ANNUAL REPORT
FLEXIBLE SOLUTIONS.

2011

Hansen Technologies Limited ABN 90 090 996 455

HANSEN TECHNOLOGIES

CONTENTS

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Company is to be held on Thursday 24th November 2011 at 11.00am at 2 Frederick Street, Doncaster, Victoria 3108.

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

COMPANY PROFILE

Hansen Technologies is a leading independent provider of billing, customer care, and IT solutions.

Hansen's billing software is used by companies in the telecommunications, electricity, gas, and water industries.

Hansen also provides facilities management and IT 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 highly capable business and technical experts who have extensive industry knowledge. Founded in 1971, Hansen has offices in Australia, New Zealand, the United States, and the United Kingdom and employs more than 250 people.

HIGHLIGHTS

- Operating revenue $57.6 million
- Acquisition of NirvanaSoft Inc.
- Dividends totalling 6 cents per share for the fiscal year, 5 cents being fully franked
- Earnings per share – 8.7 cents
- Net tangible assets per share – 14.6 cents
- EBITDA as percentage of revenue – 35%

Increase in performance from ongoing operations

↑ 19%

EBITDA $20.5 million

↑ 21%

After-tax profit $13.5 million

CHAIRMAN AND CHIEF EXECUTIVE OFFICER JOINT REPORT

We are again pleased to be able to report on a very positive year for Hansen representing the 5th year of consecutive year on year growth in earnings:

- **Earnings after tax of 8.7 cents per share,**
- **Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA) as a % of revenue reaching 35%, and**
- **The annual dividend has been increased by 20% to 6 cents per share, of which 5 cents per share was fully franked, representing a 69% distribution of after tax profit.**

In the past year, our business has operated within an economic environment of considerable change. The global instability of the previous year continued into this fiscal year and the uncertainty it created remained an influencing factor on major project decision making for our customers as well as the timing of project commencements.

In addition we endured considerable fluctuation and ultimately substantial appreciation of the Australian dollar against the foreign currencies in which we trade. The average rate of appreciation in the $A across the year for the key currencies effecting us was 12.6%. With 42% of our revenue in fiscal 2011 being initially derived in foreign currencies, this appreciation has slowed our revenue growth in Australian dollar terms. We are partially protected at the profit line from currency fluctuations because of the natural hedge arising from employing staff and retaining offices internationally.

It is positive and reassuring in these circumstances to be able to maintain revenue at the previous year's level and improve the overall operating result after tax by 21% to $13.5 million.

This year, we have continued with the programme started last year to increase the liquidity of Hansen shares and introduce a larger spread of investors to the Hansen share registry.

Our efforts in this area have achieved considerable change in the structure of the registry of shareholders. The percentage of shares held by the top 20 shareholders has reduced from in excess of 90% two years ago to approximately 72% today resulting in 43 million shares now being owned outside the top 20 shareholders. The number of shareholders has more than doubled to 2,446. The trading volume in our shares has increased dramatically to a monthly average exceeding 2 million shares. We believe the increased availability of shares and the broader shareholder base have been contributing factors to the rise in our share price over the past two years.

It has been a very satisfying year for the Hansen group. The objectives we set ourselves last year have been largely delivered.

- Our proprietary software solution:
  - Continued to invest in our core software products to ensure they remain relevant for the ever changing requirements of both the Telco and Energy industries,
  - Improved our internal processes to deliver both short and long term efficiencies in our software development and support services,
  - Delivered our new projects and software developments within budgeted expectations.
- Geographic expansion:
  - Extended our commitment to North America with the acquisition of Nirvanasoft as well as expanded our sales and marketing activities in this region,
  - Successfully sold our Telecommunications software billing solution into our first mainland European customer.
- Financial management:
  - Continued to distribute a healthy % of profits to shareholders by way of dividends while maintaining a strong liquid asset position.
- Data centre services:
  - Increased the capacity of our Doncaster data centre by approximately 50%,
  - Enhanced and invested in our "Cloud" computing service offerings.

We have continued to fund our business and growth initiatives entirely from in house cash. We remain free of any third party debt. Our Net Tangible Asset backing has again risen this year and is now 14.6 cents per share.

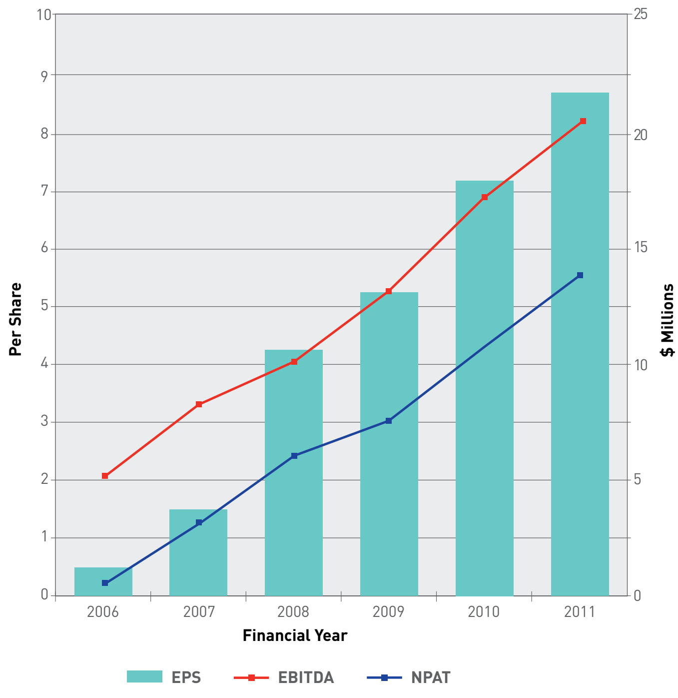
We have retained a core base of cash reserves sufficient to fund our business initiatives and geographic sales expansion plans for the current year.

2010/11 FINANCIAL PERFORMANCE

Operating revenue for the year of $57.6 million is consistent with the previous year. Earnings before interest, tax, depreciation and amortisation (EBITDA) of $20.5 million was a 19% increase on the previous year and represents an enviable return on operating revenue of 35%. Net Profit after Tax of $13.5 million represents a 21% ($2.4 million) increase on the prior year.

In respect of this year's operational performance, the total dividend distribution was increased to 6 cents per share. The interim dividend, paid in March 2011, was increased by 1 cent per share to 3 cents per share of which 2 cents per share was fully franked. Following the release of the full year's results, the Directors declared a consistent final fully franked dividend of 3 cents per share, paid to shareholders on 27 September 2011.

Key Indicators from Continuing Operations



ACQUISITIONS

We continue to benefit from the expansion of our business and the resultant economies of scale achieved from businesses we have acquired.

We will continue to be patient while we search for targets which will offer us the right balance between growth and financial strength. We are committed to be selective in this endeavour to ensure our shareholders money is wisely invested.

As a direct reflection of our increasing commitment to the North American market, we completed the acquisition in November 2010 of Nirvanasoft Inc., a New York based provider of proprietary software billing solutions with specific focus on complex Commercial and Industrial billing. This acquisition has demonstrably raised the awareness of Hansen in the North American energy industry and we are confident that new opportunities will result in this market over the coming year.

We are financially well positioned to execute on strategic growth with the flexibility to fund any acquisition utilising a combination of in house cash resources, third party debt and additional equity as and when appropriate.

The success of our recent acquisitions coupled with managements' proven ability to acquire and integrate business units encourages us to continue with the objective of growth through strategic acquisition.

HANSEN PEOPLE

At Hansen we continue to be blessed with a team of true professionals comprised of industry leading experts in our areas of influence. Our Company's strength is founded on our people and it is their positive attitude and commitment that represents a significant market differentiation for Hansen.

On behalf of the Board of Directors and shareholders we wish to record our appreciation to our dedicated employees for their efforts over the past year and strong commitment to our corporate goals.

In August this year, Ken Hansen stepped down as Chairman of the company. Over 30 years ago, Ken founded the IT services business which has evolved into today's ASX listed international company. Ken was at the helm when the business was listed on the ASX in 2000 and continued as Chairman as our business evolved into the multinational industry leading software solutions business which it is today.

On behalf of the Board of Directors and shareholders, we wish to record our sincere appreciation for Ken's leadership and his contribution as Chairman since 2000.

OUR BUSINESS

1. CORE MARKET FOCUS

Our core business is the delivery of proprietary customer care, billing and meter data management software solutions to the energy and telecommunications industry, coupled with optional full scale outsourcing services.

Our business success continues to be based on delivering to the fundamental objective of supporting our customers and their requirements for relevant and current software solutions which keep pace with or exceed industry driven change.

In this past year our major projects have been delivered on schedule and within budget expectation. We are constantly improving on what we do. Our customers recognise these achievements as it affords them comfort with both their original selection of Hansen as well as our ability to provide them with the solutions they will require as their businesses evolve.

2. MARKET DIFFERENTIATION

We compete on the international market with the worlds' largest software houses. These competitors commonly target the delivery of full enterprise solutions through systems integrators worldwide.

We, on the other hand, differentiate ourselves by:

- Focusing on selected geographies either directly or with partners where we may most readily deliver our solutions on budget and on time,
- Specialising in the provision of "best of breed" applications that deliver the specific solution required by our customers,
- Commonly working directly with our customers with a "hands on" and collaborative approach to delivering the optimum outcome for their project,
- Being large enough with a strong installed customer base to provide the highest level of confidence for our customers while retaining a more flexible product and management accessible approach than our "hands off" competition,
- Offering to most of our customers the option of a fully outsourced facility managed solution service,
- Utilising our historical telecommunications product history we deliver solutions to both Energy and Telco customers which offer enhanced rating flexibility for the increasing demand for complex, flexible and multi level billing solutions.

We are positioned in our selected geographies as the flexible alternative provider of best of breed solutions in our areas of core business focus.

3. ENERGY UTILITIES

The electricity industry, from the perspective of our core business, continues to be focused worldwide on initiatives associated with "smart grid" optimisation and the associated roll out of automated interval/smart meters.

Accordingly, the introduction of interval meters continues to be the potential driver of change for billing requirements from the energy market participants, but it is still unclear how this technological initiative can be economically viable for electricity retailers. Until the economic and social implications of interval meters are resolved, the roll out of new billing solutions to manage interval meters will continue to be slow. Inevitably these issues will be addressed and demand for enhanced billing solutions like HUB, Peace and NirvanaSoft will expand.

The Hansen family of complex billing solutions incorporates the flexibility of rating capabilities along with the ability to process larger volumes of metering data that our customers will require to roll out "time of use" billing initiatives. We are not just ready for these fundamental changes, we are already there with a number of implementations of interval meter solutions already in operation with existing customers.

Each of the regions in which we focus are at different stages in the evolution of advanced metering processes, but ultimately the requirement of Hansen as the billing solution provider will be similar. Our expanding international positioning in Japan, North America and the UK, coupled with our strong market position in Australia, ensures we are aware of and remain current with the trends impacting the requirements of billing solutions.

