchange ruling at reporting date. Equity items are translated at historical rates. The statements of financial performance are translated at a weighted average rate for the year. Exchange differences arising on translation are taken directly to the foreign currency translation reserve until the disposal, or partial disposal, of the operations.

The assets and liabilities of foreign controlled entities that are integrated are translated using the temporal method. Monetary assets and liabilities are translated into Australian currency at rates of exchange current at reporting date, while non-monetary items and revenue and expense items are translated at exchange rates current when the transactions occurred. Exchange differences arising on translation are brought to account in the statement of financial performance.

The balance of the foreign currency translation reserve relating to a foreign operation that is disposed of, or partially disposed of, is transferred to retained profits or accumulated losses in the year of disposal.

The accounting policy will be impacted on first time adoption of AIFRS.

(f) Borrowing costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, and lease finance charges.

Ancillary costs incurred in connection with the arrangement of borrowings are capitalised and amortised over the life of the borrowings.

(g) Taxation

The consolidated entity adopts the income statement liability method of tax effect accounting.

Income tax expense is calculated on operating profit adjusted for permanent differences between taxable and accounting income. The tax effect of timing differences, which arise from items being brought to account in different periods for income tax and accounting purposes, is carried forward in the statement of financial position as a future income tax benefit or a provision for deferred income tax.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt, or if relating to tax losses when realisation is virtually certain.

The accounting policy will be impacted on first time adoption of AIFRS.

Tax Consolidation

Hansen Technologies Limited and its subsidiaries have implemented the tax consolidation legislation and have formed a tax-consolidated group from 1 July 2002. The parent entity and subsidiaries in the tax-consolidated group have entered into a tax funding agreement such that each entity in the tax-consolidated group recognises the assets, liabilities, expenses and revenues in relation to its own transactions, events and balances only. All entities in the tax-consolidated group have adopted UIG 52 to account for the effects of the tax funding agreement under the tax consolidation system. This means that:

- the parent entity recognises all current and deferred tax amounts relating to its own transactions, events and balances only;
- the subsidiaries recognise current or deferred tax amounts arising in respect of their own transactions, events and balances;
- all expenses and revenues arising under the tax funding agreement are recognised as a component of income tax expense or income tax revenue by each individual entity;
- all assets and liabilities arising under the tax funding agreement are recognised as tax-related amounts receivable from or payable to other entities in the group, rather than as tax assets or tax liabilities.

The tax-consolidated group also has a tax sharing agreement in place to limit the liability of subsidiaries in the tax-consolidated group arising under the joint and several liability requirements of the tax consolidation system, in the event of default by the parent entity to meet its payment obligations. At balance date, the possibility of default is remote. The parent entity of the tax-consolidated group is Hansen Technologies Limited.

(h) Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the net profit attributable to members of the parent entity for the reporting period, after excluding any costs of servicing equity , by the weighted average number of ordinary shares of the Company.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after tax effect of financing costs associated with dilutive potential ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary shares and dilutive potential ordinary shares.

(i) Acquisition of assets

All assets acquired including property, plant and equipment and intangibles other than goodwill are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition. Acquired in-process research and development is only recognised as a separate asset when future benefits are expected beyond any reasonable doubt to be recoverable.

When equity instruments are issued as consideration, their market price at the date of acquisition is used as fair value, except where the notional price at which they could be placed in the market is a better indication of the fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity subject to the extent of proceeds received or otherwise expensed.

Where settlement of any part of cash consideration is deferred, the amounts payable are recorded at their present value, discounted at the rate applicable to the consolidated entity if a similar borrowing were obtained from an independent financier under comparable terms and conditions. The unwinding of the discount is treated as interest expense.

The costs of assets constructed or internally generated by the consolidated entity, other than goodwill, include the cost of materials and direct labour. Directly attributable overheads and other incidental costs are also capitalised to the asset.

Expenditure, including that on internally generated assets other than research and development costs, is only recognised as an asset when the entity controls future economic benefits as a result of the costs incurred, that are probable and can be measured reliably. Costs attributable to feasibility and alternative approach assessments are expensed as incurred.

