2007 ANNUAL REPORT

HANSEN TECHNOLOGIES

HANSEN TECHNOLOGIES LIMITED
ABN 90 090 996 455

2007 Annual Report

Company Profile

Hansen Technologies is a leading provider of billing systems and IT outsourcing services, with customers around the world. Hansen's HUB billing software is used by companies in the telecommunications, electricity, gas and water industries and is particularly relevant to the needs of energy companies in markets that are being deregulated.
Hansen also provides facilities management and outsourcing services from its purpose-built data centres in Melbourne as well as superannuation administration software.

The company prides itself on long-term relationships with its customers, many of whom have renewed their contracts several times.

We have an experienced management team, supported by dedicated and highly capable business and technical experts who have extensive knowledge of the telecommunications and energy industries. Our IT professionals are skilled in the development and delivery of software systems and management of large-scale, multi-tiered projects.

Founded in 1971, Hansen has offices in Australia and the United Kingdom and employs more than 200 people.

Notice of Annual General Meeting

The Annual General Meeting of the Company is to be held:

ON Wednesday 14 November 2007 at 11.00am

AT 2 Frederick Street, Doncaster, Victoria 3108

A separate Notice of Meeting and Proxy Form are included with this report.

Highlights

- EBITDA of $8.9 million
- After tax profit of $3.3 million
- 1 cent per share unfranked final dividend
- 3 cents per share additional return to shareholders in December 2007
- Doubling of UK revenue
- $11.9 million cash on hand at 30 June 2007

Chairman's Report

I am delighted to report on a significantly improved operating result which begins to deliver on the promise which comes from our position as an international provider of billing solutions to the energy and telecommunication industries.

Five years ago we set out to refocus our company based around our vision of the strategic changes underway in the energy and telecommunication industries and our ability to deliver comprehensive billing solutions consistent with these changes. Our objective was sustainable growth and profitability. This year's strong performance validates our business direction and I remain confident we are on the right path.

We are fortunate at Hansen Technologies to have a dedicated and truly professional group of employees. Our improved operating result is very much a consequence of the loyalty of our team, their industry experience and dedication to our strategic objectives. I wish to record my appreciation on behalf of the Board of Directors and fellow shareholders for the commitment and professionalism of our company's employees and thank them all for a job well done.

Our earnings before interest, tax, and depreciation (EBITDA) of $8.9 million is a 63% improvement on last year's $5.4 million. More significantly, net profit has grown to $3.3 million, up 357% on last year's $0.7 million.

This improvement in performance has been achieved in spite of a $1.1 million reduction in the capitalisation of our R and D which has resulted in the amortisation of our R and D this year exceeding the amount capitalised by $0.7 million, making improved performance for the year even more credible.

Even more significantly, for an information technology company, we are generating a positive cash flow from operations resulting in a substantially stronger balance sheet with cash on hand at 30 June 2007 of $11.9 million.

I am truly pleased to announce the reintroduction of a dividend. We have paid a final dividend of 1 cent per share in respect of this past year. In addition, we have announced our intention to seek approval from shareholders at November's annual general meeting for a return of capital equal to 3 cents per share. In the mean time we will be making an application to the Australian taxation office for confirmation that this return of capital will be non taxable in the hands of shareholders. In September 2005 we raised $6.4 million from shareholders through a rights issue and I am pleased we are now able to return $4.5 million of this amount as being surplus to our Company's current requirements.

This year's strong performance continues the trend which started in the second half of last year. We have now achieved a steady improvement over an 18 month period and the outlook for the next 12 months is equally positive.

My confidence in our future continues to grow. Deregulation is ongoing in the Australian energy markets with Western Australia and Queensland being the active regions this past year. The NSW Government has now demonstrated clear intent to begin deregulation of the NSW energy markets. Rationalisation of Australian energy market participants has been clearly apparent over this last year with the restructuring of the Alinta and AGL businesses as well as the subsequent take over battle for Alinta. All of these market forces drive demand for billing solutions.

In addition we are now seeing the evolution of advanced metering solutions. Government regulatory bodies are becoming strong advocates of new metering solutions which offer the potential for efficiencies in energy generation and environmental benefits. Automated Interval Metering solutions are being implemented and this trend is likely to accelerate over coming years. Billing systems need to keep pace with these technology changes. At Hansen we are working with the regulatory bodies and our customers to ensure we are ready to deliver the appropriate billing solutions to accommodate these technology advances.

In the telecommunications industry we are seeing the continuation of product convergence and structural change. We are excited to be involved in delivering innovative new billing solutions into these market conditions.

Kenneth Hansen
Chairman

We continue to be well positioned in the Japanese energy market. I am confident that when deregulation accelerates in Japan we will be ready to deliver our billing solutions to meet the demand which will arise. However, major new billing opportunities in Japan are not likely to be until fiscal 2009 and beyond.

Our UK business has grown significantly in the past year. Revenue has doubled. We have recruited new senior management, doubled our office size and significantly increased our capacity to manage and deliver ongoing growth. We have an excellent customer base and a great spring board for future opportunities.

In August 2007 we announced the sale of our NSW based facilities management and IT outsourcing business for a cash consideration of $10.5 million, which, after allowing for previously unrecognised capital tax losses and the tax cost base of this subsidiary within our consolidated tax group, is expected to generate an after tax profit exceeding $9 million. Our NSW business was very much a stand alone operation, complimentary to our Melbourne data centre operations, but not integrated in any way to our core businesses. The opportunity to crystalise the value of our NSW operations through sale of the business has generated the funds to allow us to explore strategic growth opportunities which are more aligned with our core businesses.

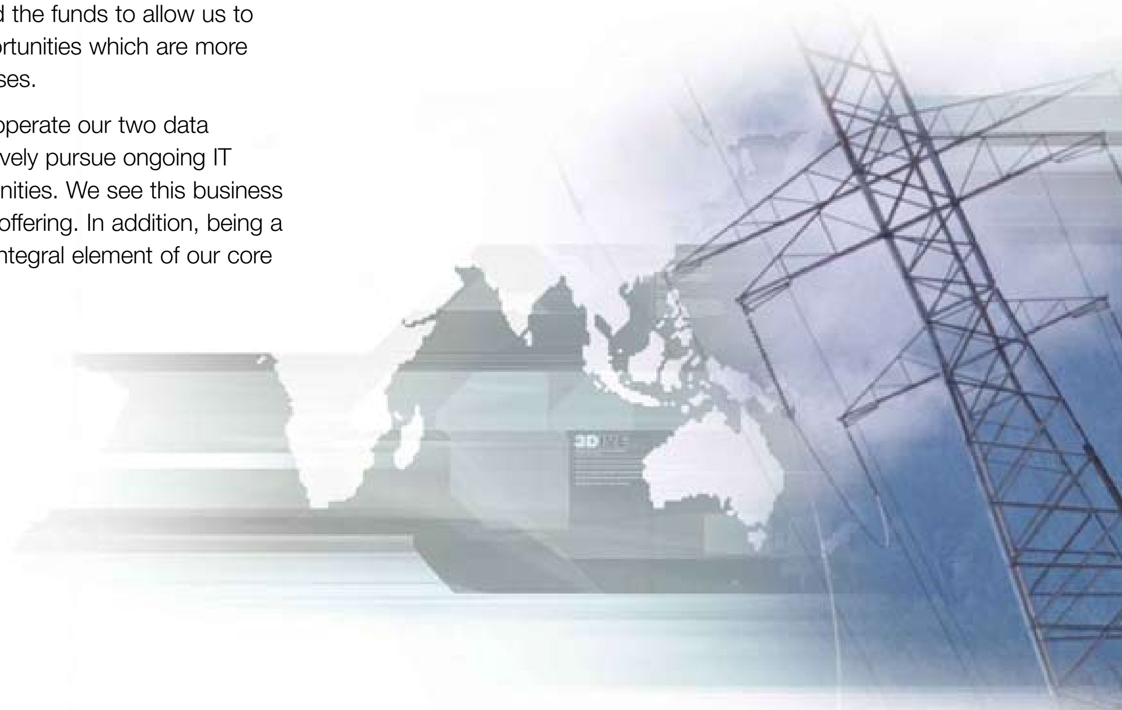
We will continue to own and operate our two data centres in Melbourne and actively pursue ongoing IT outsourcing business opportunities. We see this business as a critical element of our IT offering. In addition, being a full service IT company is an integral element of our core HUB billing business as well as a key part of our ongoing development and support of the CLASSIC superannuation administration software.

I believe the future for Hansen is bright. We are positioned in industries undergoing considerable change which we are well situated to support. We have the proprietary products our targeted industries require. We have an outstanding team of professionals working for us and we are cashed up and ready to grow both organically as well as strategically.

Last year I was cautiously optimistic about the future. This year we have validated our direction, delivered a strongly improved outcome and we have momentum going into next year. I am looking forward to a continuation of our sustainable growth objective.

K Hansen

Kenneth Hansen
Chairman



Managing Director's Report

2007 has been a landmark year for Hansen. We are now delivering tangible results from the repositioning of our business. Our focus on developing and delivering proprietary software solutions into our markets of choice is being validated by improved operating performances. We are a stronger company now, especially with the improved strength of our balance sheet. And we have a growing capacity to continue to pursue our objective of sustainable profitable growth.

Our company's reputation for a uniquely personal relationship with customers which combines high levels of responsive customer service with the delivery of superior technology solutions is a testament to the quality and dedication of our employees. I take great pride in our ability to attract and retain highly talented and motivated people. In the current tight labour markets we are proud that the average years of service for Hansen staff is more than double the industry average. I believe our customers recognise this value and see it as a positive testimony for the way we do business.

In fiscal year 2007, Hansen's financial performance improved at all levels across the organisation. I was especially pleased with the doubling of revenue from the United Kingdom. By focusing our attention on our core competencies we enhanced our delivery and support capabilities and improved our average rate of return on operating revenue.

	2007	2006
EBITDA	17.4%	10.9%
Net profit after tax	6.4%	1.4%

I am optimistic we will be able to continue to improve on these performance ratios in 2008 as we pursue the initial target ratio of 20% EBITDA to revenue.

As the fit for purpose nature of our Hansen Utility Billing solution (HUB) parallels the energy industry requirements we are able to implement HUB more efficiently, resulting in increasing returns from our past investment in the HUB solution. Because of our pro-active development of HUB we have been able, this past year, to rapidly deploy new billing solutions into the deregulating Queensland energy market for AGL and Australian Pipeline Trust within timeframes which would previously have been considered impossible.

We continue to invest in developing our HUB solution to meet the needs of the ongoing energy industry deregulation in Australia as well as the world wide trend towards smart and automated metering solutions. However, the rate of development required is slowing as a direct reflection of the increasing level of fit for purpose of the HUB solution. Capitalised expenditure on HUB decreased by $1.1 million to around $2 million for 2006/7. This rate of investment is half that which was required in the 2004/5 year. Be assured, however, that as industry trends and customer requirements dictate we will respond with a balanced level of research and development to ensure our proprietary solution remains relevant with the market trends.

Andrew Hansen
Managing Director & CEO

Last year I mentioned that opportunities are emerging again in the telecommunications industry. I am pleased to report that this trend is continuing, especially in the UK where the separation of wholesale service providers from resellers and the convergence of fixed line, mobile and data resellers is progressing. I was especially gratified that our strategic partner relationship with Tesco stores was further progressed with the selection of HUB to deliver an enhanced mobile phone billing solution for Tesco.

The sale of our asset management software (Asset Life) last calendar year plus the recently announced sale of the New South Wales data centre and IT outsourcing business (HPS) in August 2007 completes the strategy of rationalising our business embarked upon last year.

We are now primarily focused for growth -

- Through the delivery of proprietary software billing related solutions;
- With a full end to end solution capability, including hosting;
- Into the deregulating energy and converging telecommunication industries;
- In Australia, United Kingdom, Europe and Japan.

As an integral part of this service offering we continue to operate the A grade full service data centre in Melbourne and provide facilities management and IT outsourcing services to third parties. We also continue with our 15 plus years of supporting, developing and operation of the CLASSIC administration software for its Australian Superannuation Fund manager customers.

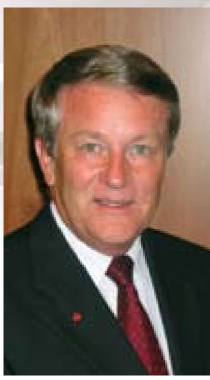
With the sale of HPS we now have the capacity to pursue strategic growth opportunities that are compatible with our utility and telecommunications industry focus. Throughout 2008, we will be examining the opportunity to acquire IT based solutions from third parties which will extend our geographic focus and product range as well as offer economies of scale improvements.

Looking ahead to fiscal year 2008, I see the markets on which we are focused continuing to undergo change driven by metering technology advances, deregulation, product convergence, as well as organisational change. Our challenge is to have the software products to service these developments and the resource capacity to efficiently deliver the solutions requested of us. I am confident we are well positioned, with the right products and an outstanding team of industry experts which will assure a successful year ahead.

We start the new year with a strong back log of work and an excellent pipeline of significant opportunities. I am looking forward to fiscal 2008.

Andrew Hansen
Managing Director & CEO



Board of Directors

The qualifications, experience and special responsibilities of each person who has been a director of Hansen Technologies Ltd at any time during or since the end of the financial year is provided below, together with details of the company secretary as at the year end.

Mr Kenneth Hansen Age 74

Chairman

Non-Executive Director

Over thirty years experience in the IT industry. Recognising the need for the safeguarding of computer records, Kenneth founded the business of Hansen in 1971 by establishing a facility in Australia providing offsite storage of computer media and records management.

- Chairman since 2000

Mr Andrew Hansen Age 47

Managing Director & CEO

Andrew has over 25 years experience in the IT industry, joining Hansen in 1990. Prior to Hansen he held senior management positions with Amfac-Chemdata, a software provider in the health industry. Andrew is responsible for formulating the strategic direction of the Company's growth into an established software solutions provider.

- Managing Director since 2000

Mr Bruce Adams Age 47

Non-Executive Director

Bruce Adams has over 15 years experience as a commercial lawyer. He has practised extensively in the areas of information technology law, mergers and acquisitions and has considerable experience advising listed public companies. In early 2002, after more than ten years as a partner of two Melbourne law firms, Bruce took up a position as general counsel of Club Assist Corporation Pty Ltd, a worldwide motoring club service provider. Bruce holds degrees in law and economics from Monash University.

- Director since 2000
- Chairman of Audit and Remuneration Committees

Mr David Osborne Age 58

Non-Executive Director

David is a Fellow of the Institute of Chartered Accountants, a Fellow of the Certified Practising Accountants, and a member of the Australian Institute of Company Directors, with over 30 years of financial management, taxation and accounting experience in public practice. David has a long standing association with Hansen having been a Board member for some years prior to the Company's listing on the ASX in June 2000.

- Member of Audit and Remuneration Committees

Mr Grant Lister Age 55

CFO & Company Secretary

Grant is a qualified Chartered Accountant with more than 25 years experience in senior financial management roles and 10 years experience in such roles within the IT industry in Australia, Asia and the USA. As CFO he has responsibility for all of the financial aspects of the Hansen Group's operations throughout the world. Grant joined the Hansen Group in 2002.

- CFO since 2002
- Company Secretary since 2004

Directors' Report

The Directors present their report together with the financial report of the consolidated entity consisting of Hansen Technologies Ltd and the entities it controlled, for the financial year ended 30 June 2007 and auditors report thereon. This financial report has been prepared in accordance with Australian Equivalents of International Financial Reporting Standards. Compliance with AIFRS ensures compliance with International Financial Reporting Standards (IFRS).