We are constantly engaging with our existing customers to ensure we are addressing their anticipated requirements of these and other industry initiatives as we undertake the continuous development of our product suite.

The introduction of a carbon tax in Australia should not have a major impact on the demand for billing solutions in Australia, however it will represent a major impost on the participants in the electricity industry and must for a period of time distract from other initiatives.

4. TELECOMMUNICATIONS

The provision of software billing solutions to the telecommunications industry is the historical foundation of the Hansen billing solution suite of products. We have a long history of delivering reliable, market ready telecommunications solutions and application support services.

The mobile phone market continues to be challenged by the issue of customer churn and the constant need to offer ever increasing flexibility in call rating pricing models in order to attract new customers as well as retain existing ones. New market entrants are looking for ways to differentiate their go to market strategies.

The Hansen HUB solution is highly configurable, enabling new and novel packages to be launched with 'speed-to-market' in mind. Our new billing solution for Tuenti in Spain for their mobile phone initiative to their 12 million plus social network members provides demonstrable evidence of our solutions flexibility. Delivering this hosted solution in Europe within a challengingly short time frame is further evidence of our software's configurability, as well as our development and delivery teams' expertise in rolling out solutions in a timely manner.

The telecommunications industry, while being a mature market, is serviced by a number of fragmented software solution providers. We are continuing to pursue opportunities for Hansen to acquire alternative telecommunications solution providers which would extend our product range, expand our geographic markets and drive economies of scale benefits.

5. SUPERANNUATION

We continue to evolve and develop the CLASSIC superannuation membership administration solution on behalf of a select group of key superannuation fund managers. This year we have completed the conversion of this software solution suite to a client server environment which will in turn open new opportunities for Hansen as our user group expands.

6. OUTSOURCING

With a large internal demand for IT development capacity and with a full service approach offering to our customers, we run and operate a 24/7 IT department incorporating a first grade data centre and facilities management operation. As a natural business progression we offer a full range of IT services to customers who are in need of varying degrees of outsourced support. This business unit represents a valuable contribution to our company's market differentiation and is a strong contributor to our overall business performance.

In recognition of the limited supply of outsourced data centre capacity in Australia, during this past year we invested in the expansion of the energy supply and associated backup systems of our Melbourne based data centre. In so doing, we increased the electrical capacity and related capability to support existing customers and attract new customers by around 50%. In addition we have invested in and expanded our capacity to operate and support "cloud based" computing arrangements.

Both of these capital initiatives have been fully implemented and new customers are being attracted to this expanded offering.

THE FUTURE

We are confident our software solutions are well positioned in our areas of expertise. We have invested in our business over the past year so that we are ready for the challenges we see forthcoming from our customers and the industries within which we operate.

We have an outstanding team of world leading industry experts and our products are positioned in industries undergoing fundamental structural and operational change which we are ideally situated to service. We have a clearly defined market differentiation which we believe is valued by existing and prospective customers.

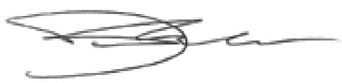
In addition, we have the strength of balance sheet to drive our organic objectives as well as our acquisitive growth aspirations.

We remain conscious that the speed of change in our target markets may be influenced by unpredictable economic and political factors but we have a solid base of customers with a high level of annuity business which underpins our financial strength.

Fiscal 2011 was a strong year with solid operational returns, but for various reasons our revenue growth was constrained. In 2012 we will continue to invest in sales resources and marketing activities, especially internationally, with the clear objective of driving growth in revenue from new customer opportunities. We are conscious that with the lead time for opportunities in our business being commonly quite lengthy, we may not see substantial returns from this investment in 2012.

It will be a challenge to keep up with the rate of profit improvement we have been able to achieve in recent years, but we are committed to doing everything possible to maintain our track record of performance improvement.

Finally, may we record our appreciation for the continued support of our shareholders. This past year has been good for our business and has delivered strong appreciation in value for our shareholders. We remain absolutely committed to growing and improving the business of Hansen Technologies with the objective of continuing to enhance shareholder value.



David Trude
Chairman
Melbourne
30 September 2011

Andrew Hansen
Chief Executive Officer
Melbourne
30 September 2011

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

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 David Trude

Age 63
Chairman
Non-Executive Director
Appointed Chairman August 2011
Director since May 2011

David has extensive experience in a variety of financial services roles within the banking and securities industries. He holds a Degree in Commerce from the University of Queensland and is a member of many professional associations including the Society of Investment Professionals, Stockbrokers Association of Australia and the Australian Institute of Company Directors. He is also Chairman of E.L & C. Baillieu, Waterford Retirement Village and East West Line Parks Pty Ltd, a panel member of ASX Disciplinary Tribunal and a consultant at Credit Suisse Australia.

Mr Kenneth Hansen

Age 78
Non-Executive Director
Resigned as Chairman August 2011
Director since 2000

Kenneth has over 35 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.

Mr Andrew Hansen

Age 51
Managing Director & CEO
Managing Director since 2000

Andrew has over 30 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 implementing the Group's strategic direction and overseeing the everyday affairs of the Hansen Group.

No Directors of Hansen Technologies Ltd held any other directorships of listed companies at any time during the three years prior to 30 June 2011.

Mr Bruce Adams

Age 51

Non-Executive Director
Director since 2000
Chairman of the Audit Committee
Member of the Remuneration Committee

Bruce has over 20 years experience as a commercial lawyer. He has practiced 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.

Mr Phillip James

Age 61

Non-Executive Director
Director since 2008
Chairman of the Remuneration Committee
Member of the Audit Committee

Phillip has over 30 years experience in the Australian and New Zealand energy sectors, holding senior executive positions with AGL Energy and NGC Holdings (NZ). Phillip's extensive career of over 25 years with AGL (Australia's largest energy retailer) included positions in sales, marketing, operations and senior executive roles, culminating in his appointment in 2005 as Group General Manager Retail, with responsibility for AGL's energy retail business Australia wide.

Mr David Osborne

Age 62

Non-Executive Director
Director since 2006
Member of Audit & Remuneration Committees

David is a Fellow of the Institute of Chartered Accountants, a Fellow of CPA Australia, and a Fellow 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.

Mr Grant Lister / Age 59

CFO & Company Secretary / CFO since 2002 / Company Secretary since 2004

Grant is a qualified Chartered Accountant with more than 30 years experience in senior financial management roles and over 15 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.

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 2011 and auditor's report thereon. This financial report has been prepared in accordance with Australian Accounting Standards.

PRINCIPAL ACTIVITIES

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

RESULTS

The consolidated profit after income tax attributable to the members of Hansen Technologies Ltd increased by 21% to $13,533,422 (2010: $11,139,573).

REVIEW OF OPERATIONS

Fiscal 2011 has continued the trend of year on year improvement in operational performance. A strong performance in the first half year was virtually mirrored throughout the second half, with the Group's operating result for the fiscal year to 30 June 2011 highlighted by;

- Operating Revenue of $57.6 million, in line with the previous year
- Earnings before interest, tax, depreciation and amortisation (EBITDA) of $20.5 million,
  - up 19% year on year
  - representing a return on operating revenue of 35%
- Profit before Tax of $18.2 million, up 29%
- Net Profit after Tax of $13.5 million, up 21%

In November 2010 we acquired the New York based billing solution provider, NirvanaSoft Inc., representing an expansion in our company's commitment to and customer base in the North American utilities market. NirvanaSoft specialise in providing proprietary software for complex billing solutions in the electricity and gas utilities market. Their products are ideally suited to support the smart grid and time-of-use metering technology initiatives which are the focus of utility companies in North America.

We have continued to work with our existing customers to enhance and expand our service offerings. We have pursued continued improvement in our software design and development processes and strived for consistency and reliability in our delivery performance. We have delivered all projects in the past year within our budgeted guidelines and time frame objectives. We have continued to invest in our core software solution suite to deliver the functionality required by our customers and remain ahead of the evolution in technology and the markets within which we operate.

We have also been working to expand our activities in Europe and this year we were successful in licensing our telecommunications billing solution in to a customer in Spain.

This solution was designed and delivered within a challenging deadline and incorporated the additional benefit and complexity of being a fully hosted packaged solution. This solution has now been rolled out and is operational. We are confident this implementation will form a foundation for additional opportunities in Europe.

We have this year expanded the capacity of our Melbourne based data centre with an investment to increase the electricity supply together with associated back up infrastructure. We also invested in the expansion of our "Cloud Computing" service capabilities. Both of these investments were well timed and have resulted in attracting a number of new clients for our data services offering.

We have converted the CLASSIC superannuation software solution across to server based technology, opening up new opportunities for this software.

Our market differentiation is in the independence of our business, the flexibility and depth of our products, the quality and expertise of our staff and the absolute commitment we offer to customers. This year we have remained true to these qualities.

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

As part of normal business activities the company is from time to time in negotiations with customers and third parties over prospective new business opportunities. When these new opportunities are significant in the overall context of our business and the negotiations reach a level where the transaction contemplated is confirmed, then releases are made to the ASX in accordance with the Listing rules on Continuous Disclosure.

No other matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

LIKELY DEVELOPMENTS

The company will continue to pursue its operating strategy of providing proprietary billing solutions to our targeted industries of Energy and Telecommunication while pursuing appropriate acquisitions 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 3 cent per share fully franked final dividend was declared on 25 August 2011 with payment made on 27 September 2011.

The amount declared was not recognised as a liability in the accounts of Hansen Technologies Ltd as at 30 June 2011.

Dividends paid during the year:

- 3 cent per share fully franked final dividend paid 27 September 2010
- 3 cent per share partially franked interim dividend paid 28 March 2011

SHARE OPTIONS

Options over shares may be issued to senior management as an incentive for motivating / rewarding performance as well as encouraging longevity of employment. The issuing of options is intended to enhance the alignment of senior management with the primary shareholder objective of increasing shareholder value. Options over unissued ordinary shares granted by Hansen Technologies Ltd during or since the end of the financial year to the key management personnel as part of their remuneration are as follows;

Executive	Granted Number	Grant date
M Benne	75,000 75,000	1 July 2010 2 July 2011
C Hunter	75,000 100,000	1 July 2010 2 July 2011
G Lister	75,000 100,000	1 July 2010 2 July 2011
D Meade	75,000 75,000	1 July 2010 2 July 2011
S Weir	40,000 40,000	1 July 2010 2 July 2011
Total	**730,000**	

No options were granted to Directors during or since the end of the financial year.