Research and development costs

Research and development expenditure is expensed as incurred except to the extent that its recoverability is assured beyond any reasonable doubt, in which case it is deferred.

Subsequent additional costs

Costs incurred on assets subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the consolidated entity in future years, otherwise, expensed as incurred.

(j) Receivables

The collectability of debts is assessed at balance date and specific provision is made for any doubtful accounts.

(k) Investments

Controlled entities

Investments in controlled entities are carried in the Company's financial statements at the lower of cost and recoverable amount. Refer to note 1(n).

(l) Leased assets

Leases under which the consolidated entity assumes substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

Finance leases

Finance leases are capitalised. A lease asset and a lease liability equal to the present value of the minimum lease payments are recorded at the inception of the lease.

Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are expensed. Contingent rentals are expensed as incurred.

Operating leases

Payments made under operating leases are expensed on a straight line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

(m) Goodwill

Goodwill represents the excess of the purchase consideration plus incidental costs over the fair value of the identifiable net assets acquired.

The accounting policy will be impacted on first time adoption of AIFRS.

(n) Recoverable amount of non-current assets valued on cost basis

The carrying amounts of non-current assets valued on the cost basis are reviewed to determine whether they are in excess of their recoverable amount at reporting date. If the carrying amount of a non-current asset exceeds its recoverable amount, the asset is written down to the lower amount. The write-down is expensed in the reporting period in which it occurs.

Where a group of assets working together supports the generation of cash inflows, recoverable amount is assessed in relation to that group of assets.

In assessing recoverable amounts of non-current assets, the relevant cash flows have been discounted to their present value.

The accounting policy will be impacted on first time adoption of AIFRS.

(o) Depreciation and amortisation

Useful lives

All assets, including intangibles, have limited useful lives and are depreciated/amortised using the straight line (SL) and diminishing value (DV) methods over their estimated useful lives, taking into account estimated residual values, with the exception of finance lease assets which are amortised over the term of the relevant lease, or where it is likely the consolidated entity will obtain ownership of the asset, the life of the asset.

Assets are depreciated or amortised from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use.

Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only. Depreciation and amortisation are expensed, except to the extent that it is included in the carrying amount of another asset as an allocation of production overheads.

The depreciation / amortisation rates or useful lives used for each class of asset are as follows:

	Method	2005	2004
Plant and equipment			
Plant and equipment	SL / DV	9% to 40%	9% to 40%
Leased plant and equipment	SL / DV	9% to 40%	9% to 40%
Intangibles			
Goodwill	SL	20 years	20 years
Other non-current assets			
Research and development costs	SL	5 years	5 years
Intellectual property	SL	3 years	3 years

(p) Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within 60 days.

(q) Interest bearing liabilities

Lease and hire purchase liabilities are recognised at their principal amount.

(r) Employee benefits

Wages, salaries and annual leave

Liabilities for employee benefits for wages, salaries and annual leave expected to be settled within 12 months of the year-end represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the consolidated entity expects to pay as at reporting date including related on-costs.

Long service leave

The provision for employee benefits to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided to reporting date.

The provision is calculated using estimated future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the rates attaching to national government bonds at reporting date which most closely match the terms of maturity of the related liabilities.

Employee Share and Option Plans
An Employee Share Plan is available, which at the discretion of the Directors allows for employees to acquire ordinary shares in The Company from time to time.
An Employee Share Option Plan exists through which the Board may issue options to employees of The Company and its subsidiaries.

The accounting policy will be impacted on first time adoption of AIFRS.

(s) Provisions

A provision is recognised when there is a legal, equitable or constructive obligation as a result of a past event and it is probable that a future sacrifice of economic benefits will be required to settle the obligation, the timing or amount of which is uncertain.
If the effect is material, a provision is determined by discounting the expected future cash flows (adjusted for expected future risks) required to settle the obligation at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability, being risk free rates on government bonds most closely matching the expected future payments, except where noted below.
In the statement of financial performance, the expense recognised in respect of a provision is presented net of the recovery. In the statement of financial position, the provision is recognised net of the recovery receivable only when the entity:

- has a legally recognised right to set-off the recovery receivable and the provision, and
- intends to settle on a net basis, or to realise the asset and settle the provision simultaneously.