Principal activities

The principal activities of the consolidated entity during the course of the financial year were the development, integration and support of billing systems software for the telecommunications and utilities (gas, electricity and water) industries. Other activities undertaken by the consolidated entity include IT outsourcing services and the development of other specific software applications. There were no significant changes in the nature of the activities of the consolidated entity during the financial year.

Results

The consolidated profit after income tax attributable to the members of Hansen Technologies Ltd was $3,306,504 (2006: $724,361).

Review of operations

In the second half of this year we have been able to accelerate the improvement in our operating performances. We are now generating strong returns off the back of the development we have made in our proprietary billing solutions. Over the past year we have enjoyed a number of new project successes resulting in modest revenue growth. However much of the improvement in earnings has been through refocusing our products and enhancing our delivery capabilities.

Hansen's new business this year included a number of significant project wins across geographic and industry sectors including two new projects for the telecommunications division of Tesco in the UK as well as energy billing solutions for AGL and the Australian Pipeline Trust.

Customer interest in our HUB energy and telecommunication billing solutions continues to be strong with demand being generated from both existing as well as new customers in Australia and the UK. We believe we understand our strengths and these would seem to parallel the market demand.

The sale of the subsidiary, Hansen Professional Services Pty Ltd (HPS), subsequent to year end, completes the rationalisation of our business structure started last fiscal year. With the internal operational changes we have implemented and the enhanced delivery capacity in the UK, we are now ready to embark upon the next leg of the journey towards sustainable profitable growth.

Our balance sheet has been strengthened by this year's strong performance. The retained net cash proceeds from the sale of HPS will further enhance this position. In declaring a dividend and the proposed capital distribution to shareholders we have been mindful of retaining sufficient cash resources to be able to take advantage of strategic growth opportunities as well as the funding required for organic growth. As we pursue strategic change we have every intention of proceeding cautiously to ensure any actions we take build upon the strength of our basic business proposition.

We start fiscal year 2008 with a significant project work load and a solid pipeline of opportunities. We have developed the foundation required for growth within our targeted industry markets. We are confident of sustaining the momentum of this past year while we pursue the next stage of our strategic growth.

Significant changes in the state of affairs

There have been no significant changes in the consolidated entity's state of affairs during the financial year.

After balance date events

Subsequent to the year end and not reflected in these results the wholly owned subsidiary Hansen Professional Services Pty Ltd (HPS) was sold as a going concern for a cash consideration of $10.5 million. Until the final accounts of the subsidiary at the date of sale are finalised we are unable to confirm the profit from the sale. However based on preliminary estimates the profit is expected to exceed $9 million. In addition because of the availability of previously unrecognised capital tax losses and the tax cost base of the subsidiary within the consolidated tax group, there is not expected to be any related income tax expense.

Likely developments

The company will continue to pursue its operating strategy to create shareholder value. In the opinion of the Directors, disclosure of any further information would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulations

The consolidated entity's operations are not subject to any significant environmental Commonwealth or State regulations or laws.

Dividend paid, recommended and declared

A one cent per share unfranked final dividend was declared on 31 August 2007. In addition a resolution is to be put to shareholders at the annual general meeting for a 3 cent per share return of capital to shareholders.

Share options

Options over unissued ordinary shares granted by Hansen Technologies Ltd during or since the end of the financial year to the 5 key management personnel as part of their renumeration are as follows. No options were granted to Directors during or since the end of the financial year.

.	Granted Number	Grant Date
C Hunter	75,000	1 Jul 06
	75,000	1 Jul 07
G Kentish	40,000	1 Jul 06
	40,000	1 Jul 07
G Lister	75,000	1 Jul 06
	75,000	1 Jul 07
D Meade	75,000	1 Jul 06
	75,000	1 Jul 07
K Speyer	-	1 Jul 06
	-	1 Jul 07
Total	530,000	

All grants of options are subject to the achievement of performance measurements for the year of issue. Subject to continuation of employment, options vest 3 years after issue date. If the vesting criteria are not met the options may be forfeited at the discretion of the Directors. Vested options expire after two years or 28 days after termination of employment.

Shares under option

Unissued ordinary shares of Hansen Technologies Ltd under option at the date of this report are as follows:

Grant Date	Exercise Date	Expiry Date	Exercise Price $	Number of Options at Date of Report
1 Jul 03	1 Jul 06	1 Jul 08	$0.19	95,000
1 Jul 04	1 Jul 07	1 Jul 09	$0.20	115,000
1 Jul 05	1 Jul 08	1 Jul 10	$0.28	305,000
1 Jul 06	1 Jul 09	1 Jul 11	$0.13	305,000
1 Nov 06	1 Nov 09	1 Nov 11	$0.13	75,000
1 Jul 07	1 Jul 10	1 Jul 12	$0.285	500,000
TOTAL				1,395,000

If the Company makes a bonus issue of securities to ordinary shareholders, each unexercised option will, on exercise, entitle its holder to receive the bonus securities as if the option had been exercised before the record date for the bonus issue.

Shares issued on exercise of options

There were no ordinary shares of Hansen Technologies Ltd issued during the financial year as a result of the exercise of an option.

There have been 680,000 ordinary shares of Hansen Technologies Ltd issued since the end of the financial year and prior to the date of this report as a result of the exercise of employee share options.

Indemnification and insurance of Directors, Officers and Auditors

Indemnification

The Company has agreed to indemnify all the current and former Directors and Officers of the Company and its controlled entities against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors and Officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses. The Company has not entered into any agreement to indemnify its auditors against any claims that might be made by third parties arising from their report on the annual financial report.

Insurance premiums

Since the end of the previous financial year, the Company has paid insurance premiums in respect of Directors' and Officers' liability and legal expenses, insurance policies for current and former Directors and Officers, including executive Officers of the Company and Directors, executive Officers and secretaries of its controlled entities. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and Officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contract.

Directors' meetings

The number of meetings of the Board of Directors and of each board committee held during the financial year and the numbers of meetings attended by each director were:

	Board Meetings		Audit Committee Meetings		Remuneration Committee Meetings	
	A	B	A	B	A	B
Mr Kenneth Hansen	11	11	-	-	-	-
Mr Andrew Hansen	11	11	-	-	-	-
Mr Bruce Adams	11	11	3	3	1	1
Mr David Osborne	11	11	3	3	1	1

A Number of meetings attended

B Number of meetings held during the time the Director held office during the year

Directors' interests in shares and options

Director's relevant interest in shares of Hansen Technologies Ltd or options over shares in the company are detailed below:

	Ordinary Shares of Hansen Technologies Ltd	Options Over Shares in Hansen Technologies Ltd
K Hansen	93,721,279	-
B Adams	210,049	-
D Osborne	218,676	-
A Hansen	11,421,522	-

Directors' interests in contracts

Directors' interests in contracts with the Company are limited to the provision of leased premises on an arm's length terms and are disclosed in Note 23 to the financial statements.

Auditor's independence declaration

A copy of the auditor's independence declaration in relation to the audit for the financial year is provided with this report.

Non-audit services

Non-audit services are approved by resolution of the Audit Committee and approval is provided in writing to the Board of Directors. Non-audit services provided by the auditors of the consolidated entity during the year, Pitcher Partners, are detailed below. The Directors are satisfied that the provision of the non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Amounts paid or payable to an auditor for non-audit services provided during the year by the auditor to any entity that is part of the consolidated entity for:

	Consolidated	
	2007 $'000	2006 $'000
Auditors of the Company		
Australia		
- Tax related services	55	50
Overseas Firms		
- Tax related services	27	32
	82	82

Remuneration Report

Remuneration Policies

The Remuneration Committee is responsible for making recommendations to the Board on remuneration policies and packages applicable to the Board members and senior executives of the Company. The remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality. Executive directors and senior executives may receive bonuses and options at the absolute discretion of the Directors. All bonuses are subject to the achievement of specified key performance indicators which vary from executive to executive but are all targeted at enhanced operating performance and agreed corporate objectives. Options issued are conditional upon the Group achieving budgeted performance levels for the year of issue and are further subject to continuous employment through to the third anniversary of the issue date. Non-Executive Directors do not receive any performance related remuneration.

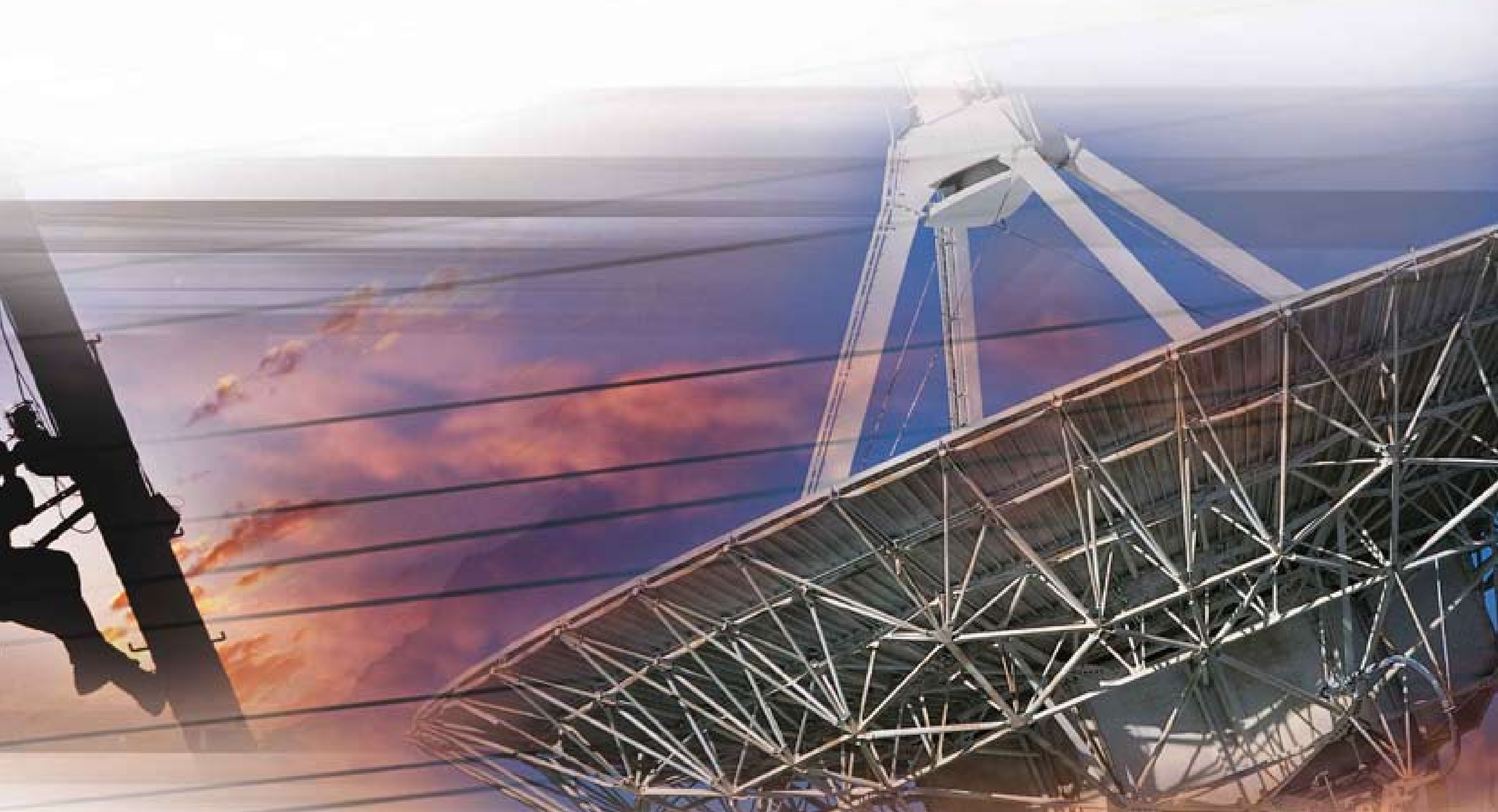
The names and positions of each person who held the position of director at any time during the financial year is provided on page 6 of this report. The other five key management personnel in the consolidated group for the financial year are:

Executives	Position
C Hunter	Chief Operations Officer
G Kentish	General Manager, Hansen Europe
G Lister	Chief Financial Officer & Company Secretary
D Meade	Client Services Manager
K Speyer	General Manager, Hansen Professional Services

Directors' and executives' remuneration	Short-Term Employee Benefits			Post Employment Benefits	Share Based Benefits	Other Long-Term Benefits			
	Salary Fees 2007 $	Cash Bonus 2007 $	Non-Monetary 2007 $	Super 2007 $	Options Issued 2007	Other Benefits 2007	Total 2007 $	Total Performance Related 2007 %	Total Options Related 2007 %
Directors									
K Hansen	70,648	-	-	-	-	-	70,648	0%	0%
B Adams	37,037	-	-	3,333	-	-	40,370	0%	0%
D Osborne	37,037	-	-	3,333	-	-	40,370	0%	0%
A Hansen	351,697	72,477	31,650	38,176	-	-	494,000	15%	0%
Executives									
C Hunter	150,274	18,349	11,202	14,795	3,026	-	197,646	11%	2%
G Kentish	258,120	-	-	-	1,614	-	259,734	1%	1%
G Lister	219,266	36,697	-	28,830	3,026	-	287,819	14%	1%
D Meade	117,478	13,761	36,948	11,812	3,026	-	183,025	9%	2%
K Speyer	129,878	18,349	-	13,340	-	-	161,567	11%	0%
	2006 $	2006 $	2006 $	2006 $	2006	2006	2006 $	2006 %	2006 %
Directors									
K Hansen	64,815	-	-	5,833	-	-	70,648	0%	0%
G Tomlinson	30,864	-	-	2,778	-	-	33,642	0%	0%
B Adams	37,037	-	-	3,333	-	-	40,370	0%	0%
D Osborne	12,345	-	-	1,111	-	-	13,456	0%	0%
A Hansen	333,349	-	31,650	30,001	-	-	395,000	0%	0%
Executives									
P Day	58,444	-	5,543	8,064	-	-	72,051	0%	0%
C Hunter	137,242	18,349	13,157	13,828	8,577	-	191,153	14%	4%
G Kentish	219,912	-	-	-	-	-	219,912	0%	0%
G Lister	211,009	18,349	-	20,642	8,577	-	258,577	10%	3%
J Payne	154,128	27,523	-	16,349	8,577	-	206,577	17%	4%

Bonuses are paid in the August or September payroll after the financial results for the prior year have been determined to ensure the performance measurements have been achieved.

Options granted as remuneration are valued at grant date in accordance with AASB 2 Share-based Payments.



Options granted as remuneration that have been exercised or lapsed during the financial year

	Balance 1 Jul 06	Value Granted	Value Exercised	Value Lapsed	Balance 30 Jun 07
Directors					
K Hansen	-	-	-	-	-
D Osborne	-	-	-	-	-
B Adams	-	-	-	-	-
A Hansen	117,000	-	-	117,000	-
Executives					
C Hunter	78,927	3,026	-	58,500	23,453
G Kentish	-	1,614	-	-	1,614
G Lister	20,427	3,026	-	-	23,453
D Meade	36,027	3,026	-	15,600	23,453
K Speyer	-	-	-	-	-
Total	252,381	10,690	-	191,100	71,971

Rounding off

The amounts contained in the report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

Dated at Melbourne this 28th day of September 2007.
Signed in accordance with a resolution of the Directors:

Kenneth Hansen
Director

Andrew Hansen
Director

Auditor's independence declaration

To the Directors of Hansen Technologies Ltd.