All grants of options are subject to the achievement of performance measurements. The measurements vary for each manager but are commonly balanced between specified key performance indicators related to each managers' area of responsibility, as well the achievement as a whole of the company's financial objectives for the year of issue. Subject to continuation of employment, options vest 3 years after issue date. If the continuation of employment vesting criteria is not met the options are usually forfeited, but the Directors may exercise discretion to vary the vesting criteria based on the contribution of the executive and/or the circumstances of their termination. 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 $	No. Options at Date of Report
1 July 2007	1 July 2010	1 July 2012	$0.265	30,000
1 July 2008	1 July 20 11	1 July 2013	$0.390	115,000
1 July 2009	1 July 2012	1 July 2014	$0.410	570,000
1 July 2010	1 July 2013	1 July 2015	$0.580	605,000
1 Jan 2011	1 Jan 2014	1 Jan 2016	$0.750	75,000
2 July 2011	2 July 2014	2 July 2016	$0.910	745,000
Total				**2,140,000**

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

The following ordinary shares of Hansen Technologies Ltd were issued during or since the end of the financial year as a result of the exercise of an option:

Date Issued	Number of Ordinary Shares Issued	Amount Paid per Share
25 August 2010	260,000	$0.265
11 February 2011	75,000	$0.265
9 September 2011	75,000	$0.265
9 September 2011	425,000	$0.390
Total	**835,000**	

There are no amounts unpaid on shares issued on exercise of options.

INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS AND AUDITORS

INDEMNIFICATION

The Company has agreed to indemnify all of 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

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 due to the confidentiality provisions of the insurance agreement.

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:

Director	Board Meetings		Audit Committee Meetings		Remuneration Committee Meetings	
	A	B	A	B	A	B
B Adams	11	9	3	3	3	3
A Hansen	11	11	-	-	-	-
K Hansen	11	9	-	-	-	-
P James	11	10	3	3	3	2
D Osborne	11	11	3	3	3	3
D Trude	1	1	-	-	-	-

A - Number of meetings eligible to attend
B - Number of meetings attended

DIRECTORS' INTERESTS IN SHARES OR OPTIONS

Directors' relevant interests in shares of Hansen Technologies Ltd or options over shares in the company are detailed below.

Directors' relevant interests in:	Ordinary Shares of Hansen Technologies Ltd	Options over Shares in Hansen Technologies Ltd
B Adams	150,000	-
A Hansen	2,777	-
K Hansen	92,610,336	-
P James	-	-
D Osborne	322,033	-
D Trude	40,000	-

DIRECTORS' INTERESTS IN CONTRACTS

Directors' interests in contracts with the Company are limited to the provision of leased premises on 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 as required under section 307C of the Corporations Act 2001 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 and other non-related audit firms, 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:

	Consolidated	
	June 2011	June 2010
Auditors of the Company	**$'000**	**$'000**
AUSTRALIA		
- income tax services	33	29
- other tax services	15	22
	48	**51**
OVERSEAS FIRMS		
- income tax services	11	9
- other tax services	35	36
	46	**45**
Total non-audit services	**94**	**96**

REMUNERATION REPORT

REMUNERATION POLICIES

The remuneration subcommittee of the Board of Directors 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 Company policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that the remuneration is market competitive in attracting, retaining and motivating people of the highest quality. The committee uses reports on the remuneration practices of similar ASX listed entities as a basis to ensure executive remuneration remains relevant to the market conditions as well as the size and nature of our business. Periodically the Board will engage third party consultants to evaluate and advise on the remuneration practices and salary packages of its most senior executives.

The Managing Director/CEO and senior executives receive performance incentives by way of bonuses and option allocations. Performance based remuneration for the key management personnel is specified by the Remuneration Committee of the Board and is subject at a minimum 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.

The nature and range of key performance indicators and other targets against which the performance of key management personnel is measured, for the purpose of determining cash based bonus payments, are as follows:

- Financial
  - The actual worldwide group operational performance compared to budget for revenue and EBITDA. The actual parameters applied are dependent upon the roles and responsibilities of the executive in question. These parameters commonly comprise between 30% and 50% of the performance based compensation available to be earned.
  - The financial operating performance of individual business units and geographic regions against budget revenue and EBITDA
- Business Management
  - Staff utilisation performance metrics
  - Delivery of software projects relative to budget and time estimates
- Customer relationship
  - Retention and cross-selling,
  - Sale of additional software licences
- Business growth
  - Acquisition and integration of compatible business
  - Achievement of new licence sales to new strategic customers
- Departmental operating efficiency
  - Enhanced performance of individual departments
  - Achievement of specified efficiency improvements
- Personnel
  - Training and development of employees
- Other Corporate
  - Corporate governance and compliance
  - Corporate structure optimisation

Options issued are conditional upon the group achieving agreed 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 7 and 8 of this report. The key management personnel in the consolidated group for the financial year are:

EXECUTIVES	POSITION
M Benne	Global Consulting Director
C Hunter	Chief Operations Officer
G Lister	Chief Financial Officer & Company Secretary
D Meade	Client Services Manager
S Weir	General Manager, Europe

DIRECTORS' AND EXECUTIVES' REMUNERATION

2011	Short-Term Employee Benefits			Post-Employment Benefits	Share-Based Benefits	Other Long-Term Benefits			
Directors	**Salary Fees**	**Cash Bonus**	**Non-Monetary**	**Super**	**Options Issued**	**Other Benefits**	**Total**	**Total Performance Related**	**Options as % of Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**%**	**%**
B Adams	39,274	-	-	3,535	-	-	42,809	-	-
A Hansen	568,853	169,725	-	50,000	-	-	788,578	22%	-
K Hansen	73,873	-	-	-	-	-	73,873	-	-
P James	46,637	-	-	4,197	-	-	50,834	-	-
D Osborne	39,274	-	-	3,535	-	-	42,809	-	-
D Trude	8,410	-	-	757	-	-	9,167	-	-
	776,321	**169,725**	**-**	**62,024**	**-**	**-**	**1,008,070**	**17%**	**-**
Executives									
M Benne	165,138	18,348	-	16,514	10,143	-	210,143	14%	5%
C Hunter	201,835	36,697	-	21,468	10,143	-	270,143	17%	4%
G Lister	259,575	36,697	8,128	25,600	10,143	-	340,143	14%	3%
D Meade	215,949	36,697	-	21,881	10,143	-	284,670	16%	4%
S Weir	160,857	16,086	-	10,415	5,410	-	192,768	11%	3%
	1,003,354	**144,525**	**8,128**	**95,878**	**45,982**	**-**	**1,297,867**	**15%**	**4%**
	1,779,675	**314,250**	**8,128**	**157,902**	**45,982**	**-**	**2,305,937**	**16%**	**2%**

2010	Short-Term Employee Benefits			Post-Employment Benefits	Share-Based Benefits	Other Long-Term Benefits			
Directors	**Salary Fees**	**Cash Bonus**	**Non-Monetary**	**Super**	**Options Issued**	**Other Benefits**	**Total**	**Total Performance Related**	**Options as % of Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**%**	**%**
B Adams	37,037	-	-	3,333	-	-	40,370	-	-
A Hansen	455,619	211,009	-	50,000	-	-	716,628	29%	-
K Hansen	70,648	-	-	-	-	-	70,648	-	-
P James	146,789	-	-	13,211	-	-	160,000	-	-
D Osborne	37,037	-	-	3,333	-	-	40,370	-	-
	747,130	**211,009**	**-**	**69,877**	**-**	**-**	**1,028,016**	**21%**	**-**
Executives									
C Hunter	183,486	36,697	-	19,817	6,175	-	246,175	17%	3%
G Lister	241,557	36,697	16,703	25,043	6,175	-	326,175	13%	2%
D Meade	203,776	36,697	-	20,642	6,175	-	267,290	16%	2%
G Prior	210,204	23,356	-	6,481	3,293	-	243,334	11%	1%
S Weir	163,959	26,399	-	7,385	3,293	-	201,036	15%	2%
	1,002,982	**159,846**	**16,703**	**79,368**	**25,111**	**-**	**1,284,010**	**14%**	**2%**
	1,750,112	**370,855**	**16,703**	**149,245**	**25,111**	**-**	**2,312,026**	**17%**	**1%**

In accordance with the remuneration policy, options granted as remuneration are subject to continuing service with the company. Options granted as remuneration are valued at grant date in accordance with AASB 2 Share-based Payments. Options previously granted as remuneration to key management personnel that lapsed during the year as a result of the termination of a 2010 key executive totalled 75,000.

COMPENSATION OPTIONS: GRANTED AND VESTED DURING THE YEAR

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

					Terms and Conditions For Each Grant		
	Vested During the Year	Granted During the Year	Grant Date	Value per Option at Grant Date	Exercise Price	Vesting Date	Last Exercise Date
Specified Executives							
M Benne (Global Consulting Director)	-	75,000	1 July 2010	$0.135	$0.580	1 July 2013	1 July 2015
C Hunter (Chief Operations Officer)	75,000	75,000	1 July 2010	$0.135	$0.580	1 July 2013	1 July 2015
G Lister (CFO & Company Secretary)	75,000	75,000	1 July 2010	$0.135	$0.580	1 July 2013	1 July 2015
D Meade (Client Services Manager)	75,000	75,000	1 July 2010	$0.135	$0.580	1 July 2013	1 July 2015
S Weir (General Manager, Europe)	-	40,000	1 July 2010	$0.135	$0.580	1 July 2013	1 July 2015
Total	**225,000**	**340,000**					

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.

NUMBER OF OPTIONS HELD BY KEY MANAGEMENT PERSONNEL

						Vested at 30 June 2011		
	Balance 30 June 2010	Granted as Remuneration	Options Exercised	Options Forfeited	Balance 30 June 2011	Total	Exercisable	Un-exercisable
Specified Executives								
M Benne (Global Consulting Director)	-	75,000	-	-	75,000	-	-	-
C Hunter (Chief Operations Officer)	225,000	75,000	75,000	-	225,000	-	-	-
G Lister (CFO & Company Secretary)	225,000	75,000	75,000	-	225,000	-	-	-
D Meade (Client Services Manager)	225,000	75,000	-	-	300,000	75,000	75,000	-
S Weir (General Manager, Europe)	80,000	40,000	-	-	120,000	-	-	-
Total	**755,000**	**340,000**	**150,000**	**-**	**945,000**	**75,000**	**75,000**	**-**

VALUE OF OPTIONS GRANTED AS REMUNERATION THAT HAVE BEEN EXERCISED OR LAPSED DURING THE FINANCIAL YEAR

	Balance 1 July 2010	Value Granted	Value Exercised	Value Lapsed	Balance 30 June 2011
Specified Executives					
M Benne	-	10,143	-	-	10,143
C Hunter	21,827	10,143	8,816	-	23,154
G Lister	21,827	10,143	8,816	-	23,154
D Meade	21,827	10,143	-	-	31,970
S Weir	6,939	5,410	-	-	12,349
Total	**72,420**	**45,982**	**17,632**	**-**	**100,770**

ROUNDING OF AMOUNTS

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.