Surplus leased premises
Provision is made for non-cancellable operating lease rentals payable on surplus leased premises when it is determined that no substantive future benefit will be obtained from its occupancy and the sub-lease rental income derived is less than the lease cost.
The estimate is calculated based on discounted net future cash flows, using the interest rate implicit in the lease or an estimate thereof.

		Consolidated	
		2005	2004
	Note	$'000	$'000
2 Revenue from ordinary activities			
Rendering of services revenue from operating activities		51,840	50,191
Other revenues:			
From operating activities			
Net foreign exchange gains/(losses)		(316)	48
Interest – other parties		175	201
Other income		1,510	2,339
Sale of Intellectual Property		558	333
From outside operating activities			
Gross proceeds from sale of non-current assets		19	85
Total other revenues		1,946	3,006
Total revenue from ordinary activities		**53,786**	**53,197**

	Note	Consolidated 2005 $'000	Consolidated 2004 $'000
3 Profit / (loss) from ordinary activities before income tax expense			
(a) Individually significant expenses / (revenues) included in profit / (loss) from ordinary activities before income tax expense:			
Write-off of Goodwill		3,603	0
Sale of intellectual property		(558)	(333)
Legal / Settlement costs		0	895
Provision for surplus lease space		572	0
		3,617	562
(b) Profit / (loss) from ordinary activities before income tax expense has been arrived at after charging / (crediting) the following items:			
Depreciation of:			
Plant and equipment	9	2,654	2,601
		2,654	2,601
Amortisation of:			
- Goodwill	10	1,059	1,118
- Software research and development	10	1,950	1,930
- Finance leased plant and equipment	9	304	92
		3,313	3,141
Total depreciation and amortisation		5,967	5,741
Borrowing costs:			
Other parties			
- finance charges on capitalised leases		171	143
- bank overdraft		10	0
- interest on deferred consideration		0	26
		181	169
Net bad and doubtful debts expense including movements in provision for doubtful debts		(154)	(115)
Net expense from movement in provision for employee entitlements		593	(14)
Net (gain) / loss on disposal of non-current assets:			
- Plant & equipment		18	36
Operating lease rental expense:			
- Minimum lease payments		4,954	5,145

	Note	Consolidated 2005 $'000	Consolidated 2004 $'000
4 Taxation			
Income tax expense / (benefit)			
Prima facie income tax expense / (benefit) calculated at 30% (2004: 30%) on the profit from ordinary activities		(1,396)	50
Increases in income tax expense due to:			
Amortisation of goodwill		315	315
Non deductible write off of goodwill on consolidation		1,081	0
Current year losses not brought to account		151	0
Non deductible expenditure		65	392
Decrease in income tax expense due to:			
Research and development allowances		(660)	(180)
Prior year under/(over) provision		(9)	0
Prior period R & D allowances not previously brought to account		(321)	0
Non assessable income		(82)	(29)
Income tax expense / (benefit) on the profit / (loss) from ordinary activities before individually significant income tax items		(856)	548
Individually significant income tax items:			
Tax losses and timing differences of controlled entities recognised as a future income tax benefit (net)		(360)	(1,211)
Tax losses and timing differences of controlled entities no longer carried forward as a future income tax benefit		0	294
		(1,216)	(369)
Income tax over provided in prior year		0	(116)
Income tax expense/(benefit) attributable to profit / (loss) from ordinary activities		(1,216)	(485)

5 Earnings per share

	2005 $'000	2004 $'000
Earnings reconciliation		
Basic earnings / (loss) - ordinary shares	(3,436)	651
Adjustments	3	2
Diluted earnings / (loss) - ordinary shares	(3,433)	653

	2005 number	2004 number
Weighted average number of shares used as the denominator		
Number for basic earnings per share - ordinary shares	114,204,086	111,703,324
Number for diluted earnings per share - ordinary shares	115,494,086	112,363,324
Basic earnings / (loss) per share	($0.030)	$0.006
Diluted earnings / (loss) per share	($0.030)	$0.006

	Note	Consolidated 2005 $'000	Consolidated 2004 $'000
6 Cash assets			
Cash at bank and on hand		879	3,249
Bank short term deposits		8	374
		887	3,623
7 Receivables			
Current			
Trade debtors		4,087	4,293
Less: Provision for doubtful debts		(24)	(59)
		4,063	4,233
Sundry debtors		1,408	1,042
		5,471	5,275
Non-current			
Term debtor		893	1,179
		893	1,179

The weighted average effective interest rate on the term debtor is 8.25% (2004: 8.25%) at 30 June 2005.