PITCHER PARTNERS

In relation to the independent audit for the year ended 30 June 2007, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the Corporations Act 2001
(ii) No contraventions of any applicable code of professional conduct

Dated at Melbourne this 28th day of September 2007.

PITCHER PARTNERS
Melbourne

D B RANKIN
Partner

Financial statements and notes

Consolidated income statement
For the year ended 30 June 2007

	Note	Consolidated Entity 2007 $'000	Consolidated Entity 2006 $'000	Parent Entity 2007 $'000	Parent Entity 2006 $'000
Revenue from rendering of services	3	51,091	49,482	-	-
Other revenues	3	1,497	1,768	986	799
Total revenue		52,588	51,250	986	799
Employee expenses	4	(27,146)	(29,436)	(808)	(639)
Depreciation and amortisation expenses	4	(5,039)	(5,140)	-	(17)
Finance costs	4	228	(184)	-	(5)
Operating lease rental expenses	4	(3,405)	(3,255)	-	-
Contractor and consultant expenses		(1,355)	(2,595)	(41)	(76)
Software licence expenses		(221)	(276)	-	-
Hardware and software expenses		(5,597)	(5,424)	-	-
Transportation expenses		(171)	(199)	-	(15)
Travel expenses		(1,209)	(966)	(1)	-
Data communication expenses		(2,723)	(3,249)	-	-
Legal expenses		(132)	94	-	138
Other expenses	4	(1,370)	(285)	(101)	(87)
		(48,140)	(50,915)	(951)	(701)
Profit before income tax		4,448	335	35	98
Income tax benefit / (expense)	5	(1,141)	389	(2)	(963)
Profit (loss) from continuing operations for the year attributable to the members of the parent		3,307	724	33	(865)
Basic earnings per share	19	$0.022	$0.005		
Diluted earnings per share	19	$0.022	$0.005		

The consolidated income statement is to be read in conjunction with the notes to the financial statements set out on pages 18 to 42.

HANSEN TECHNOLOGIES

Consolidated balance sheet
as at 30 June 2007

	Note	Consolidated Entity 2007 $'000	Consolidated Entity 2006 $'000	Parent Entity 2007 $'000	Parent Entity 2006 $'000
Current assets					
Cash and cash equivalents		11,958	6,895	15	9
Receivables	7	8,422	7,934	33	58
Other current assets	9	1,441	1,838	5	5
Total current assets		21,821	16,667	53	72
Non-current assets					
Receivables	7	153	243	32,907	32,786
Other financial assets	8	-	-	11,000	11,000
Plant and equipment	10	4,182	4,700	-	-
Intangible assets	11	21,224	21,952	-	-
Deferred tax assets	5	1,597	2,728	1,913	3,558
Total non-current assets		27,156	29,623	45,820	47,344
Total assets		48,977	46,290	45,873	47,416
Current liabilities					
Payables	12	4,866	4,245	206	125
Short-term borrowings	13	320	835	-	-
Current tax payable	5	6	-	-	-
Short-term provisions	14	3,879	4,100	150	113
Unearned income		3,115	3,399	-	-
Total current liabilities		12,186	12,579	356	238
Non-current liabilities					
Payables	12	-	-	4,518	6,419
Long-term borrowings	13	61	330	-	-
Long-term provisions	14	504	555	-	-
Total non-current liabilities		565	885	4,518	6,419
Total liabilities		12,751	13,464	4,874	6,657
Net assets		36,226	32,826	40,999	40,759
Equity					
Contributed equity	15	50,048	49,958	50,048	49,958
Foreign currency translation reserve	16 (a)	(448)	(425)	-	-
Options granted reserve	16 (b)	117	91	117	-
Retained earnings (accumulated losses)	16 (c)	(13,491)	(16,798)	(9,166)	(9,199)
Total equity		36,226	32,826	40,999	40,759

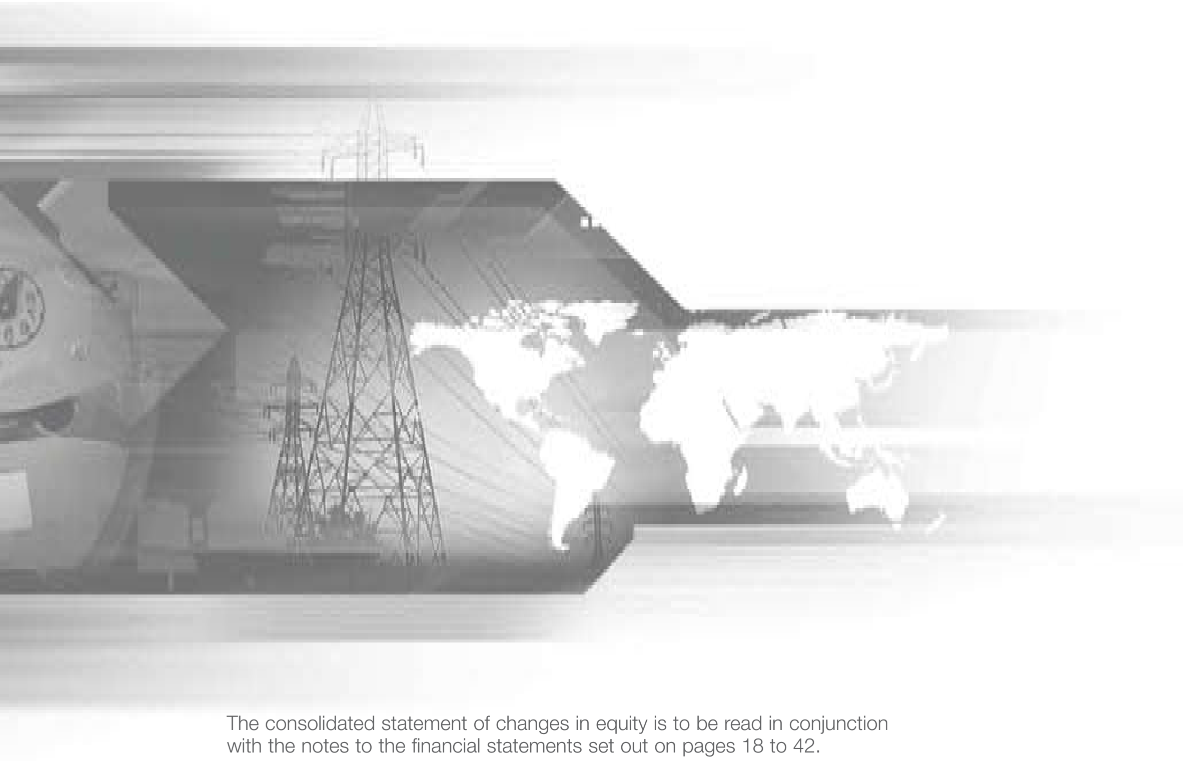
The consolidated balance sheet is to be read in conjunction with the notes to the financial statements set out on pages 18 to 42.

Consolidated statement of changes in equity

For the year ended 30 June 2007

	Note	Consolidated Entity 2007 $'000	Consolidated Entity 2006 $'000	Parent Entity 2007 $'000	Parent Entity 2006 $'000
Total equity at the beginning of the year		32,826	25,749	40,759	35,118
Exchange differences on translation of foreign operations	16	(23)	(199)	-	-
Employee share options	16	26	46	117	-
Net income (loss) recognised directly in equity		3	(153)	117	-
Profit (loss) for the year		3,307	724	33	(865)
Total recognised income and expense for the period		3,310	571	150	(865)
Transactions with equity holders in their capacity as equity holders:					
Contributions	15	90	6,506	90	6,506
Dividends paid		-	-	-	-
		90	6,506	90	6,506
Total equity at the end of the year		36,226	32,826	40,999	40,759

HANSEN TECHNOLOGIES



The consolidated statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 18 to 42.

Consolidated statement of cash flows
For the year ended 30 June 2007

	Note	Consolidated Entity 2007 $'000	Consolidated Entity 2006 $'000	Parent Entity 2007 $'000	Parent Entity 2006 $'000
Cash flows from operating activities					
Receipts from customers		52,840	54,382	1,011	818
Payments to suppliers and employees		(45,219)	(50,338)	(715)	(1,239)
Interest received		382	200	-	4
Borrowing costs		228	(184)	-	(5)
Net cash provided by (used in) operating activities	17 (a)	8,231	4,060	296	(422)
Cash flows from investing activities					
Proceeds from sale of plant and equipment		9	70	-	58
Proceeds from sale of intellectual property		1,333	-	-	-
Payment for plant and equipment		(1,853)	(595)	-	-
Payment for capitalised research and development		(1,963)	(3,061)	-	-
Net cash provided by (used in) investing activities		(2,474)	(3,586)	-	58
Cash flows from financing activities					
Proceeds from share issue	15	90	6,506	90	6,506
Net advances from / (to) controlled entities		-	-	(380)	(6,063)
Finance and hire purchase lease payments		(784)	(972)	-	(82)
Net cash provided by (used in) financing activities		(694)	5,534	(290)	361
Net increase / (decrease) in cash and cash equivalents		5,063	6,008	6	(3)
Cash and cash equivalents at beginning of year		6,895	887	9	12
Cash and cash equivalents at end of the year	17 (b)	11,958	6,895	15	9

The consolidated statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 18 to 42.

Notes to the financial statements
For the year ended 30 June 2007

1 Basis of preparation

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers Hansen Technologies Ltd as an individual parent entity and Hansen Technologies Ltd and controlled entities as a consolidated entity. Hansen Technologies Ltd is a company limited by shares, incorporated and domiciled in Australia.

The following is a summary of material accounting policies adopted by the consolidated entity in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

Compliance with IFRS

Australian Accounting Standards include Australian Equivalents to International Financial Reporting Standards (AIFRSs). Compliance with AIFRS ensures compliance with International Financial Reporting Standards (IFRSs).

Historical cost convention

The financial report has been prepared under the historical cost convention.

(b) Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising the financial statements of the parent entity and of all entities, which Hansen Technologies Ltd controlled from time to time during the year and at balance date. Details of the controlled entities are contained in Note 23.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation.

(c) Revenue recognition

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer. Revenue from the provision of services to customers is recognised upon delivery of the service to the customer.
Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks.

(e) Plant and Equiptment

Cost and valuation

All classes of plant and equipment are stated at cost less depreciation.

Depreciation

The depreciable amounts of all fixed assets are depreciated on a straight-line basis over their estimated useful lives commencing from the time the asset is held ready for use.

The rates applicable for each class of asset are:

	2007	2006
Plant and equipment	9% to 40%	9% to 40%
Plant and equipment under finance lease	9% to 40%	9% to 40%

(f) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Finance leases

Leases of fixed assets, where substantially all of the risks and benefits incidental to ownership of the asset, but not the legal ownership, are transferred to entities within the consolidated entity are classified as finance leases. Finance leases are capitalised, recording at the inception of the lease an asset and liability equal to the present value of the minimum lease payments, and disclosed as plant and equipment under lease.

Leased assets are depreciated over the shorter of the estimated useful life of the assets and the lease term. Lease payments are allocated between interest expense and reduction of the lease liability. The interest expense is calculated using the interest rate implicit in the lease and is included in finance costs in the Income Statement.

Operating leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

(g) Intangibles

Goodwill

Goodwill on consolidation represents the excess of the cost of an acquisition over the fair value of the Group's share of net identifiable assets of the acquired entities at the date of acquisition.

Goodwill is not amortised but is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses.

Research and development

Expenditure on research activities is recognised as an expense when incurred.

Expenditure on development activities is capitalised only when it is expected that future benefits will exceed the deferred costs. Capitalised development expenditure is stated at cost less accumulated amortisation. Amortisation is calculated using a straight-line method to allocate the cost over a period of 5 years, during which the related benefits are expected to be realised, once commercial production is commenced.

Other development expenditure is recognised as an expense when incurred.

(h) Impairment of assets

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired. An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

(i) Taxes

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

A balance sheet approach is adopted under which deferred tax assets and liabilities are recognised for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred tax asset or liability is recognised in relation to temporary differences arising from the initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for temporary differences and unused tax losses only when it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax consolidation

The parent entity and its controlled entities have formed an income tax consolidated group under the tax consolidation legislation. The parent entity is responsible for recognising the current tax liabilities and the deferred tax assets arising in respect of tax losses for all entities in the tax consolidated group. The tax consolidated group has also entered a tax funding agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

(j) Employee benefits

Liabilities arising in respect of wages and salaries, annual leave, long service leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Share-based payments

The Group operates an employee share option plan and an employee share scheme. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options at grant date. The fair value of options at grant date is determined using a Black-Scholes option pricing model, and is recognised as an employee expense over the period during which the employees become entitled to the option.

(k) Financial instruments

Classification

The Group classifies its financial instruments in the following categories: loans and receivables and other financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Loans and receivables

Loans and receivables are measured at fair value at inception and subsequently at amortised cost using the effective interest rate method.

Financial liabilities

Financial liabilities include trade payables, other creditors and loans from third parties including inter-company balances.

(l) Foreign currencies

Functional and presentation currency

The financial statements of each group entity are measured using its functional currency, which is the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, as this is the parent entity's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies of entities within the consolidated entity are translated into functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

Resulting exchange differences arising on settlement or re-statement are recognised as revenues and expenses for the financial year.

Group companies

The financial statements of foreign operations whose functwional currency is different from the Group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- Income and expenses are translated at average exchange rates for the period; and
- All resulting exchange differences are recognised as a separate component of equity.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve as a separate component of equity in the balance sheet.

(m) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(n) Rounding amounts

The company is of a kind referred to in ASIC Class Order CO 98/0100 and in accordance with that Class Order, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

2 Critical accounting estimates and judgements

The Group makes certain estimates and assumptions concerning the future, which, by definition will seldom represent actual results. The estimates and assumptions that have a significant inherent risk in respect of estimates based on future events, which could have a material impact on the assets and liabilities in the next financial year, are discussed below:

(a) Impairment testing of intangible assets

The intangible assets of goodwill and capitalised software development are subjected to periodic review to assess if their carrying value has been impaired. This assessment compares the carrying book value with the recoverable amount of these assets using value in-use discounted cash flow projection calculations based on management's determination of budgeted cash flow projections and gross margins, past performance and its expectation for the future. Given the long term income generating nature of the intangible assets the valuation applies a discounted value to cash flow over an extended 5 year period plus a terminal value at the end of the period. In respect of this fiscal year a 13.81% weighted cost of capital discount rate has been applied. The growth rates utilised vary by business unit from zero to a maximum of 10% per annum.

(b) Income taxes

Income tax benefits are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

There had been significant expenditure on research and development on the HUB billing software in the 2007 year. Returns are beginning to be derived from this investment, which comprises the majority of the carried forward losses. Recognition of the carried forward losses is based upon the probable future profits of the Group.