Signed in accordance with a resolution of the Directors:

David Trude
Director
Melbourne
30 September 2011

Andrew Hansen
Director
Melbourne
30 September 2011

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Hansen Technologies Ltd

In relation to the independent audit for the year ended 30 June 2011, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the Corporations Act 2001; and

(ii) No contraventions of any applicable code of professional conduct

S SCHONBERG
Partner
30 September 2011

PITCHER PARTNERS
Melbourne

2011 FINANCIAL STATEMENTS AND NOTES

CONTENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR YEAR ENDED 30 JUNE 2011

		Consolidated Entity	
	Note	2011 $'000	2010 $'000
Revenue from ongoing operations	4	57,575	57,766
Other revenues	4	2,499	1,020
Total revenues		**60,074**	**58,786**
Employee expenses	5	(27,453)	(29,384)
Depreciation and amortisation expenses	5	(3,259)	(3,913)
Property and operating rental expenses	5	(2,377)	(2,318)
Contractor and consultant expenses		(1,276)	(1,757)
Software licence expenses		(255)	(106)
Hardware and software expenses		(3,091)	(2,882)
Travel expenses		(1,394)	(1,308)
Communication expenses		(668)	(698)
Professional expenses		(777)	(448)
Other expenses		(1,289)	(1,890)
Total expenses		**(41,839)**	**(44,704)**
Profit before income tax		**18,235**	**14,082**
Income tax expense	6(b)	(4,702)	(2,942)
Profit after income tax from ongoing operations		**13,533**	**11,140**
Other comprehensive income (expense)			
Exchange movement in foreign currency translation reserve	16(a)	(2,267)	94
Total comprehensive income for the year attributable to members of the parent		**11,266**	**11,234**

	Note	Cents Per Share	Cents Per Share
Basic earnings (cents) per share for ongoing operations	20	8.7	7.2
Total basic earnings (cents) per share		**8.7**	**7.2**
Diluted earnings (cents) per share for ongoing operations	20	8.6	7.2
Total diluted earnings (cents) per share		**8.6**	**7.2**

This consolidated statement of comprehensive income is to be read in conjunction with the notes to the financial statements set out on pages 23 to 51.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2011

	Note	Consolidated Entity 2011 $'000	Consolidated Entity 2010 $'000
Current Assets			
Cash and cash equivalents	8	21,364	23,450
Receivables	9	7,596	8,178
Other current assets	10	2,913	2,817
Total Current Assets		**31,873**	**34,445**
Non-Current Assets			
Plant, equipment & leasehold improvements	11	4,857	3,441
Intangible assets	12	29,103	27,497
Deferred tax assets	6	907	1,075
Total Non-Current Assets		**34,867**	**32,013**
Total Assets		**66,740**	**66,458**
Current Liabilities			
Payables	13	3,599	4,350
Current tax payable	6	1,857	1,526
Provisions	14	4,825	4,680
Unearned income		3,351	5,547
Total Current Liabilities		**13,632**	**16,103**
Non-Current Liabilities			
Provisions	14	267	458
Total Non-Current Liabilities		**267**	**458**
Total Liabilities		**13,899**	**16,561**
Net Assets		**52,841**	**49,897**
Equity			
Share capital	15	49,669	48,715
Foreign currency translation reserve	16(a)	(2,674)	(407)
Options granted reserve	16(b)	242	200
Retained earnings	16(c)	5,604	1,389
Total Equity		**52,841**	**49,897**

This consolidated statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 23 to 51.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2011

	Note	Consolidated Entity			
		Contributed Equity $'000	Reserves $'000	Retained Earnings $'000	Total Equity $'000
Balance as at 1 July 2010		**48,715**	**(207)**	**1,389**	**49,897**
Profit for the year		-	-	13,533	13,533
Exchange movement in foreign currency translation reserve	16(a)	-	(2,267)	-	(2,267)
Total comprehensive income for the year		**-**	**(2,267)**	**13,533**	**11,266**
Transactions with owners in their capacity as owners:					
Employee share plan	15	126	-	-	126
Options exercised	15	88	-	-	88
Employee share options		-	42	-	42
Equity issued under dividend reinvestment plan	15	740	-	-	740
Dividends paid	7	-	-	(9,318)	(9,318)
Total transactions with owners in their capacity as owners		**954**	**42**	**(9,318)**	**(8,322)**
Balance as at 30 June 2011	15 & 16	**49,669**	**(2,432)**	**5,604**	**52,841**

	Note	Consolidated Entity			
		Contributed Equity $'000	Reserves $'000	Retained Earnings $'000	Total Equity $'000
Balance as at 1 July 2009		**48,199**	**(335)**	**(2,041)**	**45,823**
Profit for the year		-	-	11,140	11,140
Exchange movement in foreign currency translation reserve	16(a)	-	94	-	94
Total comprehensive income for the year		**-**	**94**	**11,140**	**11,234**
Transactions with owners in their capacity as owners:					
Employee share plan	15	130	-	-	130
Options exercised	15	117	-	-	117
Employee share options		-	34	-	34
Equity issued under dividend reinvestment plan	15	308	-	-	308
Share buy back	15	(39)	-	-	(39)
Dividends paid	7	-	-	(7,710)	(7,710)
Total transactions with owners in their capacity as owners		**516**	**34**	**(7,710)**	**(7,160)**
Balance as at 30 June 2010	15 & 16	**48,715**	**(207)**	**1,389**	**49,897**

This consolidated statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 23 to 51.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2011

	Note	Consolidated Entity 2011 $'000	2010 $'000
Cash flows from operating activities			
Receipts from customers		58,868	60,509
Payments to suppliers and employees		(44,566)	(44,117)
Interest received		672	615
Income tax paid		(4,538)	(4,566)
Net cash provided by operating activities	17(a)	**10,436**	**12,441**
Cash flows from investing activities			
Proceeds from sale of plant and equipment		45	-
Payment for acquisition of business		(839)	-
Payment for plant and equipment		(2,831)	(1,212)
Payment for capitalised research and development		(533)	(1,103)
Net cash used in investing activities		**(4,158)**	**(2,315)**
Cash flows from financing activities			
Proceeds from share issue	15	126	130
Payments for share buy back	15	-	(39)
Proceeds from options exercised	15	88	117
Dividends paid net of dividend re-investment		(8,578)	(7,402)
Net cash used in financing activities		**(8,364)**	**(7,194)**
Net increase (decrease) in cash and cash equivalents		**(2,086)**	**2,932**
Cash and cash equivalents at beginning of year		23,450	20,518
Cash and cash equivalents at end of the year	8	**21,364**	**23,450**

This consolidated statement of cash flow is to be read in conjunction with the notes to the financial statements set out on pages 23 to 51.

NOTES TO THE FINANCIAL STATEMENTS

CONTENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant 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

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

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

The financial report was authorised for issue by the Directors on 30 September 2011.

COMPLIANCE WITH IFRS

The consolidated financial statements of Hansen Technologies Ltd also comply with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

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 over which the parent has the power to control the financial and operating policies so as to obtain benefits from its activities.

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

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 rendering of services to customers is recognised upon delivery of the service to the customer.

Interest revenue is recognised when it becomes receivable on a proportional basis.

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, and short term deposits with an original maturity of six months or less held at call with financial institutions.

(e) Plant, equipment & leasehold improvements

COST AND VALUATION

All classes of plant, equipment and leasehold improvements 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. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The useful lives for each class of assets are:	2011	2010
Plant, equipment & leasehold improvements:	2.5 to 12 years	2.5 to 12 years
Leased plant and equipment:	2.5 to 12 years	2.5 to 12 years

(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 the consolidated entity are classified as finance leases. Finance leases are capitalised, recording an asset and liability equal to the present value of the minimum lease payments, including any guaranteed residual values. The interest expense is calculated using the interest rate implicit in the lease and is included in finance costs in the statement of comprehensive income.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely the consolidated entity will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

OPERATING LEASES

Lease payments for operating leases are recognised as an expense on a straight line basis over the term of the lease.

(g) Business combinations

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses and results in the consolidation of the assets and liabilities acquired. Business combinations are accounted for by applying the acquisition method.

The consideration transferred is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed.

Goodwill is recognised initially at the excess over the aggregate of the consideration transferred, the fair value of the non-controlling interest, less the fair value of the identifiable assets acquired and liabilities assumed.

Acquisition related costs are expensed as incurred.

(h) Intangibles

GOODWILL

Goodwill is initially measured as described in Note 1(g).

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.

TRADEMARK AND LICENCES

Trademark and licences are recognised at cost and are amortised over their estimated useful lives, which range from 5 to 10 years. Trademarks and licences are carried at cost less accumulated amortisation and any impairment losses.

RESEARCH AND DEVELOPMENT

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

Expenditure on development activities is capitalised only when technical feasibility studies demonstrate that the project will deliver future economic benefits and these benefits can be measured reliably. Capitalised development expenditure is stated at cost less accumulated amortisation. Amortisation is calculated using a straight-line method to allocate the cost of the intangible asset over its estimated useful life commencing when the intangible asset is available for use.

Other development expenditure is recognised as an expense when incurred.

(i) Impairment

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.

(j) Income tax

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.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities settled. No deferred tax asset or liability is recognised in relation to temporary differences 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 BALANCES

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if 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 all eligible Australian 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 the tax consolidated group. The tax consolidated group has also entered a tax funding agreement whereby each entity in the tax-consolidated group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

(k) Provisions

Provisions are recognised when the consolidated entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(l) 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.

DEFINED CONTRIBUTION SUPERANNUATION PLAN

The consolidated entity makes contributions to defined contribution superannuation plans in respect of employee services rendered during the year. These superannuation contributions are recognised as an expense in the same period when the employee services are received.

SHARE-BASED PAYMENTS

The consolidated entity operates an employee share option plan and an employee share scheme. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price at grant date. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(m) Financial instruments

CLASSIFICATION

The consolidated entity classifies its financial instruments in the following categories: loans and receivables and financial liabilities. The classification depends on the purpose for which the instruments were acquired. Management determines the classification of its financial instruments 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 and other creditors.

(n) Foreign currencies translations and balances

FUNCTIONAL AND PRESENTATION CURRENCY

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

TRANSACTIONS AND BALANCES

Transactions in foreign currencies of entities within the consolidated group 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.

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

Entities that have a functional currency different to the 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 actual exchange rates or average exchange rates for the period, where appropriate; 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.

(o) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(p) Comparatives

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

(q) Rounding amounts

The parent entity and the consolidated entity have applied the relief available under ASIC Class Order CO 98/0100 and accordingly, amounts in the consolidated financial statements and the Directors' report have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

(r) New accounting standards and interpretations

A number of accounting standards and interpretations have been issued at the reporting date but are not yet effective. The Directors have not yet assessed the impact of these standards or interpretations.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The group makes certain estimates and assumptions concerning the future which, by definition, will seldom represent actual results. Estimates and assumptions based on future events have a significant inherent risk and where future events are not as anticipated there could be a material impact on the carrying amounts of the assets and liabilities 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. The valuation applies a discounted value to cash flow over a five year period, plus a terminal value at the end of the period. In respect of this fiscal year, a 14.50% market rate has been applied. The growth rates utilised vary by business unit from 3.5% to a maximum of 10% per annum.