	Note	Consolidated 2005 $'000	Consolidated 2004 $'000
8 Other assets			
Current			
Prepayments		1,110	1,204
Accrued revenue		1,653	613
		2,763	1,817
Non-current			
Accrued revenue		35	155
		35	155

	Note	Consolidated 2005 $'000	Consolidated 2004 $'000
9 Plant and equipment			
Plant and equipment, at cost		20,766	27,027
Accumulated depreciation		(15,088)	(20,246)
		5,678	6,781
Finance leased plant and equipment, at cost		3,762	297
Accumulated amortisation		(2,694)	(259)
		1,068	38
Total plant and equipment at net book value		6,746	6,819

Reconciliations
Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

	2005 $'000	2004 $'000
Plant and equipment		
Carrying amount at beginning of year	6,781	8,213
Additions	1,609	1,308
Disposals	(37)	(120)
Depreciation	(2,654)	(2,601)
Foreign exchange adjustment	(21)	(19)
Carrying amount at end of year	5,678	6,781
Finance leased plant and equipment		
Carrying amount at beginning of year	38	130
Additions	1,334	0
Disposals	0	0
Amortisation	(304)	(92)
Carrying amount at end of year	1,068	38

	2005 $'000	2004 $'000
10 Intangible assets		
Goodwill, at cost	18,479	23,005
Accumulated amortisation	(5,743)	(5,569)
	12,736	17,436
Software research and development, at cost	15,900	11,967
Accumulated amortisation	(8,207)	(6,256)
	7,693	5,711
Total intangible assets	20,429	23,147

In a release to the Australian Stock Exchange on 3 June 2005 the company announced its intention to concentrate its international growth strategies on the energy markets of Europe and Asia and as a result restricting its pro active marketing activities in the USA. In light of this decision and in compliance with the requirements of the Australian and International Accounting Standards the carrying value of Goodwill on Consolidation for Hansen's USA business was reassessed. As a result a one-off write-down of the written down value of the USA Goodwill on Consolidation of $3.6 Million. has been charged against this fiscal years results. This adjustment is an accounting book entry only and has no cash related consequence.

	Note	Consolidated 2005 $'000	Consolidated 2004 $'000
Reconciliation of goodwill at cost			
Goodwill at cost at beginning of year		23,005	23,317
Increase/(Decrease) due to acquisition adjustments relating to previously acquired entities		0	(312)
Current year write down		(4,488)	0
Foreign exchange adjustment		(38)	0
Goodwill at cost at end of year		18,479	23,005
Accumulated amortisation at beginning of year		(5,569)	(4,450)
Current year charge		(1,059)	(1,118)
Current year write down		885	0
Accumulated amortisation at end of year		(5,743)	(5,569)
Reconciliation of software research and development at cost			
Software research and development at cost at beginning of year		11,967	9,967
Expenditure capitalised in current period		3,933	2,000
Current year write down		0	0
Accumulated amortisation prior to the software research and development write-down netted-off		0	0
Software research and development at cost at end of year		15,900	11,967
Accumulated amortisation at beginning of year		(6,256)	(4,326)
Current year charge		(1,950)	(1,930)
Accumulated amortisation prior to the software research and development write-down netted-off		0	0
		(8,207)	(6,256)

11 Payables

		2005 $'000	2004 $'000
Current			
Trade creditors		2,188	1,746
Other creditors and accruals		2,483	3,178
Other related parties		0	19
		4,671	4,943
Non-current			
Other creditors and accruals		0	300
		0	300