3 Revenue

	Consolidated Entity		Parent Entity	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Revenues from continuing operations				
Revenue from sale of goods and services	49,758	49,482	-	-
Sale of intellectual property	1,333	-	-	-
	51,091	49,482	-	-
Other income:				
From operating activities				
Management fees	-	-	967	793
Net foreign exchange gains / (losses)	(302)	298	-	-
Interest - other parties	381	200	-	5
Other income	1,418	1,270	19	1
Total other revenues	1,497	1,768	986	799
Total revenue from ordinary activities	52,588	51,250	986	799

4 Profit from continuing operations

Profit from continuing operations before income tax has been determined after the following specific expenses:

	Note	Consolidated Entity 2007 $'000	Consolidated Entity 2006 $'000	Parent Entity 2007 $'000	Parent Entity 2006 $'000
Employee benefits expense					
Wages and salaries		24,901	27,028	748	607
Workers compensation costs		78	78	2	2
Superannuation costs		2,141	2,285	32	30
Expense of share based payments		26	45	26	-
Total employee benefits expense		27,146	29,436	808	639
Depreciation of non-current assets					
Plant and equipment	10	1,916	2,122	-	17
Total depreciation of non-current assets		1,916	2,122	-	17
Amortisation of non-current assets					
Plant and equipment under finance lease	10	431	431	-	-
Research and development	11	2,692	2,587	-	-
Total amortisation of non-current assets		3,123	3,018	-	-
Finance costs expensed					
Interest charges (reversal)		(236)	170	-	-
Finance charges paid or payable under finance leases		8	14	-	5
Total finance costs expensed		(228)	184	-	5
Operating lease rental expenses					
Lease rental charges		3,405	3,255	-	-
Total operating lease rental expenses		3,405	3,255	-	-
Other expenses					
Movement in provision for doubtful debts		27	(4)	-	-
Net (profit) loss on disposal of plant and equipment		(6)	17	-	6
Other expenses		1,349	272	101	81
Total other expenses		1,370	285	101	87

5 Income tax

(a) The components of tax expense

	Consolidated Entity		Parent Entity	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Current tax	10	-	-	-
Deferred tax	962	(416)	1,645	(357)
Transfer of losses and other timing differences	-	-	(1,597)	1,128
Prior period timing differences bought to account	-	-	-	25
Under provision in prior year	169	27	(46)	167
Total income tax expense	1,141	(389)	2	963

(b) Income tax expense / (benefit)

	Consolidated Entity		Parent Entity	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Prima facie income tax expense calculated at 30% (2006: 30%) on the profit from ordinary activities	1,334	101	11	755
Tax effect of amounts which are not deductible in calculating taxable income				
Current year losses not brought to account	76	112	-	-
Capital losses absorbed not previously brought to account	(266)	-	-	-
Other non allowable items	24	34	37	23
Under / (over) provision in prior years	169	27	(46)	167
Prior period temporary differences not previously brought to account	-	(150)	-	18
Research and development allowances	(196)	(497)	-	-
Non assessable income	-	(16)	-	-
Income tax expense	1,141	(389)	2	963

Notes to the financial statements

For the year ended 30 June 2007

	Note	Consolidated Entity 2007 $'000	Consolidated Entity 2006 $'000	Parent Entity 2007 $'000	Parent Entity 2006 $'000
5 Income tax cont...					
(c) Deferred tax relates to the following:					
Deferred tax liabilities					
Research & development expenditure capitalised		2,231	2,451	-	-
Other income not yet assessable		-	222	-	222
Other		-	86	5	86
Total deferred tax liabilities		2,231	2,759	5	308
Deferred tax assets					
Employee benefits		1,185	1,292	890	964
Provisions		135	74	6	74
Other payables		572	417	271	170
Difference in depreciation and amortisation of plant and equipment for accounting and income tax purposes		1,193	1,078	-	21
Losses available for offset against future taxable income	2 (b)	733	2,624	731	2,624
Other		10	2	20	13
Total deferred tax assets		3,828	5,487	1,918	3,866
Net deferred tax		1,597	2,728	1,913	3,558
(d) Deferred tax assets not bought to account, the benefits of which will only be realised if the condition for deductibility set out in Note 1(i) occur					
Tax losses		4,476	4,479	2,082	2,082
		4,476	4,479	2,082	2,082

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6 Dividends on ordinary shares

2007

A one cent per share unfranked final dividend was declared on 31 August 2007.

2006

No dividend was declared in respect of the 2006 financial year.

	Parent Entity	
	2007 $'000	2006 $'000
Dividend franking account		
30% franking credits, on a tax paid basis, are available to shareholders of Hansen Technologies Ltd for subsequent financial years	Nil	Nil

The above available amounts are based on the balance of the dividend franking account at year-end adjusted for:

a) franking credits that will arise from the payment of any current tax liability.

b) franking debits that will arise from the payment of any dividends recognised as a liability at year-end.

c) franking credits that will arise from the receipt of any dividends recognised as receivables at year-end.

d) franking credits that the entity may be prevented from distributing in subsequent years.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends.

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7 Receivables

	Consolidated Entity		Parent Entity	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Current				
Trade debtors	7,773	5,830	-	-
Less: Provision for doubtful debts	(47)	(20)	-	-
	7,726	5,810	-	-
Sundry debtors	696	2,124	33	58
	8,422	7,934	33	58
Non-current				
Term debtor	153	243	-	-
Loans to controlled entities	-	-	32,907	32,786
	153	243	32,907	32,786

The weighted average effective interest rate on the term debtor is 6.33% (2006: 8.25%) at 30 June 2007.

Notes to the financial statements
For the year ended 30 June 2007

	Consolidated Entity		Parent Entity	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
8 Other financial assets				
Non-current				
Investment in controlled entity	-	-	11,000	11,000
	-	-	11,000	11,000
9 Other current assets				
Current				
Prepayments	1,191	972	5	5
Accrued revenue	250	795	-	-
Other revenue	-	71	-	-
	1,441	1,838	5	5
10 Plant and equipment				
Plant and equipment, at cost	20,096	21,001	-	-
Accumulated depreciation	(16,120)	(16,938)	-	-
	3,976	4,063	-	-
Plant and equipment under finance lease, at cost	3,762	3,762	-	-
Accumulated amortisation	(3,556)	(3,125)	-	-
	206	637	-	-
Total plant and equipment	4,182	4,700	-	-

Reconciliations

Reconciliations of the carrying amounts of plant and equipment at the beginning and end of the financial year.

	Consolidated Entity 2007 $'000	Consolidated Entity 2006 $'000	Parent Entity 2007 $'000	Parent Entity 2006 $'000
Plant and equipment				
Carrying amount at beginning of year	4,063	5,678	-	81
Additions	1,837	595	-	-
Disposals	(3)	(87)	-	(64)
Depreciation expense	(1,916)	(2,122)	-	(17)
Net foreign currency movements arising from foreign operation	(5)	(1)	-	-
Carrying amount at end of year	3,976	4,063	-	-
Plant and equipment under finance lease				
Carrying amount at beginning of year	637	1,068	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
Amortisation expense	(431)	(431)	-	-
Carrying amount at end of year	206	637	-	-

	Consolidated Entity		Parent Entity	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
11 Intangibles				
Goodwill, at cost	18,479	18,479	-	-
Accumulated impairment	(4,693)	(4,693)	-	-
	13,786	13,786	-	-
Software research and development, at cost	20,924	18,961	-	-
Accumulated amortisation	(13,486)	(10,795)	-	-
	7,438	8,166	-	-
Total intangible assets	21,224	21,952	-	-
Reconciliation of goodwill at cost				
Opening amount	18,479	18,479	-	-
Current year write down	-	-	-	-
Closing amount	18,479	18,479	-	-
Accumulated impairment at beginning of year	(4,693)	(4,693)	-	-
Current year write down	-	-	-	-
Accumulated impairment at end of year	(4,693)	(4,693)	-	-
Reconciliation of software research and development at cost				
Opening amount	18,961	15,900	-	-
Expenditure capitalised in current period	1,963	3,061	-	-
Current year write down	-	-	-	-
Closing amount	20,924	18,961	-	-
Accumulated amortisation at beginning of year	(10,795)	(8,208)	-	-
Current year charge	(2,692)	(2,587)	-	-
Accumulated amortisation at end of year	(13,487)	(10,795)	-	-
12 Payables				
Current				
Trade payables	1,547	1,388	3	3
Other payables	3,319	2,857	203	122
	4,866	4,245	206	125
Non-current				
Loans - controlled entities	-	-	4,518	6,419
	-	-	4,518	6,419

13 Borrowings

	Note	Consolidated Entity 2007 $'000	Consolidated Entity 2006 $'000	Parent Entity 2007 $'000	Parent Entity 2006 $'000
Current					
Secured					
Hire purchase liability	18	97	235	-	-
Finance lease liability	18	223	600	-	-
		320	835	-	-
Non-current					
Secured					
Hire purchase liability	18	-	97	-	-
Finance lease liability	18	61	233	-	-
		61	330	-	-

14 Provisions

	Consolidated Entity 2007 $'000	Consolidated Entity 2006 $'000	Parent Entity 2007 $'000	Parent Entity 2006 $'000
Current				
Employee benefits	3,728	4,000	146	109
Other	151	100	4	4
	3,879	4,100	150	113
Non-current				
Employee benefits	220	313	-	-
Other	284	242	-	-
	504	555	-	-
(a) Aggregate employee benefits liability	3,948	4,313	146	109
(b) Number of employees at year end	262	306	1	1

Reconciliations

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

	Consolidated Entity 2007 $'000	Consolidated Entity 2006 $'000	Parent Entity 2007 $'000	Parent Entity 2006 $'000
Provisions other - current				
Carrying amount at beginning of year	100	336	-	-
Provisions made during the year - other	51	(140)	4	-
Adjustments made during the year	-	7	-	-
Payments made during the year	-	(103)	-	-
Carrying amount at end of year	151	100	4	-
Provisions other - non-current				
Carrying amount at beginning of year	242	339	-	-
Provisions made during the year - other	42	(97)	-	-
Payments made during the year	-	-	-	-
Carrying amount at end of year	284	242	-	-

Other provisions includes a provision for onerous lease terms as well as providing for the make good in respect of a sub tenancy arrangement. It is provided for in line with the lease rental term and will be released or reversed upon expiration of the lease.

	Consolidated Entity 2007 $'000	Consolidated Entity 2006 $'000	Parent Entity 2007 $'000	Parent Entity 2006 $'000
15 Contributed Equity				
(a) Issued and paid up capital				
Ordinary shares, fully paid	50,048	49,958	50,048	49,958

	Consolidated Entity 2007 Number of Shares	Consolidated Entity 2007 $'000	Parent Entity 2006 Number of Shares	Parent Entity 2006 $'000
(b) Movements in shares on issue				
Balance at beginning of year	149,421,445	49,958	116,426,968	43,452
Shares issued under Rights Issue	-	-	32,198,472	6,440
Shares issued under Employee Share Plan	350,010	90	796,005	105
Transaction costs on issue of shares	-	-	-	(39)
Balance at end of year	149,771,455	50,048	149,421,445	49,958

(c) Share options

Employee share option plan

The company continued to offer employee participation in short-term and long-term incentive schemes as part of the remuneration packages for the employees of the companies.

The Employee Share Option Plan ("the Plan") was approved by shareholders at the Company's annual general meeting on 9 November 2001.

The maximum number of options on issue under the Plan must not at any time exceed 7.5% of the total number of ordinary shares on issue at that time.

The Board may issue options under the Plan to any employee of the Company and its subsidiaries, including executive Directors and non-executive Directors.

Options will be issued free of charge, unless the Board determines otherwise. Each option is to subscribe for one ordinary share and, when issued, the shares will rank equally with other shares. The options are not transferable. Quotation of the options on the ASX will not be sought but the Company will apply to the ASX for official quotation of shares issued on the exercise of options. Options may be granted subject to conditions specified by the Board which must be satisfied before the option can be exercised.

Unless the terms on which an option was offered specified otherwise, an option may be exercised at any time after the vesting date. An option may also be exercised in special circumstances, that is, at any time within six months after the employee's death, total and permanent disablement, retirement or retrenchment. An option lapses 28 days after termination of the employee's employment with the Company and, unless the terms of the offer of the option specify otherwise, lapses five years after the date upon which it was granted. The directors have the discretion to vary the terms of the Options as deemed appropriate.

The exercise price per share for an option will be the amount determined by the Board at the time of the grant of the option. There are no voting rights or dividend rights attached to the options prior to the options being exercised.

Option holders will not be entitled to participate in any new issue of securities in the Company unless they exercise their options prior to the record date for the determination of entitlements to the new issue.

Notes to the financial statements
For the year ended 30 June 2007

15 Contributed Equity cont...
(c) Share options

If the Company makes a bonus issue of securities to ordinary shareholders, each unexercised option will, on exercise, entitle its holder to receive the bonus securities as if the option had been exercised before the record date for the bonus issue.

If the Company makes a pro-rata rights issue of ordinary shares for cash to its ordinary shareholders, the exercise price of unexercised options may be adjusted to reflect the diluting effect of the issue.

If there is any reorganisation of the capital of the Company, the exercise price of the options will be adjusted in accordance with the Listing Rules.

Since the end of the financial year 500,000 (2006: 380,000) options have been granted under this scheme.

Grant Date	Exercise Date	Expiry Date	Exercise Price $	Number of Options at Beginning of Year	Options Granted	Options Exercised or Lapsed	Number of Options at End of Year	
							Issued	Vested
Consolidated and Company 2007								
1 July 2001	1 Jul 2004	1 Jul 2006	$1.50	650,000	-	650,000	-	-
1 October 2001	1 Jul 2004	1 Jul 2006	$1.50	145,000	-	145,000	-	-
1 January 2002	1 Jan 2005	1 Jan 2007	$1.20	-	-	-	-	-
1 July 2003	1 Jul 2006	1 Jul 2008	$0.19	585,000	-	75,000	510,000	510,000
1 July 2004	1 Jul 2007	1 Jul 2009	$0.20	455,000	-	75,000	380,000	-
1 July 2005	1 Jul 2008	1 Jul 2010	$0.28	455,000	-	75,000	380,000	-
1 July 2006	1 Jul 2009	1 Jul 2011	$0.13	-	380,000	75,000	305,000	-
1 November 2006	1 Nov 2009	1 Nov 2011	$0.13	-	75,000	-	75,000	-
TOTAL				2,290,000	455,000	1,095,000	1,650,000	510,000
Consolidated and Company 2006								
7 August 2000	7 Aug 2002	7 Aug 2005	$1.40	200,000	-	200,000	-	-
25 December 2000	25 Dec 2002	25 Dec 2005	$1.90	50,000	-	50,000	-	-
1 July 2001	1 Jul 2004	1 Jul 2006	$1.50	650,000	-	-	650,000	650,000
1 October 2001	1 Jul 2004	1 Jul 2006	$1.50	145,000	-	-	145,000	145,000
1 January 2002	1 Jan 2005	1 Jan 2007	$1.20	15,000	-	15,000	-	-
1 July 2003	1 Jul 2006	1 Jul 2008	$0.19	660,000	-	75,000	585,000	-
1 July 2004	1 Jul 2007	1 Jul 2009	$0.20	630,000	-	175,000	455,000	-
1 July 2005	1 Jul 2008	1 Jul 2010	$0.28	-	530,000	75,000	455,000	-
TOTAL				2,350,000	530,000	590,000	2,290,000	795,000

Employee share plan

The Employee Share Plan ("ESP") was approved by shareholders at the Company's annual general meeting on 9 November 2001.

The ESP is available to all eligible employees to acquire ordinary shares in the Company.

Shares to be issued or transferred under the ESP will be valued at the volume weighted average share price of Shares traded on the ASX in the ordinary course of trading during the five business days immediately preceding the day the shares are issued or transferred to qualifying employees or participants.