(b) Income tax

Income tax benefits are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the group 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 has been significant expenditure on research and development on the HUB billing software in the 2011 year. Where appropriate government tax incentives for R&D expenditure are recognised in the year of expenditure as a reduction in the income tax expense. Recognition of the carried forward losses is based upon the probable future profits of the relevant group entities.

3. FINANCIAL RISK MANAGEMENT

The consolidated entity is exposed to a variety of financial risks comprising:

(a) Interest rate risk

(b) Credit risk

(c) Liquidity and foreign exchange risk

(d) Fair values

The Board of Directors has overall responsibility for identifying and managing operational and financial risks.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

The consolidated entity's exposure to interest rate risks in relation to future cash flows and the effective weighted average interest rates on classes of financial assets and financial liabilities is as follows:

Consolidated Entity						
Financial Instruments	**Note**	**Interest Bearing**	**Non-interest Bearing**	**Total Carrying Amount**	**Weighted Avg. Effective Interest Rate**	**Fixed / Variable Rate**
		$'000	**$'000**	**$'000**	**%**	
2011 Financial assets						
Cash and cash equivalents	8	21,364	-	21,364	5.33%	fixed / variable
Receivables	9	-	7,596	7,596		
Other current assets	10	-	2,913	2,913		
		21,364	**10,509**	**31,873**		
Financial liabilities						
Payables	13	-	3,599	3,599		
		-	**3,599**	**3,599**		
2010 Financial assets						
Cash and cash equivalents	8	23,450	-	23,450	5.42%	fixed / variable
Receivables	9	-	8,178	8,178		
Other current assets	10	-	2,817	2,817		
		23,450	**10,995**	**34,445**		
Financial liabilities						
Payables	13	-	4,350	4,350		
		-	**4,350**	**4,350**		

(b) Credit risk exposures

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

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 impairment of those assets, as disclosed in the consolidated statement of financial position and notes to the consolidated financial statements.

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 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 62% (2010: 68%), Finance Sector 5% (2010: 2%), Telecommunications 22% (2010: 25%) and Other 11% (2010: 5%).

(c) Liquidity and foreign exchange risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Hansen Group operates internationally and as such has exposure to foreign currency movements as part of its day to day operational realities. The Group has a substantial surplus of cash assets compared to its nominal third party or foreign currency designated payables. The Group has no third party debt obligations, other than normal operational trade payables, which are designated in foreign currency. Accordingly the Group's liquidity and foreign currency exchange risks are assessed as nominal.

(d) Fair values

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

4. REVENUE

	Consolidated Entity	
	2011 $'000	2010 $'000
Revenues from continuing operations		
Revenue from sale of goods and services	57,575	57,766
	57,575	**57,766**
Other income from operating activities		
Interest received	953	823
Net foreign exchange gains / (losses)	1,459	(259)
Other income	87	456
Total other revenues	**2,499**	**1,020**
Total revenue from continuing operations	**60,074**	**58,786**

5. PROFIT FROM CONTINUING OPERATIONS

		Consolidated Entity	
	Note	2011 $'000	2010 $'000
Profit from continuing operations before income tax has been determined after the following specific expenses:			
Employee benefit expenses			
Wages and salaries		25,427	27,238
Superannuation costs		1,984	2,112
Share based payments		42	34
Total employee benefit expenses		**27,453**	**29,384**
Depreciation of non-current assets			
Plant, equipment and leasehold improvements	11	1,301	1,287
Total depreciation of non-current assets		**1,301**	**1,287**
Amortisation of non-current assets			
Plant and equipment under finance lease		-	12
Patents, contracts and software	12	374	333
Research and development	12	1,584	2,281
Total amortisation of non-current assets		**1,958**	**2,626**
Property and operating rental expenses			
Rental charges		2,377	2,318
Total property and operating rental expenses		**2,377**	**2,318**

6. INCOME TAX

	Consolidated Entity	
	2011 $'000	**2010 $'000**
(a) The components of tax expense:		
Current tax	5,010	3,680
Deferred tax	(167)	(879)
Under / (over) provision in prior years	(141)	141
Total income tax expense	**4,702**	**2,942**

(b) Prima facie tax payable		
The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:		
Prima facie income tax payable on profit before income tax at 30%	5,470	4,224
Add / (less) tax effect of:		
Research and development allowances	(200)	(92)
Non-deductible share based payments	13	10
Current year losses not brought to account	139	-
Non assessable income	-	(105)
Under / (over) provision in prior years	(141)	141
NZ deferred research and development expenditure utilised	(133)	(985)
NZ deferred research and development expenditure recognised	(202)	(527)
Investment allowance	-	(24)
Prior year losses not brought to account	-	(79)
Other non-allowable / deductible items	(244)	379
Income tax expense attributable to profit	**4,702**	**2,942**

(c) Current tax liability		
Current tax relates to the following:		
Current tax liabilities / (assets)		
Opening balance	1,526	2,270
Prior year under / (over) provision	(141)	141
Income tax	5,010	3,680
Tax payments	(4,538)	(4,565)
	1,857	**1,526**

	Consolidated Entity	
	2011 $'000	**2010 $'000**
(d) Deferred tax		
Deferred tax relates to the following:		
Deferred tax asset balance comprises:		
Difference in depreciation and amortisation of plant and equipment for accounting and income tax purposes	11	24
Other payables	334	303
Employee benefits	1,396	1,193
Losses available for offset against future taxable income	-	228
NZ deferred research and development expenditure recognised	-	527
Other	-	20
	1,741	**2,295**
Deferred tax liabilities balance comprises:		
Research and development expenditure capitalised	(831)	(1,146)
Other income not yet assessable	(3)	(74)
	(834)	**(1,220)**
Net deferred tax	**907**	**1,075**

(e) Deferred income tax (revenue) / expense included in income tax expense comprises:		
Increase in deferred tax assets	(553)	(589)
Decrease / (increase) in deferred tax liabilities	386	(290)
	(167)	**(879)**

(f) Deferred tax assets not brought to account		
Gross capital losses	5,453	2,824
Gross operating losses	3,635	3,172
	9,088	**5,996**

7. DIVIDENDS

2011

A 3 cent per share fully franked final dividend was paid on 27 September 2011.

The amount declared was not recognised as a liability in the accounts of Hansen Technologies Ltd as at 30 June 2011.

	Period	
	2011 $'000	2010 $'000
Dividends provided for or paid during the year		
- 3 cent per share final dividend paid 27 September 2010	4,653	
- 3 cent per share final dividend paid 2 October 2009		4,621
- 3 cent per share interim dividend paid 28 March 2011	4,665	
- 2 cent per share interim dividend paid 29 March 2010		3,089
	9,318	**7,710**
Proposed dividend not recognised at the end of the year	**4,701**	**4,653**

Dividend franking account		
30% franking credits, on a tax paid basis, are available to shareholders of Hansen Technologies Ltd for subsequent financial years	**1,154**	**2,201**

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.

8. CASH AND CASH EQUIVALENTS

	Consolidated Entity	
	2011 $'000	2010 $'000
Current		
Cash at bank and on hand	2,360	1,514
Interest bearing deposits	19,004	21,936
	21,364	**23,450**

9. RECEIVABLES

	Consolidated Entity	
	2011 $'000	2010 $'000
Current		
Trade receivables	7,256	7,683
Less: provision for impairment	-	-
	7,256	**7,683**
Sundry debtors	340	495
	7,596	**8,178**

10. OTHER CURRENT ASSETS

	Consolidated Entity	
	2011 $'000	2010 $'000
Current		
Prepayments	1,560	1,134
Accrued revenue	1,353	1,683
	2,913	**2,817**

11. PLANT, EQUIPMENT & LEASEHOLD IMPROVEMENTS

	Consolidated Entity	
	2011 $'000	2010 $'000
Plant, equipment & leasehold improvements, at cost	17,068	14,686
Accumulated depreciation	(12,211)	(11,245)
Total plant, equipment & leasehold improvements	**4,857**	**3,441**

Reconciliations Reconciliation of the carrying amounts of plant, equipment & leasehold improvements at the beginning and end of the current financial year.	Consolidated Entity	
	2011 $'000	2010 $'000
Plant, equipment & leasehold improvements		
Carrying amount at 1 July 2010	3,441	3,576
Additions	2,831	1,212
Disposals	(38)	(1)
Depreciation expense	(1,301)	(1,287)
Net foreign currency movements arising from foreign operations	(76)	(59)
Carrying amount at 30 June 2011	**4,857**	**3,441**

12. INTANGIBLES

	Consolidated Entity	
	2011 $'000	**2010 $'000**
Goodwill, patents, tradenames & contracts at cost	31,965	28,928
Accumulated amortisation & impairment	(5,629)	(5,249)
	26,336	**23,679**
Software research & development at cost	25,257	24,724
Accumulated amortisation	(22,490)	(20,906)
	2,767	**3,818**
Total intangible assets	**29,103**	**27,497**

Reconciliation of goodwill, patents, tradenames & contracts at cost		
Carrying amount at 1 July 2010	28,928	28,928
Increase due to acquisition	3,037	-
Carrying amount at 30 June 2011	**31,965**	**28,928**

Accumulated amortisation & impairment at beginning of year	(5,249)	(4,912)
Amortisation of patents & contracts	(374)	(333)
Amortisation adjustment	(6)	(4)
Accumulated amortisation & impairment at end of year	**(5,629)**	**(5,249)**

Reconciliation of software research & development at cost		
Carrying amount at 1 July 2010	24,724	23,621
Expenditure capitalised in current period	533	1,103
Carrying amount at 30 June 2011	**25,257**	**24,724**

Accumulated amortisation at beginning of year	(20,906)	(18,625)
Current year charge	(1,584)	(2,281)
Accumulated amortisation at end of year	**(22,490)**	**(20,906)**

13. PAYABLES

	Consolidated Entity	
	2011 $'000	**2010 $'000**
Current		
Trade payables	921	941
Other payables	2,678	3,409
	3,599	**4,350**

14. PROVISIONS

	Consolidated Entity	
	2011 $'000	2010 $'000
Current		
Employee benefits	4,607	4,253
Onerous lease*	150	378
Other	68	49
	4,825	**4,680**
Non-current		
Employee benefits	246	273
Onerous lease*	-	185
Other	21	-
	267	**458**

(a) Aggregate employee benefits liability	4,853	4,526
(b) Number of employees at year end	256	264

Reconciliations		
Movements in provisions other than employee benefits:		
Provisions onerous lease - current		
Carrying amount at beginning of year	378	523
Provisions released during the year	(228)	(145)
Carrying amount at end of year	**150**	**378**
Provisions onerous lease - non current		
Carrying amount at beginning of year	185	639
Provisions released during the year	(185)	(454)
Carrying amount at end of year	**-**	**185**
Other - current		
Carrying amount at beginning of year	49	207
Net provisions (payments) made during the year	19	(158)
Carrying amount at end of year	**68**	**49**
Other - non-current		
Carrying amount at beginning of year	-	-
Provisions made during the year	21	-
Carrying amount at end of year	**21**	**-**

* The onerous lease arose upon the acquisition of a business due to vacant office space not being fully utilised.