12 Interest bearing liabilities

		2005 $'000	2004 $'000
Current			
Hire purchase liability		363	299
Finance lease liability		599	257
		962	556
Non-current			
Hire purchase liability		395	500
Finance lease liability		782	393
		1,177	893

	Note	Consolidated 2005 $'000	Consolidated 2004 $'000
13 Provisions			
Current			
Employee benefits		3,910	3,446
Deferred consideration		0	223
Other		337	344
		4,247	4,013
Non-current			
Employee benefits		282	153
Other		339	0
		621	153

Reconciliations

Reconciliations of the carrying amounts of each class of provision, except for the employee benefits provision, are set out below:

	2005 $'000	2004 $'000
Deferred consideration - current		
Carrying amount at beginning of year	223	669
Provisions made during the year	0	(123)
Payments made during the year	(223)	(628)
Transfer from non-current deferred consideration	0	301
Foreign exchange adjustment	0	4
Carrying amount at end of year	0	223
Provision for restructuring		
Carrying amount at beginning of year	0	363
Provisions made during the year	0	0
Payments made during the year	0	(363)
Carrying amount at end of year	0	0
Deferred consideration - non-current		
Carrying amount at beginning of year	0	301
Provisions made during the year	0	0
Payments made during the year	0	0
Transfer to current deferred consideration	0	(301)
Carrying amount at end of year	0	0
Provisions other - current		
Carrying amount at beginning of year	344	660
Provisions made during the year - liquidation & occupancy costs	233	0
Adjustments made during the year	(158)	0
Payments made during the year	(81)	(316)
Carrying amount at end of year	337	344
Provisions other – non-current		
Carrying amount at beginning of year	0	0
Provisions made during the year - occupancy costs	339	0
Adjustments made during the year	0	0
Payments made during the year	0	0
Carrying amount at end of year	339	0

	Note	Consolidated 2005 $'000	Consolidated 2004 $'000
14 Other liabilities			
Current			
Deferred income		3,160	3,438
		3,160	3,438
15 Contributed equity			
Share capital			
116,426,968 (2004: 112,014,565) ordinary shares, fully paid		43,452	96,158
Movements during the year			
Balance at beginning of year		96,158	95,752
(2004: 212,314 shares issued to settle liability arising from purchase of intellectual property)		0	333
2,264,426 shares issued under Dividend Reinvestment Plan (2004: Nil)		736	0
1,579,563 shares issued under Dividend Reinvestment Plan (2004: Nil)		742	0
568,414 shares issued under Employee Share Plan (2004: 350,960 shares issued under Employee Share Plan)		154	73
Capital Reduction *		(54,331)	0
Transaction costs on issue of shares		(7)	(2)
Balance at end of year		43,452	96,158

* In accordance with a resolution of shareholders the Company's contributed equity (issued and paid up share capital) was reduced by $54.331 million with a corresponding amount off set against the Company's accumulated losses.

	Note	Consolidated 2005 $'000	Consolidated 2004 $'000
16 Reserves			
Foreign currency translation		(480)	(478)
Movement in foreign currency translation reserve during the year			
Balance at beginning of year		(478)	(444)
Net translation adjustment		(2)	(33)
Balance at end of year		(480)	(478)

Nature and purpose of reserve
The foreign currency translation reserve records the foreign currency differences arising from the translation of self-sustaining foreign operations. Refer to accounting policy Note 1(e).

	Note	Consolidated 2005 $'000	Consolidated 2004 $'000
17 Retained profits / (accumulated losses)			
Retained profits / (accumulated losses) at beginning of year		(66,905)	(67,556)
Capital Reduction	15	54,331	0
Dividends Paid		(2,263)	0
Net profit / (loss) attributable to members of the parent entity		(3,436)	651
Accumulated losses at end of year		(18,273)	(66,905)

		Consolidated	
		2005	2004
	Note	$'000	$'000
18 Total equity reconciliation			
Total equity at beginning of year		28,775	27,752
Total changes in parent entity interest in equity recognised in statement of financial performance		(3,439)	618
Transaction with owners as owners:		0	0
Contribution of equity		1,625	405
Dividends Paid		(2,263)	0
Total equity at end of year		24,699	28,775

19 Dividends

2005
On the 26 August 2004 the directors declared, out of the profits to
30 June 2004, a final dividend of 1 cent per share fully franked, payable
on 23 September 2004 to shareholders on the register at 9 September 2004.
Also on the 17th February 2005 the directors declared an interim dividend of
1 cent per share partially franked to 0.12 cents (12%) per share.
There was no interim Dividend in the 2003/04.