The Board has discretion as to how the shares are to be issued or transferred to participants. Such shares may be acquired on or off market or the Company may allot shares, or they may be obtained by any combination of the foregoing.

On application, employees pay no application monies. The amount of the consideration to be provided by qualifying employees to acquire the shares can be foregone from future remuneration (before tax).

To qualify, employees must be full-time or permanent part-time employees of the Company or any subsidiary of the Company.

Shares issued under the ESP will rank equally in all respects with all existing shares from the date of allotment.

A participant must not sell, transfer or otherwise dispose of any shares issued or transferred to the participant under the ESP until the earlier of:

(a) the end of the period of three years (or, if a longer period is specified by the Board in the offer, the end of that period) commencing on the date of the issue or transfer of the shares to the participant; and

(b) the date on which the participant is no longer employed by the Company or a related body corporate of the Company.

Details of the movement in employee shares under the ESP are as follows:

	Consolidated Entity	
	2007 Number of Shares	2006 Number of Shares
Number of shares at beginning of year	1,865,846	1,146,434
Number of shares distributed to employees	350,010	796,500
Number of shares transferred to main share registry and/or disposed of	(860,141)	(77,088)
Number of shares at year-end	1,355,715	1,865,846

The consideration for the shares issued on 21 May 2007 was 25.71 cents (23 June 2006: 13.19).

The amounts recognised in the financial statements of the consolidated entity and the Company in relation to the ESP during the year were:

	Consolidated Entity		Parent Entity	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Current receivables	33	53	33	53
Issued ordinary share capital	90	105	90	105

The market value of ordinary Hansen Technologies Ltd shares closed at $0.285 on 30 June 2007 ($0.13 on 30 June 2006).

	Note	Consolidated Entity 2007 $'000	Consolidated Entity 2006 $'000	Parent Entity 2007 $'000	Parent Entity 2006 $'000
16 Reserves and retained profits					
Foreign currency translation	16 (a)	(448)	(425)	-	-
Options granted reserve	16 (b)	117	91	117	-
Retained earnings (accumulated losses)	16 (c)	(13,491)	(16,798)	(9,166)	(9,199)
(a) Foreign currency translation reserve					
Movements in reserve					
Balance at beginning of year		(425)	(226)	-	-
Movement during the year		(23)	(199)	-	-
Balance at end of year		(448)	(425)	-	-
(b) Options granted reserve					
Movements in reserve					
Balance at beginning of year		91	45	-	-
Movement during the year		26	46	117	-
Balance at end of year		117	91	117	-
(c) Retained earnings (accumulated losses)					
Balance at beginning of year		(16,798)	(17,522)	(9,199)	(8,334)
Dividends paid		-	-	-	-
Net profit / (loss) attributable to members of Hansen Technologies Ltd		3,307	724	33	(865)
Balance at end of year		(13,491)	(16,798)	(9,166)	(9,199)
17 Cash flow information					
(a) Reconciliation of profit / (loss) from ordinary activities after income tax to net cash flows from operations					
Profit / (loss) from ordinary activities after income tax		3,307	724	33	(865)
Add / (less) items classified as investing / financing activities:					
(Profit) / loss on sale of non-current assets		(3)	17	-	6
Proceeds from sale of intellectual property		(1,333)	-	-	-
Add / (less) non cash items:					
Amortisation and depreciation		5,039	5,140	-	17
Transfer of tax losses within tax consolidation group		-	-	(1,642)	830
Net cash (used in) / provided by operating activities before change in assets and liabilities		7,010	5,881	(1,609)	(12)
Changes in assets and liabilities adjusted for effects of purchases and disposal of controlled entities during the year:					
(Increase) / decrease in trade debtors		(1,828)	(1,097)	-	-
(Increase) / decrease in sundry debtors and other assets		1,826	243	25	18
Increase / (decrease) in trade creditors		159	(800)	-	(2)
Increase / (decrease) in other creditors and accruals		480	375	81	168
Increase / (decrease) in deferred income		(284)	240	-	-
Increase / (decrease) in provisions		(273)	(212)	38	(237)
(Increase) / decrease in deferred tax assets		1,640	(416)	1,934	(357)
Increase / (decrease) in deferred tax liabilities		(503)	-	(290)	-
Increase / (decrease) in reserves		4	(154)	117	-
Net cash (used in) / provided by operating activities		8,231	4,060	296	(422)
(b) Reconciliation of cash					
Cash assets		11,958	6,895	15	9

18 Commitments and contingencies

Lease expenditure commitments

	Consolidated Entity 2007 $'000	Consolidated Entity 2006 $'000	Parent Entity 2007 $'000	Parent Entity 2006 $'000
Operating leases (non-cancellable):				
Not later than one year	2,276	2,287	-	-
Later than one year and not later than five years	4,290	5,917	-	-
Later than five years	-	-	-	-
Aggregate lease expenditure contracted for at reporting date	6,566	8,204	-	-
Hire purchase commitments:				
Not later than one year	101	249	-	-
Later than one year and not later than five years	-	101	-	-
Total minimum hire purchase payments	101	350	-	-
Less: Future finance charges	(4)	(18)	-	-
Present value of minimum hire purchase payment	97	332	-	-
Hire purchase liabilities provided for in the financial statements:				
Current	97	235	-	-
Non-current	-	97	-	-
Total hire purchase liabilities	97	332	-	-
Finance lease commitments:				
Not later than one year	238	657	-	-
Later than one year and not later than five years	67	239	-	-
Total minimum lease payments	305	896	-	-
Less: Future finance charges	(21)	(63)	-	-
Present value of minimum lease payment	284	833	-	-
Lease liabilities provided for in the financial statements:				
Current	223	600	-	-
Non-current	61	233	-	-
Total lease liabilities	284	833	-	-

Operating leases (non-cancellable)

The consolidated entity leases property under non-cancellable operating leases expiring from one to seven years. Leases generally provide the consolidated entity with a right of renewal at which time all terms are renegotiated. Contingent rental provisions within the lease agreements require the minimum lease payments to be increased by CPI per annum.

Hire purchase commitments

The consolidated entity leases motor vehicles and plant and equipment under hire purchase leases expiring from one to three years. At the end of the lease term, the consolidated entity is deemed to have purchased the assets.

Finance lease commitments

The consolidated entity leases plant and equipment under finance leases expiring from one to three years. At the end of the lease term, the consolidated entity has the option to return the assets to the lessor or to renew the lease agreements.

Notes to the financial statements
For the year ended 30 June 2007

19 Earnings per share

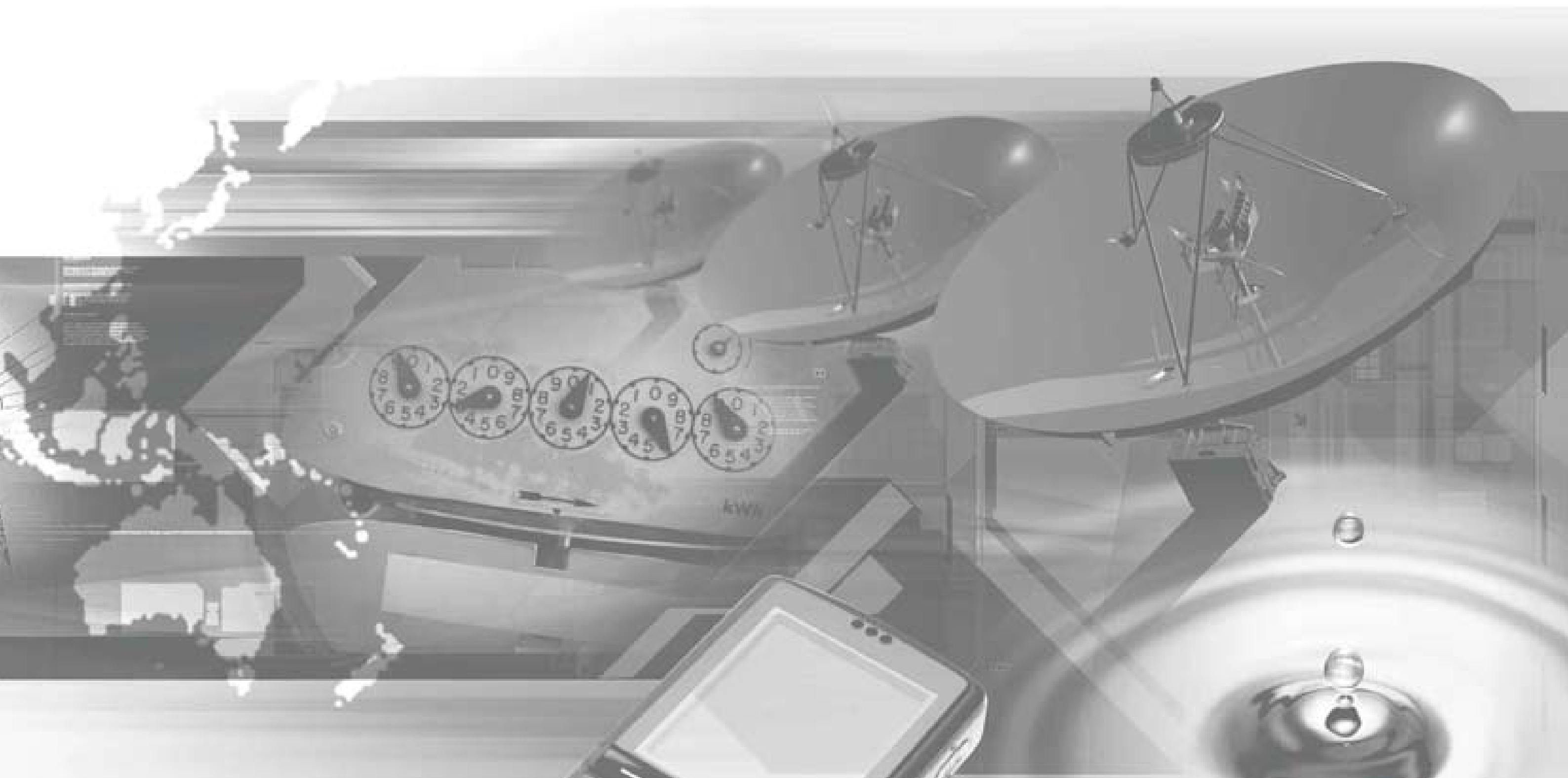
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:

	Consolidated Entity 2007 $'000	Consolidated Entity 2006 $'000	Parent Entity 2007 $'000	Parent Entity 2006 $'000
Basic earnings - ordinary shares	3,307	724	-	-
Diluted earnings - ordinary shares	3,307	724	-	-

	Consolidated Entity 2007 Number Shares	Consolidated Entity 2006 Number Shares	Parent Entity 2007 Number Shares	Parent Entity 2006 Number Shares
Weighted average number of ordinary shares used in calculating basic earnings per share:				
Number for basic earnings per share - ordinary shares	149,459,802	140,142,288	-	-
Number for diluted earnings per share - ordinary shares	151,383,282	141,637,288	-	-
Basic earnings per share	$0.022	$0.005	-	-
Diluted earnings per share	$0.022	$0.005	-	-

Classification of securities as potential ordinary shares

The securities that have been classified as potential ordinary shares and included in diluted earnings per share only, are options outstanding under the Employee Share Option Plan.



20 Directors' and executives' compensations

	Short-Term Employment Benefits			Post Employment Benefits	Share Based Benefits			
	Salary Fees 2007 $	Cash Bonus 2007 $	Non-Monetary 2007 $	Super 2007 $	Options (A) 2007	Total 2007 $	Total Performance Related 2007 %	Total Options Related 2007 %
Directors								
Non-executive								
K Hansen (Chairman)	70,648	-	-	-	-	70,648	0%	0%
B Adams	37,037	-	-	3,333	-	40,370	0%	0%
D Osborne	37,037	-	-	3,333	-	40,370	0%	0%
Executive								
A Hansen (MD & CEO)	351,697	72,477	31,650	38,176	-	494,000	15%	0%
Key management personnel								
Consolidated								
C Hunter (Chief Operations Officer)	150,274	18,349	11,202	14,795	3,026	197,646	11%	2%
G Kentish (GM, Hansen Europe)	258,120	-	-	-	1,614	259,734	1%	1%
G Lister (CFO & Company Secretary)	219,266	36,697	-	28,830	3,026	287,819	14%	1%
D Meade (Client Services Manager)	117,478	13,761	36,948	11,812	3,026	183,025	9%	2%
K Speyer (GM, HPS)	129,878	18,349	-	13,340	-	161,567	11%	0%
	2006 $	2006 $	2006 $	2006 $	2006 (B)	2006 $	2006 %	2006 %
Directors								
Non-executive								
K Hansen (Chairman)	64,815	-	-	5,833	-	70,648	0%	0%
G Tomlinson	30,864	-	-	2,778	-	33,642	0%	0%
B Adams	37,037	-	-	3,333	-	40,370	0%	0%
D Osborne	12,345	-	-	1,111	-	13,456	0%	0%
Executive								
A Hansen (MD & CEO)	333,349	-	31,650	30,001	-	395,000	0%	0%
Key management personnel								
Consolidated								
P Day (Chief Information Officer)	58,444	-	5,543	8,064	-	72,051	0%	0%
C Hunter (Chief Operations Officer)	137,242	18,349	13,157	13,828	8,577	191,153	14%	4%
G Kentish (GM, Hansen Europe)	219,912	-	-	-	-	219,912	0%	0%
G Lister (CFO & Company Secretary)	211,009	18,349	-	20,642	8,577	258,577	10%	3%
J Payne (GM, Outsourcing)	154,128	27,523	-	16,349	8,577	206,577	17%	4%

Executive Directors and Senior Executives may receive bonuses at the absolute discretion of the Directors. All bonuses are subject to the achievement of key performance indicators which vary from executive to executive but are all targeted at enhanced operating performance and agreed corporate objectives. Bonuses are paid in the August or September payroll after the financial results for the prior year have been determined to ensure the performance measurements have been achieved. Non-executive Directors do not receive any performance related remuneration Any options not exercised are forfeited if not exercised within 28 days of termination of employment.

Note: Share based payments above represent a value attributed to options over ordinary shares issued to executives. They expire during the period up to (A) 1 July 2012 and (B) 1 July 2011. Each option entitles the holder to purchase one ordinary share in the Company. The share based payment value disclosed above is calculated at the date of grant using the Black-Scholes model. For those options issued to key management personnel this year the Black Scholes model applied a:

- share price volatility factor in respect to the company's historical share price movement compared with the industry average, for a period equal to the 3 year option vesting period of 47%.
- a continuously compounding risk free interest rate of 5.58%.
- a probability factor for the likelihood of the Options being exercising based on historical trends of 64%, and
- compared the issue price ($0.13 cents per share) with the market price on day of issue ($0.13 cents per share), to
- determined a weighted average fair value for the options issued as at grant date of $0.063 cents per option.

Notes to the financial statements
For the year ended 30 June 2007

21 Directors' and executives' equity holdings

(a) Compensation options: Granted and vested during the year (consolidated)

During the financial year the Company granted options over unissued ordinary shares to the following five key management personnel of the Company as part of their remuneration:

	Vested Number	Granted Number	Grant Date	Value Per Option at Grant Date	Terms & Conditions For Each Grant		
					Exercise Price $	First Exercise Date	Last Exercise Date
Specified Executives							
C Hunter (Chief Operations Officer)	75,000	75,000	1 Jul 06	$0.13	$0.13	1 Jul 09	1 Jul 11
G Kentish (GM, Hansen Europe)	-	40,000	1 Jul 06	$0.13	$0.13	1 Jul 09	1 Jul 11
G Lister (CFO & Company Secretary)	75,000	75,000	1 Jul 06	$0.13	$0.13	1 Jul 09	1 Jul 11
D Meade (Client Services Manager)	75,000	75,000	1 Jul 06	$0.13	$0.13	1 Jul 09	1 Jul 11
K Speyer (GM, HPS)	-	-					
Total	225,000	265,000					

All grants of options are subject to the achievement of performance measurements for the year of issue. Subject to continuation of employment criteria options vest 3 years after issue date. If the vesting criteria are not met the options may be forfeited at the discretion of the Directors. Options expire two years after vesting.