15. CONTRIBUTED EQUITY

	Consolidated Entity	
	2011 $'000	2010 $'000
a) Issued and paid-up capital		
Ordinary shares, fully paid	**49,669**	**48,715**

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

	Consolidated Entity			
	2011 Number of Shares	2011 $'000	2010 Number of Shares	2010 $'000
b) Movements in shares on issue				
Balance at beginning of the financial year	154,836,901	48,715	153,575,594	48,199
Shares issued under dividend reinvestment plan	885,276	740	477,358	308
Shares issued under employee share plan	139,986	126	216,060	130
Options exercised	335,000	88	645,000	117
Share buy back	-	-	(77,111)	(39)
Balance at end of the financial year	**156,197,163**	**49,669**	**154,836,901**	**48,715**

c) Rights of each type of share

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called.

d) Share options

Employee share option plan

The company continues 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 21 November 2002.

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 but excluding 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. Except in special circumstances, options lapse 28 days after termination of the employee's employment with the Company and, unless the terms of the offer of the option specify otherwise, lapse 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.

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 745,000 (2010: 680,000) share options have been granted under this scheme.

Options issued and not yet exercised at 30 June 2011.

Grant Date	Exercise Date	Expiry Date	Exercise Price	No. of options at beg of year	Options Granted	Options Exercised or Lapsed	No. of options at end of year	
							Issued	Vested
Consolidated 2011								
1 July 2007	1 July 2010	1 July 2012	$0.265	440,000	-	335,000	105,000	105,000
1 July 2008	1 July 2011	1 July 2013	$0.390	540,000	-	-	540,000	-
1 July 2009	1 July 2012	1 July 2014	$0.410	610,000	-	40,000	570,000	-
1 July 2010	1 July 2013	1 July 2015	$0.580	-	680,000	75,000	605,000	-
1 January 2011	1 January 2014	1 January 2016	$0.750	-	75,000	-	75,000	-
Total				**1,590,000**	**755,000**	**450,000**	**1,895,000**	**105,000**

Grant Date	Exercise Date	Expiry Date	Exercise Price	No. of options at beg of year	Options Granted	Options Exercised or Lapsed	No. of options at end of year	
							Issued	Vested
Consolidated 2010								
1 July 2005	1 July 2008	1 July 2010	$0.260	305,000	-	305,000	-	-
1 July 2006	1 July 2009	1 July 2011	$0.110	265,000	-	265,000	-	-
1 November 2006	1 Nov 2009	1 Nov 2011	$0.110	75,000	-	75,000	-	-
1 July 2007	1 July 2010	1 July 2012	$0.265	440,000	-	-	440,000	-
1 July 2008	1 July 2011	1 July 2013	$0.390	540,000	-	-	540,000	-
1 July 2009	1 July 2012	1 July 2014	$0.410	-	610,000	-	610,000	-
Total				**1,625,000**	**610,000**	**645,000**	**1,590,000**	**-**

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 but excluding non-executive Directors, 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 3 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	
	2011 No of Shares	2010 No of Shares
Number of shares at beginning of year	828,845	925,370
Number of shares distributed to employees	139,986	216,060
Number of shares transferred to main share registry and/or disposed of	(370,558)	(312,585)
Number of shares at year-end	**598,273**	**828,845**

The consideration for the shares issued on 8 April 2011 was 90 cents per share (23 April 2010: 60.16 cents).

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	
	2011 $'000	2010 $'000
Current receivables	32	33
Issued ordinary share capital	126	130

The market value of ordinary Hansen Technologies Ltd shares closed at $0.90 on 30 June 2011 ($0.565 on 30 June 2010).

16. RESERVES AND RETAINED EARNINGS

		Consolidated Entity	
	Note	2011 $'000	2010 $'000
Foreign currency translation reserve	16 (a)	(2,674)	(407)
Options granted reserve	16 (b)	242	200
Retained earnings	16 (c)	5,604	1,389

(a) Foreign currency translation reserve This reserve is used to record the exchange differences arising on translation of a foreign entity. **Movements in reserve**			
Balance at beginning of year		(407)	(501)
Adjustment to carrying value of overseas interests due to currency fluctuation		(2,267)	94
Balance at end of year		**(2,674)**	**(407)**
(b) Options granted reserve This reserve is used to record the fair value of options issued to employees as part of their remuneration. **Movements in reserve**			
Balance at beginning of year		200	166
Value of options granted during the year		42	34
Balance at end of year		**242**	**200**
(c) Retained earnings			
Balance at beginning of year		1,389	(2,041)
Dividends paid during the year		(9,318)	(7,710)
Net profit attributable to members of Hansen Technologies Ltd		13,533	11,140
Balance at end of year		**5,604**	**1,389**

17. CASH FLOW INFORMATION

	Consolidated Entity	
	2011 $'000	**2010 $'000**
(a) Reconciliation of the net profit after tax to net cash flows from operations		
Net profit from ordinary activities after income tax	13,533	11,140
Add / (less) items classified as investing / financing activities:		
(Profit) / loss on sale of non-current assets	(7)	(4)
Add / (less) non cash items:		
Amortisation and depreciation	3,259	3,913
Unrealised foreign exchange	(1,885)	248
Net cash provided by operating activities before change in assets and liabilities	**14,900**	**15,297**
Changes in assets and liabilities adjusted for effects of purchases and disposal of controlled entities during the year:		
(Increase) / decrease in trade receivables	582	(1,161)
(Increase) / decrease in sundry debtors and other assets	(96)	(856)
Increase / (decrease) in trade payables	(751)	255
Increase / (decrease) in other creditors and accruals	(2,427)	1,183
Increase / (decrease) in provisions	(46)	(599)
(Increase) / decrease in deferred taxes	168	(352)
Increase / (decrease) in income tax payable	331	(1,272)
Increase / (decrease) in reserves	(2,225)	(54)
Net cash provided by operating activities	**10,436**	**12,441**

(b) Reconciliation of cash		
Cash at bank	21,364	23,450

18. BUSINESS COMBINATIONS

a) The company acquired 100% of the share capital of NirvanaSoft Inc., with the effective date being 1 November 2010.

	Consolidated Entity	
	2011 $'000	**2010 $'000**
Consideration		
Cash Paid	839	-
Cash Payable	500	-
Total Acquisition Cost	**1,339**	**-**
Less Cash Acquired	(94)	-
Payment for Acquisition of Business	**1,245**	**-**

	Fair Value $'000	Carrying Amount on Acquisition $'000
Net Assets Acquired	**2011**	**2011**
Assets		
Cash	94	94
Trade and other receivables	897	897
Plant & equipment	12	12
Total Assets Acquired	**1,003**	**1,003**
Liabilities		
Trade and other payables	2,571	2,571
Provisions	130	130
Total Liabilities Acquired	**2,701**	**2,701**
Net Assets Acquired	**(1,698)**	**(1,698)**
Total Acquisition Cost adjusted for Net Assets Acquired	**3,037**	

Allocated as follows:	
Tradename	152
Customer contracts	458
Goodwill	2,427
Net Intangibles	**3,037**

Goodwill arose on the acquisition of NirvanaSoft Inc. due to the combination of the consideration paid for the business and the negative net assets acquired, less values attributed to other intangibles in the form of tradenames and customer contracts.

b) Revenue and profit / (loss) of NirvanaSoft Inc. included in consolidated results of the group since acquisition

	Period 2011 $'000
Total revenue	**1,973**
Loss after income tax	**(271)**

c) Results of the combined entity for the period as though the date for the acquisition of NirvanaSoft Inc. occurred at 1 July 2010.

It is impracticable to disclose this detail as NirvanaSoft Inc. did not report in accordance with IFRS and Hansen do not have audited financials available to base a reliable projection upon.

19. COMMITMENTS AND CONTINGENCIES

	Consolidated Entity	
	2011 $'000	2010 $'000
Lease expenditure commitments		
Operating leases (non-cancellable)		
Not later than one year	761	1,961
Later than one year and not later than five years	1,553	2,598
Later than five years	-	-
Aggregate lease expenditure contracted for at reporting date	**2,314**	**4,559**

OPERATING LEASES (NON-CANCELLABLE)

The consolidated entity leases property under non-cancellable operating leases expiring from one to five 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.

20. EARNINGS PER SHARE

	Consolidated Entity	
	2011 $'000	2010 $'000
Reconciliation of earnings used in calculating earnings per share:		
Basic earnings - ordinary shares	**13,533**	**11,140**
Diluted earnings - ordinary shares	**13,533**	**11,140**

	2011 Number of Shares	2010 Number of Shares
Weighted average number of ordinary shares used in calculating basic earnings per share:		
Number for basic earnings per share - ordinary shares	155,501,046	154,359,555
Number for diluted earnings per share - ordinary shares	157,356,374	155,947,884

	Cents per Share	Cents per Share
Basic earnings (cents) per share from continuing operations	8.7	7.2
Total basic earnings (cents) per share	**8.7**	**7.2**
Diluted earnings (cents) per share from continuing operations	8.6	7.2
Total diluted earnings (cents) per share	**8.6**	**7.2**

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.

21. DIRECTORS' AND EXECUTIVES' EQUITY HOLDINGS

a) Compensation Options: granted and vested during the year

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

					Terms & Conditions for each Grant 2011		
2011	**Vested During the Year**	**Granted During the Year**	**Grant Date**	**Value per Option at Grant Date**	**Exercise Price**	**Vesting Date**	**Last Exercise Date**
Specified Executives							
M Benne (Global Consulting Director)	-	75,000	1 July 2010	$0.135	$0.580	1 July 2013	1 July 2015
C Hunter (Chief Operations Officer)	75,000	75,000	1 July 2010	$0.135	$0.580	1 July 2013	1 July 2015
G Lister (CFO & Company Secretary)	75,000	75,000	1 July 2010	$0.135	$0.580	1 July 2013	1 July 2015
D Meade (Client Services Manager)	75,000	75,000	1 July 2010	$0.135	$0.580	1 July 2013	1 July 2015
S Weir (General Manager, Europe)	-	40,000	1 July 2010	$0.135	$0.580	1 July 2013	1 July 2015
Total	**225,000**	**340,000**					