2004
No dividends were paid or declared in the 2003/04 year.

20 Segment Reporting

	Billing		IT Outsourcing		Other		Consolidated	
	2005	2004	2005	2004	2005	2004	2005	2004
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue								
External segment revenue	25,330	24,427	22,988	22,432	4,080	3,332	52,398	50,191
Other unallocated revenue							1,388	3,005
Total revenue							53,786	53,197
Result								
Segment result	(1,138)	2,604	1,938	2,708	1,322	2,331	2,122	7,643
Unallocated corporate expenses							(6,773)	(7,477)
Profit / (loss) from ordinary activities before income tax							(4,652)	166
Income tax (expense) / benefit							1,216	485
Net profit / (loss)							(3,436)	651
Depreciation and amortisation	2,834	2,914	1,876	1,605	58	22	4,769	4,541
Depreciation and amortisation - unallocated							1,199	1,200
							5,967	5,741
Segment result is inclusive of some individually significant items.								
Individually significant segment items								
Write Off of Goodwill	(3,604)	0	0	0	0	0	(3,604)	0
Legal / Settlement costs	0	(895)	0	0	0	0	0	(895)
Provision for surplus lease space	0	0	572	0	0	0	572	0
Sale of intellectual property (Other Unallocated Revenue)	0	0	0	0	0	0	558	333
Assets								
Segment assets	19,458	20,784	8,274	9,549	1,064	974	28,796	31,307
Unallocated corporate assets							13,439	13,762
Consolidated total assets							42,235	45,069
Liabilities								
Segment liabilities	8,261	7,086	7,134	6,996	882	685	16,278	14,767
Unallocated corporate liabilities							1,258	1,527
Consolidated total liabilities							17,536	16,294
Acquisition of non-current assets	1,553	1,003	1,325	260	43	44	2,921	1,308

ASX RELEASE

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1 September 2005

A period of consolidation and product development

Hansen Technologies Limited (ASX:HSN), today announces that the previously advised slow down in growth in the second half of the fiscal year restricted operating revenue growth to 3% year on year. During the second half of the year the company undertook considerable development of the next generation of its proprietary HUB billing software to extend the solution offering to Australian and international energy industry customers. Although this development activity opened up new international market opportunities it had the affect of limiting the short term margin generation of the business and as a result the Group's pre write-down, Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) of $5.3 million was $0.6 million lower than for 2003/4.

In June 2005 Hansen announced its intention to restrict its USA energy industry marketing activities and as a consequence a $3.6 million non cash related write-off of goodwill was foreshadowed. The resulting after tax loss was $3.4 million compared with a profit in 2003/4 of $0.6 million. In light of this result the Directors have decided not to declare a final dividend.

Revenue from Hansen's core proprietary utilities billing software, HUB, continues to grow. During the year an investment was made into rolling out HUB to the international market. The margin from the initial international projects was less than we would normally target but reflects the investment necessary to establish HUB as a core system for these key customers and to secure longer term profitable relationships. Also during the year we concentrated our energies on the implementation of the latest version of HUB. The increasing size and complexity of the new projects have resulted in a short-term impact on profit, but they represented the catalyst for enhancements to our processes and procedures which will deliver a stronger more sustainable base upon which to grow.

Mr Andrew Hansen, Managing Director, said: "The second half of this year has been a period of consolidation for the Group. The reduced operating result was disappointing but there have been a number of positive developments which position the company well for the future;

- We have continued to grow our HUB Revenue while also enhancing the product technically and extending the functional areas which it can service within the energy industry.