(b) Number of options held by key management personnel (consolidated)

	Balance 30 Jun 06	Granted as Remuneration	Lapsed	Balance 30 Jun 07	Vested at 30 June 2007		
					Total	Exercisable	Unexercisable
Specified Directors							
K Hansen (Chairman)	-	-	-	-	-	-	-
B Adams	-	-	-	-	-	-	-
D Osborne	-	-	-	-	-	-	-
A Hansen (MD & CEO)	150,000	-	150,000	-	-	-	-
Specified Executives							
C Hunter (Chief Operations Officer)	300,000	75,000	75,000	300,000	75,000	75,000	-
G Kentish (GM, Hansen Europe)	-	40,000	-	40,000	-	-	-
G Lister (CFO & Company Secretary)	225,000	75,000	-	300,000	75,000	75,000	-
D Meade (Client Services Manager)	245,000	75,000	20,000	300,000	75,000	75,000	-
K Speyer (GM, HPS)	-	-	-	-	-	-	-
Total	920,000	265,000	245,000	940,000	225,000	225,000	-

(c) Number of shares held by key management personnel

	Balance 30 Jun 06	Received as Remuneration	Options Exercised	Net Change Other	Balance 30 Jun 07
Specified Directors					
K Hansen (Chairman)	93,757,267	-	-	(35,988)	93,721,279
B Adams	210,049	-	-	-	210,049
D Osborne	173,699	-	-	44,977	218,676
A Hansen (MD & CEO)	11,421,522	-	-	-	11,421,522
Specified Executives					
C Hunter (Chief Operations Officer)	189,221	-	-	(98,111)	91,110
G Kentish (GM, Hansen Europe)	-	-	-	-	-
G Lister (CFO & Company Secretary)	750,426	-	-	3,889	754,315
D Meade (Client Services Manager)	4,000	-	-	-	4,000
K Speyer (GM, HPS)	25,349	-	-	(1,111)	24,238
Total	106,531,533	-	-	(86,344)	106,445,189

22 Auditor's remuneration

	Consolidated Entity		Parent Entity	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Audit services:				
Amounts received by the auditors of the company for:				
Australia				
- audit and review of the financial report of the entity and any other entity in the consolidated entity	144	112	-	-
Overseas Firms				
- audit and review of financial reports	47	98	-	-
	191	210	-	-
Other financial services:				
Australia				
- tax related services	55	50	-	-
Overseas Firms				
- tax related services	27	32	-	-
	82	82	-	-
	273	292	-	-

Notes to the financial statements
For the year ended 30 June 2007

23 Related party disclosures

(a) The consolidated financial statements include the financial statements of Hansen Technologies Ltd and its controlled entities listed below:

Name	Note	Country of Incorporation	Ordinary Share Consolidated Entity Interest 2007 %	2006 %
Parent entity				
Hansen Technologies Ltd		Australia		
Subsidiaries of Hansen Technologies Ltd				
Hansen Corporation Pty Ltd as trustee for Kenneth A Hansen Unit Trust		Australia	100	100
Hansen Research & Development Pty Ltd		Australia	100	100
Hansen Corporation Investments Pty Ltd		Australia	100	100
Radius Computing Pty Ltd		Australia	100	100
Hansen Professional Services Pty Ltd	(ii)	Australia	100	100
Hansen Holdings (Asia) Pty Ltd		Australia	100	100
Hansen Corporation Limited		New Zealand	100	100
Hansen Corporation Europe Limited		United Kingdom	100	100
Hansen Datatrue Ltd	(i)	United Kingdom	N/A	100
Hansen Corporation USA, Limited		United States of America	100	100
Hansen North America, Inc.		United States of America	100	100
Hansen Corporation Asia Limited		Hong Kong	100	100

Notes:

(i) This entity is in the process of being deregistered.

(ii) Subsequent to year end this subsidiary has been sold. See Note 26

(b) The following provides the total amount of transactions that were entered into with related parties for the relevant financial year:

Transactions with key management personnel of the entity or its parent and their personally related entities

The terms and conditions of the transactions with Directors and their Director-related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year:

	Consolidated Entity 2007 $	Consolidated Entity 2006 $	Parent Entity 2007 $	Parent Entity 2006 $
K Hansen and A Hansen - Lease rental payments	785,854	770,713	-	-

Lease rental payments

Mr K Hansen and Mr A Hansen have through entities with which they are related leased properties to the consolidated entity on an arm's length basis. Total lease rental payments made to these Director-related entities for the year ended 30 June 2007 were $130,619 and $655,235 respectively (2006: $126,920 and $643,793 respectively).

24 Segment Information

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise income-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Business segments

The consolidated entity comprises the following main business segments, based on the consolidated entity's management reporting system:

Billing:	Represents the sale of billing applications and the provision of consulting services in regard to billing systems.
IT Outsourcing:	Represents the provision of various IT outsourced services covering facilities management, systems and operations support, network services, call centre services, telehousing and business continuity support.
Other:	Represents software and service provision in the areas of call centre productivity, superannuation administration and asset management.

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

The consolidated entity's business segments operate geographically as follows:

Australia:	Sales and services in all Australian states and territories.
USA:	Sales and services throughout the USA.
Europe:	Sales and services throughout Europe.
Other:	Sales and services throughout Asia and New Zealand.

Notes to the financial statements
For the year ended 30 June 2007

24 Segment Information cont..

	Billing		IT Outsourcing		Other		Consolidated	
	2007	2006	2007	2006	2007	2006	2007	2006
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Business segments								
Revenue								
External segment revenue	23,274	21,849	22,915	23,322	4,902	4,311	51,091	49,482
Other unallocated revenue							1,497	1,768
Total revenue							52,588	51,250
Result								
Segment result	4,933	1,252	2,741	2,703	1,805	669	9,479	4,624
Unallocated corporate expenses							(5,031)	(4,289)
Profit from ordinary activities before income tax							4,448	335
Income tax (expense) / benefit							(1,141)	389
Net profit							3,307	724
Depreciation and amortisation	3,347	3,483	1,256	1,312	269	279	4,872	5,074
Depreciation and amortisation - unallocated							167	66
							5,039	5,140
Segment result is inclusive of some individually significant items.								
Individually significant segment items								
Sale of intellectual property	-	-	-	-	1,333	-	1,333	-
Assets								
Segment assets	14,381	16,479	7,044	8,407	1,090	1,081	22,515	25,967
Unallocated corporate assets							26,462	20,323
Consolidated total assets							48,977	46,290
Liabilities								
Segment liabilities	5,024	5,173	6,085	7,165	838	890	11,947	13,228
Unallocated corporate liabilities							804	236
Consolidated total liabilities							12,751	13,464
Acquisition of non-current assets	1,122	394	333	185	398	16	1,853	595

HANSEN TECHNOLOGIES

	Australia		USA		Europe		Other		Consolidated	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000	2007 $'000	2006 $'000	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Geographical segments										
External segment revenue by location of customers	44,562	46,120	129	278	6,400	3,084	-	-	51,091	49,482
Segment assets by location of assets	44,213	42,729	20	114	4,623	3,330	121	117	48,977	46,290
Acquisition of non-current assets	1,245	451	-	2	608	142	-	-	1,853	595

25 Financial Instruments

(a) Interest rate risk

Interest rate risk exposures

The consolidated entity's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at balance date, are as follows:

		Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest Maturing In:			Non-Interest Bearing	Total
				1 Year or Less	1 to 5 Years	More Than 5 Years		
2007	Note		$'000	$'000	$'000	$'000	$'000	$'000
Financial assets								
Cash	17	6.10%	11,958	-	-	-	-	11,958
Receivables	7	7.45%	-	696	153	-	7,726	8,575
Other assets	9		-	-	-	-	250	250
			11,958	696	153	-	7,976	20,783
Financial liabilities								
Payables	12		-	-	-	-	4,866	4,866
Borrowings	13	9.45%	-	320	61	-	-	381
Provisions	14		-	-	-	-	3,948	3,948
			-	320	61	-	8,814	9,195
2006								
Financial assets								
Cash	17	5.13%	6,895	-	-	-	-	6,895
Receivables	7	8.25%	-	2,124	243	-	5,810	8,177
Other assets	9		-	-	-	-	795	795
			6,895	2,124	243	-	6,605	15,867
Financial liabilities								
Payables	12		-	-	-	-	4,245	4,245
Borrowings	13	8.80%	-	835	330	-	-	1,165
Provisions	14		-	-	-	-	4,313	4,313
			-	835	330	-	8,558	9,723

Notes to the financial statements
For the year ended 30 June 2007

25 Financial Instruments cont..

(b) Credit risk exposures

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date of recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts of those assets, as disclosed in the balance sheet and notes to the financial statements.

Credit risk for derivative financial instruments arises from the potential failure by counterparties to the contract to meet their obligations. The credit risk exposure to forward exchange contracts is the net fair value of these contracts.

The consolidated entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the consolidated entity.

The consolidated entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the consolidated entity.

Concentrations of credit risk

The consolidated entity minimises concentrations of credit risk in relation to trade receivables by undertaking transactions with a large number of customers. Concentrations of credit risk on trade and term debtors are: Utilities 51% (2006: 36%), Finance Sector 16% (2006: 40%), Telecommunications 21% (2006: 13%) and Other 12% (2006: 11%).

(c) Fair values

The fair value of financial assets and financial liabilities approximates their carrying amounts as disclosed in the balance sheet and notes to the financial statements.

26 Subsequent events

Subsequent to the year end and not reflected in these results the wholly owned subsidiary Hansen Professional Services Pty Ltd (HPS) was sold as a going concern for a cash consideration of $10.5 million. Until the final accounts of the subsidiary at the date of sale are finalised we are unable to confirm the profit from the sale. However based on preliminary estimates the profit is expected to exceed $9 million. In addition because of the availability of previously unrecognised capital tax losses and the tax cost base of the subsidiary within the consolidated tax group, there is not expected to be any related income tax expense.

Directors' Declaration

The Directors declare that the financial statements and notes set out on pages 14 to 42 in accordance with the Corporations Act 2001:

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

(b) Give a true and fair view of the financial position of the company and the consolidated entity as at 30 June 2007 and of their performance as represented by the results of their operations, changes in equity and their cash flows, for the year ended on that date.

In the Directors' opinion there are reasonable grounds to believe that Hansen Technologies Ltd will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made by the Chief Executive Officer and Chief Financial Officer to the Directors in accordance with sections 295A of the Corporations Act 2001 for the financial year ending 30 June 2007.

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

Dated at Melbourne this 28th day of September 2007.

Signed in accordance with a resolution of the Directors:

Kenneth Hansen
Director

Andrew Hansen
Director

Independent Audit Report

PITCHER PARTNERS

Scope

We have audited the accompanying financial report of Hansen Technologies Ltd and controlled entities. The financial report comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the 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 and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

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. These Auditing 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 in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

Auditor's Opinion

In our opinion,

(a) the financial report of Hansen Technologies Ltd is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2007 and of their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Dated at Melbourne this 28th day of September 2007.

PITCHER PARTNERS

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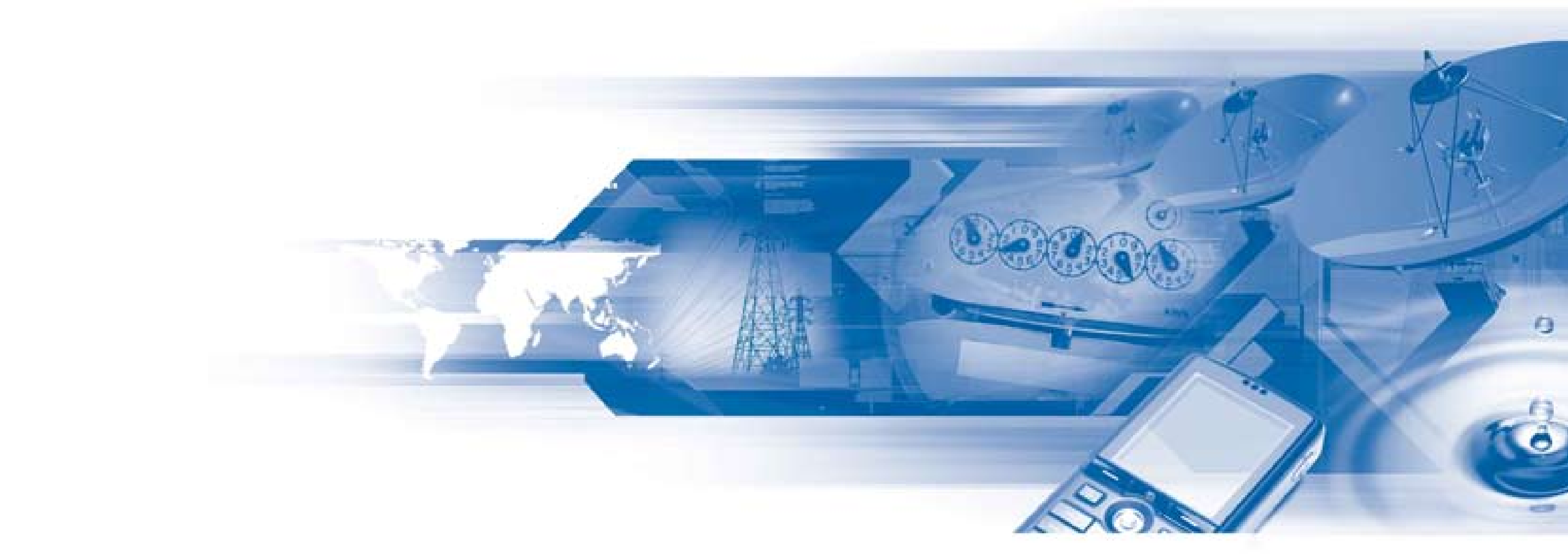


Corporate Governance

The Corporate Governance principles for the management and operation of the Hansen group of companies are available for review on the corporate web site, www.hsntech.com.

Introduction

Hansen aims to govern our business to meet our responsibilities to our shareholders, customers, employees and community. The Hansen Corporate Governance principles are designed to provide guidance to achieve this in practice.

The Board is committed to achieving best practice in Corporate Governance and the principles of the ASX Corporate Governance Council are recognised and supported. The Hansen Board, management and staff are cognisant of the Hansen governance principles and the Board aims to revise the governance practices to ensure we improve and keep in step with current standards.

The Hansen principles of Corporate Governance are represented by:

1. Board Charter
2. Audit Charter
3. Code of Conduct
4. Risk Management Policy
5. Shareholder Communications
6. Share Trading Policy
7. Remuneration Policy
8. Continuous Disclosure

1. Board of Directors Charter

Introduction

The primary role of the Board of Directors is to provide effective governance over the Hansen Technologies Group's performance and affairs. In carrying out its responsibilities, the Board undertakes to serve the interest of shareholders, employees, customers and the broader community honestly, fairly, diligently and in accordance with applicable laws.