					Terms & Conditions for each Grant 2010		
2010	**Vested During the Year**	**Granted During the Year**	**Grant Date**	**Value per Option at Grant Date**	**Exercise Price**	**Vesting Date**	**Last Exercise Date**
Specified Executives							
C Hunter (Chief Operations Officer)	75,000	75,000	1 July 2009	$0.082	$0.410	1 July 2012	1 July 2014
G Lister (CFO & Company Secretary)	75,000	75,000	1 July 2009	$0.082	$0.410	1 July 2012	1 July 2014
D Meade (Client Services Manager)	75,000	75,000	1 July 2009	$0.082	$0.410	1 July 2012	1 July 2014
G Prior (General Manager, North America)	-	40,000	1 July 2009	$0.082	$0.410	1 July 2012	1 July 2014
S Weir (General Manager, Europe)	-	40,000	1 July 2009	$0.082	$0.410	1 July 2012	1 July 2014
Total	**225,000**	**305,000**					

b) Number of options held by key management personnel

2011	Balance 30-Jun-10	Granted as Remuneration	Options Exercised	Options Forfeited	Balance 30-Jun-11	Vested at 30 June 2011 Total	Exercisable	Unexercisable
Specified Executives								
M Benne (Global Consulting Director)	-	75,000	-	-	75,000	-	-	-
C Hunter (Chief Operations Officer)	225,000	75,000	75,000	-	225,000	-	-	-
G Lister (CFO & Company Secretary)	225,000	75,000	75,000	-	225,000	-	-	-
D Meade (Client Services Manager)	225,000	75,000	-	-	300,000	75,000	75,000	-
S Weir (General Manager, Europe)	80,000	40,000	-	-	120,000	-	-	-
Total	**755,000**	**340,000**	**150,000**	**-**	**945,000**	**75,000**	**75,000**	**-**

2010	Balance 30-Jun-09	Granted Remuneration	Options Exercised	Options Forfeited	Balance 30-Jun-10	Vested at 30 June 2010 Total	Exercisable	Unexercisable
Specified Executives								
C Hunter (Chief Operations Officer)	300,000	75,000	150,000	-	225,000	-	-	-
G Lister (CFO & Company Secretary)	300,000	75,000	150,000	-	225,000	-	-	-
D Meade (Client Services Manager)	300,000	75,000	150,000	-	225,000	-	-	-
G Prior (General Manager, North America)	-	40,000	-	-	40,000	-	-	-
S Weir (General Manager, Europe)	40,000	40,000	-	-	80,000	-	-	-
Total	**940,000**	**305,000**	**450,000**	**-**	**795,000**	**-**	**-**	**-**

Any options not exercised are forfeited if not exercised within 28 days of termination of the employment or 6 months of their employment ceased due to special circumstances.

Share based payments represent a value attributed to options over ordinary shares issued to executives. They expire during the period up to 1 July 2015. 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 of the company's historical share price movement compared with the industry average, for a period equal to the 3 year option vesting period of 46%,
- a continuously compounding risk free interest rate of 5.58%,
- a probability factor for the likelihood of the options being exercised based on historical trends of 64%, and
- compared the issue price ($0.58 cents per share) with the market price on day of issue ($0.58 cents per share), to
- determine a weighted average fair value for the options issued as at grant date of $0.135 cents per option.

c) Number of shares held by key management personnel:

2011	Balance 30-Jun-10	Received as Remuneration	Options Exercised	Net Change Other	Balance 30-Jun-11
Specified Directors					
B Adams	215,520	-	-	(65,520)	150,000
A Hansen	5,846,174	-	-	(5,843,397)	2,777
K Hansen	93,784,600	-	-	(1,174,264)	92,610,336
P James	-	-	-	-	-
D Osborne	289,564	-	-	22,190	311,754
D Trude	-	-	-	-	-
Specified Executives					
M Benne	25,292	-	-	(10,689)	14,603
C Hunter	429,158	-	75,000	1,174	505,332
G Lister	1,059,949	-	75,000	-	1,134,949
D Meade	4,439	-	-	(1,666)	2,773
S Weir	-	-	-	-	-
Total	**101,654,696**	**-**	**150,000**	**(7,072,172)**	**94,732,524**

2010	Balance 30-Jun-09	Received as Remuneration	Options Exercised	Net Change Other	Balance 30-Jun-10
Specified Directors					
B Adams	215,520	-	-	-	215,520
A Hansen	11,546,174	-	-	(5,700,000)	5,846,174
K Hansen	93,999,585	-	-	(214,985)	93,784,600
P James	-	-	-	-	-
D Osborne	268,321	-	-	21,243	289,564
Specified Executives					
C Hunter	277,120	-	150,000	2,038	429,158
G Lister	909,949	-	150,000	-	1,059,949
D Meade	77,777	-	150,000	(223,338)	4,439
G Prior	-	-	-	-	-
S Weir	-	-	-	-	-
Total	**107,294,446**	**-**	**450,000**	**(6,115,042)**	**101,629,404**

22. AUDITOR'S REMUNERATION

	Consolidated Entity	
	2011 $'000	2010 $'000
Audit services: **Amounts received or due and receivable by the Auditors of the Company for:**		
Australia		
- an audit and review of the financial report of the entity and any other entity in the consolidated entity	208	179
Overseas Firms		
- audit and review of financial reports	88	122
	296	**301**
Other financial services:		
Australia		
- income tax services	33	29
- other tax services	15	22
	48	**51**
Overseas Firms		
- income tax services	11	9
- other tax services	35	36
	46	**45**
	94	**96**
Total auditor's remuneration	**390**	**397**

23. RELATED PARTY DISCLOSURES

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

			Ordinary share consolidated entity interest	
Name	**Note**	**Country of Incorporation**	**2011 %**	**2010 %**
Parent entity				
Hansen Technologies Ltd		Australia		
Subsidiaries of Hansen Technologies Ltd				
Hansen Corporation Pty Ltd		Australia	100	100
Hansen Research & Development Pty Ltd		Australia	100	100
Hansen Corporation Investments Pty Ltd		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 Corporation USA Limited	(ii)	United States of America	0	100
Hansen Technologies North America Inc.		United States of America	100	100
Hansen Corporation Asia Limited		Hong Kong	100	100
Hansen New Zealand Limited		New Zealand	100	100
NirvanaSoft LLC	(iii)	United States of America	100	0
Peace Software New Zealand Limited		New Zealand	100	100
Peace Software Australia Limited	(i)	New Zealand	0	100
Peace Software Australia Pty Ltd		Australia	100	100
Peace Software North America Limited	(i)	New Zealand	0	100
Peace Software Inc.		United States of America	100	100
Peace Software Canada Inc.		Canada	100	100
Peace Software Europe Limited	(i)	New Zealand	0	100

Notes:
(i) Merged into Peace Software New Zealand Limited, a New Zealand registered company and subsidiary of Hansen Technologies Limited, on 30 June 2010.
(ii) Merged into Hansen Technologies North America Inc., a subsidiary of Hansen Technologies Limited, on 1 July 2010.
(iii) Acquired NirvanaSoft Inc. on 1 November 2010, which was subsequently renamed NirvanaSoft LLC on 1 January 2011.

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	
	2011 $	**2010 $**
K Hansen - Lease Rental Payments	874,027	819,218

LEASE RENTAL PAYMENTS

Mr K Hansen has, through entities with which he is 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 2011 were $144,097 and $729,930 respectively (2010: $137,581 and $681,637 respectively).

24. PARENT ENTITY INFORMATION

	Parent Entity	
	2011 $'000	**2010 $'000**
Summarised presentation of the parent entity, Hansen Technologies Ltd, financial statements:		
(a) Summarised statement of financial position		
Assets		
Current assets	202	69
Non-current assets	46,016	44,542
Total assets	**46,218**	**44,611**
Liabilities		
Current liabilities	1,424	1,487
Non-current liabilities	4,181	3,821
Total liabilities	**5,605**	**5,308**
Net assets	**40,613**	**39,303**
Equity		
Share capital	49,669	48,715
Accumulated losses	(9,298)	(9,612)
Share based payments reserve	242	200
Total equity	**40,613**	**39,303**

(b) Summarised statement of comprehensive income		
Profit for the year	9,631	4,641
Total comprehensive income for the year	**9,631**	**4,641**

(c) Parent entity guarantees

Hansen Technologies Ltd, being the parent entity, has not entered into any guarantees in relation to debts of its subsidiaries.

25. SEGMENT INFORMATION

a) Description of segments

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, 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, telehousing and business continuity support.

OTHER: Represents software and service provision in superannuation administration.

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:

AUSTRALASIA: Sales and services in Australia, Asia and New Zealand

NORTH AMERICA: Sales and services throughout North America

EUROPE: Sales and services throughout Europe

b) Segment Information

	Financial Year $'000			
2011	**Billing**	**Outsourcing**	**Other**	**Total**
Segment revenue				
Total segment revenue	45,979	7,578	4,018	57,575
Segment revenue from external source	**45,979**	**7,578**	**4,018**	**57,575**
Segment result				
Total segment result	13,553	4,150	1,185	18,888
Segment result from external source	**13,553**	**4,150**	**1,185**	**18,888**
Total segment assets	**30,603**	**2,810**	**1,497**	**34,910**
Total segment liabilities	**10,429**	**1,880**	**999**	**13,308**

	Financial Year $'000			
2010	**Billing**	**Outsourcing**	**Other**	**Total**
Segment revenue				
Total segment revenue	45,311	7,292	5,163	57,766
Segment revenue from external source	**45,311**	**7,292**	**5,163**	**57,766**
Segment result				
Total segment result	11,878	3,460	1,779	17,117
Segment result from external source	**11,878**	**3,460**	**1,779**	**17,117**
Total segment assets	**29,271**	**1,672**	**1,198**	**32,141**
Total segment liabilities	**13,883**	**1,200**	**851**	**15,934**

i) Reconciliation of segment revenue from external source to the consolidated statement of comprehensive income

	2011 $000	2010 $000
Segment revenue from external source	57,575	57,766
Other revenue	1,546	197
Interest revenue	953	823
Total revenue	**60,074**	**58,786**

Revenue from external customers attributed to individual countries is detailed as follows:

	2011 $000	2010 $000
Australasia	34,135	34,905
North America	12,840	13,235
Europe	10,600	9,626
Total revenue	**57,575**	**57,766**

ii) Reconciliation of segment result from the external source to the consolidated statement of comprehensive income

	2011 $000	2010 $000
Segment result from external source	18,888	17,117
Interest revenue	953	823
Interest expense	(17)	(12)
Depreciation & amortisation	(697)	(508)
Net foreign exchange gains / (losses)	1,459	(259)
Other expense	(2,351)	(3,079)
Total profit before income tax	**18,235**	**14,082**

iii) Reconciliation of segment assets to the consolidated statement of financial position

	2011 $000	2010 $000
Segment assets	34,910	32,141
Unallocated assets		
- Cash	19,472	22,043
- Intangibles	11,000	11,000
- Other	1,358	1,274
Total unallocated assets	31,830	34,317
Total assets	**66,740**	**66,458**

Assets attributed to individual countries is detailed as follows:

	2011 $000	2010 $000
Australasia	58,780	61,742
North America	5,037	1,553
Europe	2,923	3,163
Total assets	**66,740**	**66,458**

iv) Reconciliation of segment liabilities to the consolidated statement of financial position

	2011 $000	2010 $000
Segment liabilities	13,308	15,934
Unallocated liabilities	591	627
Total liabilities	**13,899**	**16,561**

26. SUBSEQUENT EVENTS

There has been no matter or circumstance, which has arisen since 30 June 2011 that has significantly affected or may significantly affect:

(a) the operations, in financial years subsequent to 30 June 2011, of the consolidated entity, or

(b) the results of those operations, or

(c) the state of affairs, in financial years subsequent to 30 June 2011, of the consolidated entity.