- We have been successful in delivering our HUB Billing software into the Japanese and European energy markets.
- Our outsourcing business continues to provide an alternate platform for HUB as well as a stable platform for business growth, development of annuity revenue streams and the opportunity to offer to all customers a full IT service capability.
- The expansion of our involvement in superannuation administration software and asset management solutions is an encouraging development.
- We are beginning to see the re-emergence of some telecommunications opportunities."

Results for the year to 30 June	**2005 $A million**	**2004 $A million**
Operating revenue	51.8	50.2
Other revenue	2.0	3.0
Total revenue	53.8	53.2
EBITDA - pre write-down	5.2	5.9
Depreciation and amortisation	(5.0)	(4.7)
EBITA – pre write-down	0.2	1.2
Goodwill amortisation	(1.0)	(1.0)
EBIT – pre-write down	(0.8)	0.2
Net interest income/(expense)	(0.2)	0.0
Profit before tax – pre write-down	(1.0)	0.2
Write-down – USA Goodwill	(3.6)	0.0
Income Tax credit	1.2	0.4
Net profit	(3.4)	0.6

Billing systems

We continue to be strongly focused on:

- consolidating our strong market position in Australia; and
- achieving controlled expansion into deregulating utility markets internationally.

The outlook within the Australian energy markets is strong and we are well positioned to maintain our leadership in this market space.

During the year Hansen, in conjunction with our Japanese distributor, Toshiba Solutions, developed and delivered the HUB billing solution for its first two customers in the Japanese electricity market. The Japanese electricity market is due to be deregulated over the next two years and further opportunities within this industry in Japan are expected to develop. Furthermore the gas utility market in Japan is in the process of deregulating and Hansen's Japanese adapted billing solution and positive market presence should position us well for opportunities in this market.

Our electricity billing project for Scottish Power in the United Kingdom is on track and additional energy industry opportunities in Europe are emerging.

As previously advised, due to increasing opportunities in Asia and Europe, Hansen decided to restrict its pro-active energy industry marketing activities in the USA. We continue to maintain our product delivery and customer support capability in the USA as well as a capacity to respond to market driven opportunities.

Outsourcing

All major contracts re-tendered during the year were renewed.

Hansen's outsourcing presence in Victoria and New South Wales continues to provide a platform for expansion of the HubFM facilities managed utility billing option and also allows Hansen to offer a full turn key services solution.

Other Software Revenue

Earlier this week Hansen announced the expansion of our services activities in the superannuation industry with the signing of two significant agreements to provide the CLASSIC superannuation administration software to Vision Super and Future Plus Financial Services. We are optimistic that CLASSIC will become a popular solution for superannuation administrators of accumulation and defined benefit funds.

Hansen's proprietary whole of life asset management software product, ASSET LIFE, which has been traditionally marketed towards urban and rural water authorities, is emerging as a genuine offering for major infrastructure management in local government and the construction industry in general.

Outlook

Mr Hansen said: "I remain confident in the direction our company is heading. Our focus is unchanged. The results for the second half of this year were not as positive as I would have liked but we have been successful in achieving strong progress in the evolution of our proprietary billing systems and have expanded considerably the solutions we can deliver to energy industry customers. We have made strong inroads into the energy billing markets in Japan and Europe whilst maintaining our leadership position in Australia.

The marketing activities over the past year and the enhancements to the software offering have positioned Hansen to benefit from the growing international trend towards deregulation of the energy markets.

Our outsourcing services business provides the solid foundation for the full service nature of our software business. The opportunities for our other software products are growing. I am especially excited about the opportunities for CLASSIC within the superannuation industry.

I expect the first half of Fiscal 2006 to be a continuation of the consolidation of our business. Major new opportunities are being developed which should deliver a solid performance in the second half."

#ends#

About Hansen

Hansen Technologies Limited is a leading provider of proprietary billing solutions and IT outsourcing services. Its flagship HUB billing software has application across the Telecommunication, Electricity, Gas and Water industries. HUB is increasingly providing the solution to the needs of energy companies as the push towards utility market deregulation expands. Hansen also provide facilities managed and outsourcing services from its purpose-built data centres located in Melbourne and Sydney. Founded in 1971, Hansen has offices in Australia, the United Kingdom and the United States.

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