Composition

The Board determines the Board's size and composition, subject to limits imposed by the Company's Constitution. The Constitution determines the basis for the election/ appointment of Directors and provides for a minimum of three Directors and a maximum of ten. There are currently 3 non-executive directors and one executive director on the Board, the CEO Andrew Hansen.

The Chairman of the Board, Kenneth Hansen, is the original founder of the Company and currently its majority shareholder. His background in computer services, outsourcing and software development and his specific experience in utility billing applications offer a depth of experience and skills that are important for the position of Chairman. Given the specialist nature and industry specific focus of Hansen's business an independent chairman is not regarded as necessary at this time.

Meetings

The Board will meet as often as deemed necessary by the directors in order to fulfil their duties and responsibilities as directors and as dictated by the needs of the business. It is expected that under normal circumstances the Board will meet at least once each month.

Independence

The Board's definition of an independent director is one who is independent of management and free from any business or other relationship that could materially interfere with the exercise of independent judgment.

Consideration is always given to the issue of director independence in respect to each given situation to be considered. Where potential for conflict is identified the Board appoints a sub committee specifically structured, authorised and tasked to determine the appropriate actions or responses so as to eliminate any potential for conflicts.

Board's Duties and Responsibilities

The Board's specific responsibilities include:

- providing strategic direction and approving corporate strategies;
- selecting and appointing (and, if appropriate, removing from office) the Chief Executive, determining his or her conditions of service and monitoring his or her performance against established objectives;
- monitoring management and financial performance;
- ensuring that adequate risk management controls and reporting mechanisms are maintained;
- approving and monitoring the progress of major capital

expenditure, capital management and acquisitions and divestments;

- ensuring that continuous disclosure requirements are met; and
- ensuring responsible corporate governance is understood and observed at management and Board level.

The Board delegates to the Chief Executive responsibility for implementing the strategic direction, and for managing the day-to-day operations, of the Hansen Group. The Chief Executive consults with the Chairman, in the first instance, on matters that are sensitive, extraordinary or of a strategic nature.

Board's Rights

The Board shall have full and free access to executives and other employees of the Group.

The Board collectively and each Director individually may take, at the Company's expense, such independent advice as is considered necessary to fulfil their relevant duties and responsibilities. Individual Board members seeking such advice must obtain the approval of the Chairman, which will not be unreasonably withheld, and the advice will be made available to all Board members as appropriate.

Board Committees

To assist it in carrying out its responsibilities, the Board has established several standing committees comprising some or all of its members. They are:

- Audit and Risk Management Committee
- Remuneration Committee
- Nominations Committee

The first two committees are composed of non-executive Directors only. The Nominations Committee is a committee of the full Board.

The Audit and Risk Management Committee meets at least twice a year and the other committees meet as required.

Other committees of the Board are established from time to time to undertake specific tasks for and on behalf of the Board as and when deemed appropriate.

Performance Evaluation

The Board reviews and evaluates the performance of the Board and the Board committees. The process is to involve the assessment of all of the Board's key areas of responsibility. The Board's contribution as a whole should be reviewed and areas where improvement can be made should be noted.

The performance evaluation process is as follows:

- each Director will periodically evaluate the effectiveness of the Board and its committees and submit observations to the Chairman;
- the Chairman of the Board will present a report incorporating his assessment of such observations to enable the Board to assess, and if necessary, take action;
- the Board will agree on development and actions required to improve performance;
- outcomes and actions will be minuted; and
- the Chairman will assess during the year the progress of the actions to be achieved.

This process aims to ensure that individual Directors and the Board as a whole contribute effectively in achieving the duties and responsibilities of the Board.

2. Audit Committee Charter

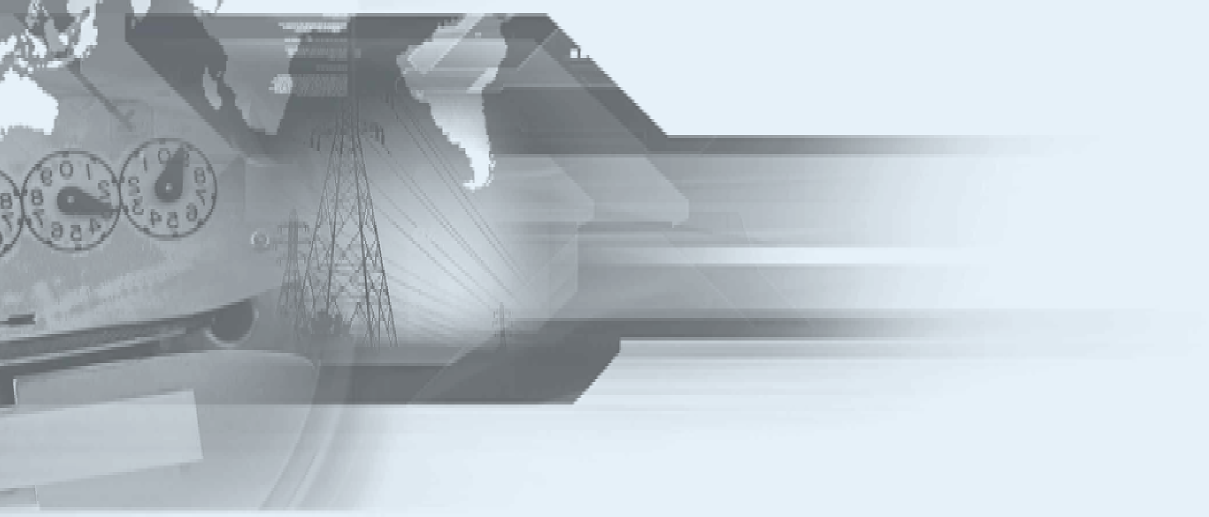
Introduction and Organisation

This charter governs the operations of the Audit Committee. The Committee shall review and reassess the charter at least annually and obtain the approval of the Board of Directors for any changes.

Membership

The Audit Committee was formed in May 2000. Generally the approach to the Committee is that the members will be of, and appointed by, the Board of Directors and shall preferably comprise three directors that have diverse and complementary backgrounds. In addition, the Committee chair shall be independent, possess leadership experience and a sound finance or business background. All Committee members must be appropriately financially literate, such qualification is interpreted by the Board in its business judgment. Furthermore, at least one member shall have accounting and / or related financial management expertise.

The members of the Committee as at 30 June 2007 are two non-executive directors, David Osborne and Bruce Adams. The Chairman of the Audit Committee is currently Bruce Adams.



A member of the Committee shall be considered independent so long as they do not have any relationship with the Hansen Group that may interfere with the exercise of independent judgment. This means they shall not accept any consulting, advisory, or other compensatory fee from the Company and are not an affiliated person of the Hansen Group or its related entities. The only compensation shall be directors' fees for services provided to the Audit Committee.

Meetings

The Committee shall meet at least twice each year. The purpose of these meetings shall be to:

1. review and approve the half-year financial report;
2. review and approve the annual financial report;
3. review the external audit reports; and
4. perform the general responsibilities of the Committee.

Purpose

The Audit Committee shall provide assistance to the Board of Directors in fulfilling its corporate governance and oversight responsibilities in relation to the Company's financial reporting, internal control structure, risk management systems, and external audit functions. In doing so, it is the responsibility of the Committee to maintain free and open communication between the Committee, external auditors and management of the Hansen Group. In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Hansen Group and the authority to engage independent counsel and other advisers as it determines necessary to carry out its duties.

Duties and Responsibilities

The following shall be the principal duties and responsibilities of the Audit Committee. These are set forth as a guide with the understanding that the Committee may supplement them as appropriate.

Understanding the Business

The Committee shall ensure it understands the Group's structure, controls, and types of transactions in order to adequately assess the significant risks faced by the Group in the current environment.

Financial Reporting

The primary responsibility of the Audit Committee is to oversee the Group's financial reporting process on behalf of the Board and report the results of its activities to the Board. Whilst the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits. The Board of Directors is responsible for the Group's financial reports including the appropriateness of the accounting policies and principles that are used by the Group. The external auditors are responsible for auditing the Group's financial reports and for reviewing the Group's interim financial reports. The Committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances. The Committee will take appropriate actions to set the overall corporate 'tone' for quality financial reporting, sound business risk practices, and ethical behaviour.

Assessment of Accounting, Financial and Internal Controls

The Committee shall discuss with management and the external auditors, the adequacy and effectiveness of the accounting and financial controls, including the Group's policies and procedures to assess, monitor, and manage business risk, and legal and ethical compliance programs (including the Group's Code of Conduct). Any opinion obtained from the external auditors on the Group's choice of accounting policies or methods should include an opinion on the appropriateness and not just the acceptability of that choice or method. The Committee shall meet separately periodically with management and the external auditors to discuss issues and concerns warranting Committee attention, including but not limited to their assessments of the effectiveness of internal controls and the process for improvement. The Committee shall provide sufficient opportunity for the external auditors to meet privately with the members of the Committee. The Committee shall review with the external auditor any audit problems or difficulties and management's response. The Committee shall receive regular reports from the external auditor on the critical policies and practices of the Group, and all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management.

Appointment of External Auditors

The Committee shall be directly responsible for making recommendations to the Board of Directors on the appointment, reappointment or replacement (subject, if applicable, to shareholder ratification), remuneration, monitoring of the effectiveness, and independence of the external auditors, including resolution of disagreements between management and the auditor regarding financial reporting. The Committee shall pre-approve all audit and non-audit services provided by the external auditors and shall not engage the external auditors to perform any non-audit / assurance services that may impair or appear to impair the external auditor's judgment or independence in respect of the Hansen Group.

Assessment of External Audit

The Committee, at least on an annual basis, shall obtain and review a report by the external auditors describing (or meet, discuss and document the following with them):

- the audit firm's internal quality control procedures;
- any material issues raised by the most recent internal quality control review, or peer review, of the audit firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and
- all relationships between the external auditor and the Group (to assess the auditor's independence).

In addition, the Committee shall give clear direction in hiring policies for employees or former employees of the external auditor in order to prevent the impairment or perceived impairment of the external auditor's judgment or independence in respect of the Hansen Group.

Independence of External Auditors

The Committee shall review and assess the independence of the external auditor, including but not limited to any relationships with the Group or any other entity that may impair or appear to impair the external auditor's judgment or independence in respect of the Group. Furthermore, the Committee shall draft an annual statement for inclusion in the Group's annual report of whether the Committee is satisfied the provision of non-audit services is compatible with external auditor independence.

Scope of External Audit

The Committee shall discuss with the external auditors the overall scope of the external audit, including identified risk areas and any additional agreed-upon procedures. In addition, the Committee shall also review the external auditor's compensation to ensure that an effective, comprehensive and complete audit can be conducted for the agreed compensation level.

Committee Performance

The Committee shall perform an evaluation of its performance at least annually to determine whether it is functioning effectively by reference to current best practice.

3. Code of Conduct

Introduction

At Hansen Technologies we recognise that our Group is made up by the individual employees representing our operation globally. Each person as an individual is responsible for their own behaviours and should take accountability for their actions and choices. The Hansen Technologies Code of Conduct has been established to assist all Hansen representatives to make considered choices in regard to their behaviour. The Code of Conduct reflects the Hansen's Group primary values of integrity, respect, teamwork and performance.

Our Code

To respect the law and act accordingly, including the following:

- Hansen employees operate in numerous countries and it is essential that the laws of each jurisdiction are observed and followed. It is important to note that the observance of the laws is not simply because they exist, it is because it is right to do so. Breaching laws and regulations can result in serious consequences for the Hansen Group and the individual involved;
- we should respect customs and business practices of countries in which we operate, whilst always observing the primary principles of this code;
- where we believe our product or service provision would be used in relation to illegal activities, we would withdraw from involvement;
- discharging of authority to sign documents on behalf of the Hansen Group should be performed responsibly and indicates we have received and understood the

document being signed. We are not to act outside our authority; and
- breaches of any law should be notified to management.

Behave as a good corporate citizen and build community respect

Whilst pursuing our business objectives we should aim to contribute to the communities we operate within and should consider the impact of decisions on our colleagues, customers and community.

Respect confidentiality and use information in an appropriate manner

We respect the confidential nature of the Hansen Group's business affairs and those of our customers and colleagues. As a part of our employment contract with the Hansen Group we commit to keeping confidential information we obtain in the course of our employment. Confidential information is to be used only for authorised work-related tasks, and never for personal gain or for the gain of others.

Value and build on our professionalism

A corner stone of the Hansen business is the professionalism and conduct as individuals and of the Hansen Group. In addition to conducting ourselves ethically, we should continually aim for excellence in all elements of our business activity.

Recognise potential conflicts of interest and act to avoid them

A conflict of interest occurs where an employee has a personal or professional interest sufficient to influence, or appear to influence, the objective performance of their duties and responsibilities to the Hansen Group. No employee of the Group should allow themselves to be placed in a position where they have a conflict with their duties and responsibilities to the Hansen Group, or which are prejudicial to the Group. Employees should speak to their manager where they have concerns regarding a potential conflict of interest.

Breaches of the Code of Conduct

Employees who breach this Code may face disciplinary action, which could result in changes to their employment.

4. Risk Management Policy

Introduction

Hansen recognises that the daily activities and existence of its business is subject to various elements that can create uncertainty and the challenge is to balance and manage this process while striving to grow our stakeholder value. Hansen recognises that such uncertainty brings with it potential risk and opportunity. At Hansen all members of the Group aim to promote culture, internal controls and reporting which will empower all employees to manage risk as and when it occurs, with the aim of achieving the stated goals and strategic objectives.

Roles and Responsibilities

Board of Directors is responsible for approving and reviewing Hansen's risk management and policy. It delegates daily management responsibility to the Chief Executive Officer and is supported by sub-committees to monitor risk management and performance controls.

Board Audit Risk Management Committee is responsible for overseeing all aspects of internal control including compliance activities, the appropriateness of accounting policies and the adequacy of financial reporting.

Executive Management is responsible for implementing Board approved Risk Management Policy and developing operational policies, controls, processes and procedures for identifying and managing risks in all of Hansen's activities.

Independent Review will be conducted including:
- external audit being an overall independent evaluation of the adequacy and effectiveness of management's control of operational risk;
- quality Assurance audits verifying that systems are operating as planned; and
- independent reviews that may be conducted for special assessment as required.

KEY RISK CATEGORIES

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes or systems, decisions of employees or from external events.

Hansen operates under a corporate governance framework that is approved by the Board. Implementation and accountability is the responsibility of management with effectiveness being subject to external audit review.

Each individual business unit is responsible for the identification, measurement, monitoring and mitigation of operational risk. This is supported by input from corporate level functions such as the office of Chief Operating Officer, Risk Management Group, Legal and Finance Departments.

The internal control system is an integral part of Hansen's operations and involves all levels of personnel. The controls are preventative and detective in nature and are reviewed regularly for relevance and effectiveness. Key elements to the internal control system are Change Management, Finance Procedures, Delegation of Authority, Segregation of Duties, Access Security, Reconciliation, Documentation and Reporting. This is further supported by Contingency Planning and Continual Improvement activities.

Credit Risk

Credit risk is the potential for financial loss where customers or business associates fail to meet their financial obligations to Hansen.

The foundation control is that individuals throughout the Hansen Group are aware of credit risk and act to identify, report and manage situations that arise. Specific policies and procedures are in place to deal with credit risk, the critical element of these policies being segregation of duties and delegation of authority. Throughout the course of the credit cycle each phase is assessed by the relevant specialist group. Each group is trained and independent in the cycle.

ORIGINATION
- Target markets
- Within Group strategy

Sales / Vendor Dept. responsible

EVALUATION
- Credit assessment
- Currency assessment

Finance Dept. responsible

APPROVAL
- Delegation of authority
- Relevant areas to approve
- Centralised

Finance, Legal & Commercial Delivery responsible

DOCUMENTATION & EXECUTION
- Standardised
- Centralise

CEO / Co Sec & Legal responsible

ONGOING MANAGEMENT & ADMINISTRATION
- Customer management
- Vendor management
- Ongoing finance review

Account Mgrs & Finance responsible

PROBLEM MANAGEMENT
- Senior management involved
- Loss recognition where necessary

Risk Group & Finance responsible

Market Risk

Market risk is the potential for financial loss arising from Hansen's activities in the information technology market across all regions. The components of the market risk framework Hansen operates in are:

ORIGINATION
- Target markets
- Know your customers
- Know your vendors
- Product planning & management
- Pricing models
- Resource planning

ENVIRONMENT
- Assess the market & region
- Assess the product for the region
- Global Hansen policies to be observed
- Manage segregation of duties

MONITORING & REPORTING
- Transparency and communication
- Change management
- Central reporting on product, financials, operations, legal & risk management

AUTHORITIES
- Delegation of authority
- Central authorities
- Supports segregation of duties

Overall Risk Treatment

Hansen relies on the internal control systems and the ability and culture of staff and management to identify, report and manage risk. All risks are to be reported to the appropriate line manager and risk manager. The line manager and risk manager will then decide any further steps which are required to manage the risk. The risk can be escalated to the executive management group or the Board where necessary.

Where Hansen identifies risk, the risk will be managed with the aim of minimising the likelihood of an adverse event occurring, maximising the likelihood of a positive outcome and reducing the impact of the risk.

5. Shareholder Communications

Introduction

Hansen has established communication mechanisms to provide shareholders with information about their Company and to enable them to exercise their rights as shareholders in an informed manner.

Communication Methods

Information is communicated to shareholders through:

- the Hansen web site, www.hsntech.com, providing up to date information on the Hansen Group, but particularly, the “Investor Relations” section contains a range of information relevant to shareholders. The Investor Relations section currently contains:
  - ASX announcements
  - Annual Reports
  - Corporate Governance
  - Financial Results
  - Presentations
  - Share registry contact details and links
  - Key dates
  - Share price link to ASX
  - Contact link for more information;
- the distribution of the Annual Report either over the web or by post and Notice of Annual General Meeting by post; and
- post or on the web site whenever there are other significant developments to report.

Annual General Meetings are seen as an important communication forum. In preparing notices of meeting and related explanatory information, Hansen aims to provide all information that is relevant to shareholders in making a decision on the matter to be voted on by shareholders in a clear and concise format. During the meeting, time is dedicated to accommodating shareholders questions and the external auditors are in attendance to respond to any relevant question. Following the meeting directors and shareholders are able to further communicate informally.

Hansen is committed to continuing to improve communication with shareholders. Communication mechanisms will be reviewed regularly to ensure they provide the optimum information flow to shareholders and potential investors, enabling them to make decisions in an informed manner.

6. Share Trading Policy

Introduction

Directors, officers, employees and their associates must not engage in insider trading, or the disclosure of inside information to third parties.

Insider trading means the buying and selling of shares on the basis of price-sensitive information that is not generally available to others. This includes procuring another person to purchase or sell shares on the basis of insider information.

Rules for Employees, Directors and Officers

Employees, directors, officers and their associates who have price-sensitive information about Hansen shares, or other securities, which is not generally available to others:

- must not subscribe for, buy or sell shares, other securities of the Company, or other price sensitive products to which the inside information relates, either for themselves, or for others;
- must not get another person (whether a family member, friend, associate, colleague, or your broker, investment adviser, private company or trust) to subscribe for, buy or sell the affected shares or other securities or other price sensitive products for the employee, for another person or for themselves;
- must not, either directly or indirectly, give the inside information, or allow it to be given to another person who they know, or should know, would be likely to do any of the prohibited things described above; and
- must not communicate inside information to anybody who works for the Hansen Group except on a "need to know" basis and in accordance with the rules and

policies of the relevant business division.

As a general rule, directors and senior executives are only permitted to trade Hansen shares in the 30-day period commencing two days after:

- the release of Hansen's half yearly results;
- the release of Hansen's yearly results;
- the Hansen's Annual General Meeting; and
- a "special circumstance", that will be notified on a case-by-case basis by the Chairman or Chief Executive Officer (example being the release of a trading update to the ASX or the issue of a prospectus).

Where Directors or Executives of the Company want to trade outside of this general rule, they are required to discuss the matter with the Chairman and Chief Executive Officer who will only give approval if determined that there is no price sensitive information held that is not available to the market.

The Corporations Act

The Corporations Act 2001 section 1002G deals with insider trading. Contravention of the insider trading provisions of the Corporations Act constitutes an offence that is punishable by a maximum penalty of $200,000 or imprisonment for 5 years, or both. Where individuals are concerned about breaching the insider trading provisions of the Corporations Act they should immediately obtain independent legal advice.

7. Remuneration Policy

Introduction

The Company aim in rewarding the CEO and other executives is to provide base pay plus rewards and other benefits that will attract and retain key executives and align their financial interests with those of our shareholders.

Our policy is to provide individual executives with a level of income that:

- recognises the market value of each position in a competitive market;
- rewards the individual's capabilities and experience;
- recognises the performance of individuals; and
- assists in executive retention.

The structure provides a mix of fixed and variable pay, and a blend of short and long-term incentives.

The Remuneration Committee

The Remuneration Committee currently consists of two directors, David Osborne and Bruce Adams. Bruce Adams is the Chairman of the Committee.

The responsibilities of the Committee are to:

- advise on remuneration policies and practices generally;
- provide specific recommendations on remuneration packages and other terms of employment for executive directors and non-executive directors; and
- assess the reasonableness of the remuneration proposals put forward by the CEO for the executive managers, including the definition of performance objectives.

The Committee will meet at least annually to assess annual remuneration changes, and will hold additional meetings where required to.

How remuneration is managed and structured

Non-Executive Directors

The Remuneration Committee recommends the remuneration of non-executive directors to the Board for final approval. Remuneration for non-executive directors consists of a base pay and related superannuation to meet the requirements of the Superannuation Guarantee Scheme. An increase in the maximum amount paid to non-executive directors is to be submitted to shareholders for approval where significant change occurs. No retirement benefits are provided for non-executive directors.

CEO and Executives

The Remuneration Committee sets the remuneration package for the CEO. The CEO establishes employment arrangements and remuneration packages for each executive.

Each year performance based incentives, at the discretion of the Directors, are set for the CEO and the executives, incorporating objectives designed around Group, business unit and individual goals, with agreed short and long-term performance incentives. The CEO submits the proposed annual executive package to the Remuneration Committee where it is assessed for reasonableness. Details of the pay and rewards for Hansen's top five key management personnel and their total remuneration is set out in the Annual Report each year.

The CEO and the executive team approve the pay and reward packages for key senior managers.

The structure of Hansen executive pay and reward is made up of four parts:

- base pay;
- short-term performance incentives;
- long-term equity-linked performance incentives; and
- other compensation, being superannuation.

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

Base Pay

Executives are offered a competitive base pay that reflects the fixed component of pay and rewards. Base pay is set to reflect the marketplace for each position. It is generally not revised annually unless an executive has been promoted or there has been a marked structural shift in marketplace rates.

Short-term performance incentives

Each year the performance of the executives is reviewed by the CEO and future performance objectives are set and relative potential bonuses linked to the achievement of the objective. If individual performance objectives are met, a short-term incentive in the form of a bonus may be paid.

Long-term performance incentives

Our long-term incentives for the CEO and senior executives are designed to align their financial interests with those of our shareholders, including by making use of carefully designed share-based incentives.

Long-term performance incentives can be represented by the issue of share options to the CEO and senior executives. The issue of options would be based at the absolute discretion of the Directors and in accordance with the Employee Share Option Plan.

Other benefits - Superannuation

All executives and staff are required to be members of one of the superannuation funds that are made available to all Hansen staff. Hansen contributes superannuation for executives and staff from their remuneration package to a level that complies with the Superannuation Guarantee Scheme. In addition to this, executives and staff can contribute additional superannuation from their remuneration package.

8. Continuous Disclosure Policy

Introduction

The Hansen Continuous Disclosure Policy has been developed to provide clear guidelines for the operations of the Hansen business to establish appropriate processes and criteria for disclosure and to ensure compliance with the requirements of the ASX and other securities and corporations legislation. The best practice communication guidelines, as published by the Australasian Investor Relations Association, have been observed in drafting this policy.

Principles of the Policy

The key principles of the market disclosure policy are that:

- material company information is issued to shareholders and the market in accordance with our obligations to the market;
- such information is communicated in a way that allows for all interested parties to have equal and timely access;
- communication is presented in a clear, factual and balanced manner; and
- ASX reporting obligations are met.

Communications Representative

Hansen has appointed the Company Secretary as the Communications Representative. The Communications Representative has responsibility for:

- coordinating and controlling disclosure of information to ASX, shareholders, analysts, brokers, the media and the public;
- ensuring complete records are maintained of all disclosures of information by Hansen and the related authorisations;
- reporting and making recommendations to the Board on information potentially warranting disclosure;
- developing and maintaining relevant guidelines to help employees understand what information is price sensitive;
- educating Hansen staff, executives and directors on disclosure guidelines and raising awareness of the principles underlying continuous disclosure; and
- supporting the Directors and executives in ensuring that Hansen complies with continuous disclosure requirements.

Directors and Executives responsibilities

Directors and executive officers are primarily responsible for the compliance with continuous disclosure guidelines. The appointment of the Communications Representative is to facilitate overall awareness and the ability of Hansen to comply with disclosure guidelines.

Directors and executives are responsible for communicating to the Communications Representative:

- any price sensitive information of which they become aware of which they believe the Communications Representative will not be aware. If individuals are uncertain as to whether an issue could be sensitive, they should report the matter for the Board to consider;
- disclosures of any information from Hansen that they may believe the Communications Representative may not be aware;
- if they undertake any dealings in securities of Hansen;
- their comments and ultimate approval of draft announcements, presentations and general communications to shareholders, ASX and the market; and
- all information, as specified by ASX and ASIC, that requires market announcements.

Communications for disclosure

Hansen will make market disclosures on any event that is deemed to have possible material effect on the price of Hansen securities. Events warranting disclosure include:

- financial performance and significant changes in financial performance;
- changes in Board Directors and senior executives;
- mergers, acquisitions / divestments, joint ventures or changes in assets;
- significant developments in regard to new projects or ventures;
- events regarding an entity's shares or securities;
- major new contracts, orders, or changes in suppliers or customers;
- significant changes in products, product lines, supplies or inventory;
- industry issues that may have a material impact on the company;
- major litigation; and
- decisions on significant issues affecting the entity by regulatory bodies in Australia such as the Australian Foreign Investment Review Board, Australian Takeovers Panel, Australian Competition and Consumer Commission.

If there is any uncertainty, Hansen Directors and executives will discuss the matter, seek legal advice if necessary, and if considered appropriate, approach the ASX to seek its position on whether the information should be disclosed to the market.

Hansen is aware that outside of statutory and listing rule requirements, communication with the market will occur in other forms. Communication in the form of:

- investor briefings and roadshows;
- one-on-one meetings with stockbroking analysts or institution fund managers;
- industry forums;
- company literature, and
- media interviews.

In participating in such communications Hansen will act to avoid against unintended disclosure of material information to selected market participants.

Communications procedures

A representative of Hansen, the Directors or the executives, may not release any information that is required to be disclosed to ASX under the continuous disclosure rules to any person before:

- the information has been given to the Communications Representative and the approval and sign-off process for disclosure has been effected;
- the information has been given to ASX; and
- an acknowledgement of the receipt of that information has been received from ASX.

The Board has nominated a limited number of individuals that are authorised as spokespersons for Hansen. The authorised spokespersons are:

- the Chairman;
- the Chief Executive Officer;
- Company Secretary; and
- the Chief Financial Officer.

Other executives may become spokespersons for specific areas under their control, however any comments are to be limited to their area of expertise and is to meet the disclosure principles.

ASX Additional Information As at 25 September 2007

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

Substantial shareholders

The number of shares held by substantial shareholders are set out below:

Shareholders	Number of Ordinary Shares	Percentage Held
Othonna Pty Ltd- including associates	93,721,279	62.29%
Citicorp Nominees Pty Ltd	23,350,651	15.52%
Andrew Alexander Hansen - including associates	11,421,522	7.59%

Voting rights

Ordinary shares and Options - refer to Note 15.

Distribution of equity security holders

Category	Number of Equity Security Holders	
	Ordinary Shares	Options
1-1,000	101	-
1,001-5,000	371	-
5,001-10,000	184	-
10,001-100,000	324	7
100,001 and over	50	5
	1,030	12

The number of shareholders holding less than a marketable parcel of ordinary shares is 125.

On-market buy-back

There is no current on-market buy-back.

Twenty largest shareholders

Name	Number of Ordinary Shares Held	Percentage of Issued Capital
Othonna Pty Ltd	91,160,249	60.59%
Citicorp Nominees Pty Limited	23,350,651	15.52%
Andrew Alexander Hansen	8,745,022	5.81%
Antan Pty Ltd	2,302,400	1.53%
National Nominees Limited	2,208,364	1.47%
Mr Bruce Rodney Pettit	1,621,055	1.08%
Mr Anthony David Hansen	1,229,618	0.82%
Mr James Lucas & Ms Lesley Dormer	600,000	0.40%
Mr Kenneth Albert Hansen	532,107	0.35%
Mrs Yvonne Irene Hansen	521,293	0.35%
Ozcun Pty Ltd	510,321	0.34%
Ms Tanya Jacinta Hansen	374,100	0.25%
Mr Denis Maxwell Fraser & Mrs Wendy Elena Fraser	333,000	0.22%
J T W Sales Pty Ltd	277,200	0.18%
Louras Nominees Pty Ltd	260,000	0.17%
Andrew George Whitney	238,651	0.16%
J H Beasy & Associates Pty Ltd	200,000	0.13%
Layuti Pty Ltd	200,000	0.13%
Mr Ronald Slamowicz	200,000	0.13%
Mr Cameron Hunter	177,666	0.12%
	135,041,697	89.75%

Corporate Directory

Directors
Kenneth Hansen, *Chairman*
Andrew Hansen, *ManagingDirector & Chief Executive Officer*
Bruce Adams, *Non-Executive Officer*
David Osborne, *Non-Executive Officer*

Company secretary
Grant Lister

Principal registered office
2 Frederick Street, Doncaster VIC 3108
Telephone: (03) 9840 3000
Facsimile: (03) 9840 3099

Share registry
Link Market Services
Level 9, 333 Collins Street
Melbourne VIC 3000
Telephone: (02) 8280 7761 or 1300 554 474
Facsimile: (02) 9287 0309 - Proxy forms
(02) 9287 0303 - General

Stock exchange
The Company is listed on the Australian Stock Exchange.
ASX Code: HSN

Auditors
Pitcher Partners
Level 19, 15 William Street
Melbourne VIC 3000

Solicitors
TressCox
Level 9, 469 La Trobe Street
Melbourne VIC 3000

Other information
Hansen Technologies Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

Design and production - CAN Design 03 9682 6277

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