DIRECTORS' DECLARATION

The Directors declare that the financial statements and notes set out on pages 19 to 51 in accordance with the Corporations Act 2001:

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

(b) As stated in Note 1(a), the consolidated financial statements also comply with International Financial Reporting Standards; and

(c) Give a true and fair view of the financial position of the consolidated entity as at 30 June 2011 and of its performance 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 2011.

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

David Trude
Director
Melbourne
30 September 2011

Andrew Hansen
Director
Melbourne
30 September 2011

INDEPENDENT AUDITOR'S REPORT

To the Members of Hansen Technologies Limited

We have audited the accompanying financial report of Hansen Technologies Ltd and controlled entities, which comprises the consolidated statement of financial position as at 30 June 2011, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information 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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

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

REPORT ON THE REMUNERATION REPORT

We have audited the remuneration report included in pages 13 to 15 of the Directors' report for the year ended 30 June 2011. The Directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

AUDITOR'S OPINION

In our opinion the remuneration report of Hansen Technologies Ltd and controlled entities for the year ended 30 June 2011 complies with section 300A of the Corporations Act 2001.

S SCHONBERG
Partner
30 September 2011

PITCHER PARTNERS
Melbourne

CORPORATE GOVERNANCE

The Corporate Governance principles and related Charters and Policies for the management and operation of the Hansen Group of Companies are available for review on the corporate website: www.hsntech.com

APPROACH TO GOVERNANCE

The Hansen Corporate Governance principles provide direction to the business to help meet our responsibilities to shareholders, customers, employees and community. In relation to Corporate Governance, the Board aims to:

- Embrace best practice in Corporate Governance
- Remain mindful of operating practices in the international jurisdictions in which we operate
- Recognise and comply with the principles of the ASX Corporate Governance Council
- Ensure Directors, Executives, Management, and staff are cognisant of the Hansen Governance principles.

1. THE BOARD

The primary role of the Board of Directors is to provide effective governance over the performance and affairs of the Hansen Technologies Group. 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.

DUTIES AND RESPONSIBILITIES

The specific functions established and reserved for the Board are:

- Providing strategic direction and approving corporate strategies.
- Selecting and appointing the Chief Executive, determining conditions of service and monitoring performance against established objectives. If necessary removing the CEO from office.
- Monitoring financial performance against budgeted objectives.
- Ensuring adequate risk management controls and reporting mechanisms are maintained.
- Approving and monitoring progress of major capital expenditure, capital management, acquisitions and divestments.
- Ensuring that continuous disclosure requirements are met.
- Ensuring responsible corporate governance is understood and observed at Management, Executive, and Board level.

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

Collectively or individually, the Board may take independent advice considered necessary to fulfil their relevant duties and responsibilities at the Group's expense. 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.

DELEGATION OF RESPONSIBILITY

The Board has delegated to the Chief Executive Officer the authority and responsibility for implementing the Group's strategic direction and overseeing the everyday affairs of the Hansen Group. The Chief Executive Officer's specific responsibilities include ensuring business activities are in accordance with the Group's overall business strategy, ensuring the Group conducts its affairs within the law and the principles outlined in Hansen's Corporate Governance policies, keeping the Board informed of all major developments and approving expenditure, and setting remuneration levels of personnel within the normal course of business. The Chief Executive consults with the Chairman of the Board and respective Committees on matters that are sensitive, extraordinary, or of a strategic nature. Through the Chief Executive Officer, the Board has delegated authority and responsibility to other Executives and Management for their respective business functions.

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. As a matter of practice the Board schedules to meet once each month.

COMPOSITION

The Board determines the Board's size and composition, subject to limits imposed by the Group's Constitution. The Constitution determines the basis for the election and appointment of Directors and specifies a minimum of three Directors and a maximum of ten. Currently, the Board comprises the Chairman, David Trude, four other Non-Executive Directors, and one Executive Director, the CEO Andrew Hansen. The skills, tenure of office, experience and expertise relevant to the position of Director held by each Director is detailed in the Annual Report.

INDEPENDENCE

The Board's definition of an independent Director is one who is unaffiliated with the Executive and free from any business, significant shareholding, or other relationship that could materially interfere with the exercise of independent judgement. The Board currently has three independent Directors, David Trude, Bruce Adams and Phillip James.

The former Chairman of the Board, Kenneth Hansen, is the original Founder of the Company and currently its majority shareholder. As a result he is not considered an independent Director. On 18 August 2011 the Board accepted Kenneth Hansen's request to step down as Chairman, and appointed David Trude as Chairman with immediate effect. David Trude is by definition an independent Director.

With the appointment of David Trude as a Director on 2 May 2011, the number of independent Directors on the Board increased to 3, representing 50% of the Board's total membership. The introduction of the additional independent Director, David Trude, is consistent with the Board's previously stated intention to strive for a majority of independent Directors, while continuing to seek new Directors that possess relevant skills and experience specific to the industries in which our Company operates.

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.

PERFORMANCE

Board members may periodically review and evaluate the Board's performance and that of the Board Committees. Given the limited size of the Board and its Committees, an annual formal review is not deemed warranted. However, there is an ongoing and constant provision for each Director to contribute judgements and observations at any time.

The performance evaluation process is as follows:

- Each Director, as they see fit, will periodically evaluate the effectiveness of the Board and its Committees and submit observations to the Chairman.
- The Chairman of the Board will make a presentation incorporating his assessment of such observations to enable the Board to assess and, if necessary, take action.
- The Board will agree and develop actions that may be required to improve performance.
- Outcomes and actions will be minuted.
- The Chairman will assess the progress of the actions to be achieved.

This process aims to ensure that individual Directors have an unlimited opportunity to assess and comment on the performance of the Board and its Committees with the objective of enhancing the Board's effectiveness in achieving its duties and responsibilities.

Periodically the Chairman may propose a formal performance evaluation review and he may commission a third party to assist in such a review if deemed desirable. No such formal review was conducted during this reporting period.

COMMITTEES

To assist it in carrying out its responsibilities, the Board has established two standing Committees comprising some or all of its members: the Audit Committee, and the Remuneration Committee.

Considering the level of operations of the Group and the current number of Board members, the appointment of a formal Nominations Committee is not deemed necessary. Nominations for positions on the Board are considered during a meeting with all Board members present.

Other Committees of the Board may be established to undertake specific tasks if deemed appropriate.

AUDIT COMMITTEE

Membership

The Audit Committee was formed in May 2000. The members are appointed by the Board of Directors and shall preferably comprise three Directors that have diverse and complementary backgrounds with a majority of independent members. The Committee Chairman shall be independent, possess leadership experience and a sound finance or business background. All Committee members must be financially literate. Such qualification is interpreted by the Board in its business judgement. Furthermore, at least one member shall have accounting or related financial management expertise.

The members of the Committee as at 30 June 2011 were Non-Executive Directors, David Osborne, Phillip James, and the Chairman of the Committee Bruce Adams. Both the Chairman of the Committee, Bruce Adams and Phillip James are considered independent members of the Committee. The skills, tenure of office, experience and expertise relevant to the positions of the members of the Audit Committee is detailed in the Annual Report.

Meetings

The Committee shall meet as required, but no less than twice each year. The purpose of these meetings shall be to:

- Review and approve the half-year financial report.
- Review and approve the annual financial report.
- Review the external audit reports.
- Perform the general responsibilities of the Committee.

The Audit Committee met three times throughout the year ended 30 June 2011 and all members of the Audit Committee at the time were present at all meetings.

Purpose

The Audit Committee shall provide assistance to the Board of Directors in fulfilling its Corporate Governance and oversight responsibilities in relation to the Group'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 the Hansen Executive team. 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. The Committee has 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 economic 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. The external Auditors are responsible for auditing the Group's financial reports and for reviewing the Group's interim financial reports. The Board of Directors is ultimately responsible for the Group's financial reports including the appropriateness of the accounting policies and principles that are used by the Group.

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 guide corporate philosophies for quality financial reporting, sound business risk practices, and ethical behaviour.

Assessment of Accounting, Financial and Internal Controls

The Committee shall discuss with the Senior Executives 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, as well as legal and ethical compliance programs (including the Group's Code of Conduct). The Committee shall receive periodic reports from the external Auditor on the critical policies and practices of the Group, as well as compliance with generally accepted accounting principles.

Any opinion obtained from the external Auditors on the Group's choice of accounting policies or methods, should include an opinion on both appropriateness and acceptability of that choice or method. Periodically, the Committee shall meet separately with the Senior Executive 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 observations and the Senior Executive's responses.

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 the Senior Executives and the Auditors regarding financial reporting. The Committee shall approve all audit and non-audit services provided by the external Auditors and shall not engage the external Auditors to perform any non-audit or assurance services that may 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 meet and discuss with the external Auditors:

- Any material issues raised by any control review, or peer review, of the audit firm, or by any inquiry or investigation by governmental or professional authorities, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues.
- All relationships between the external Auditor and the Group (to assess the Auditor's 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.

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. 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. Furthermore, the Committee shall include in the Group's Annual Report, a statement that the Committee is satisfied the provision of non-audit services has not impacted the external Auditors independence.

REMUNERATION COMMITTEE

Membership

The Remuneration Committee currently consists of three Non–Executive Directors, David Osborne, Bruce Adams, and the Chairman Phillip James. Both the Chairman of the Committee, Phillip James and Bruce Adams are considered independent members of the Committee.

Meetings

The Committee will meet at least annually to assess annual remuneration changes, and will hold additional meetings where required. A performance evaluation of the CEO and Senior Executives was undertaken during the reporting period in accordance with this Remuneration Policy. The Remuneration Committee met one time during the financial year and all members of the Remuneration Committee at the time were present.

Purpose, Duties and Responsibilities

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.
- Evaluate the performance of and determine an appropriate remuneration base and structure for the CEO in accordance with specified key performance indicators and budgeted financial performance expectations.
- Assess the reasonableness of and approve the remuneration proposals put forward by the CEO for the Executive team, including the performance objectives specified for each Executive.

2. ETHICS AND RESPONSIBILITY

CODE OF CONDUCT

At Hansen Technologies we recognise that our Company is made up of the individual employees representing our operations globally. Each person has an individual responsibility for their own behaviour 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 with regard to their behaviour. The Code of Conduct reflects the Hansen Group's primary values of ethical behaviour, compliance with legal obligations, and respecting the expectations of all stakeholders.

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 shall 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.

Behave as a good corporate citizen:

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:

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 any 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 professionalism:

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

Act to avoid conflicts of interest:

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.

COMMUNICATIONS

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

Communication Methods

Information is communicated to shareholders through:

- Website: Hansen encourages the use of electronic communications by providing up-to-date information on the Group web site, www.hsntech.com. The "Investors" section of the website contains a range of information relevant to shareholders including:
  - ASX announcements
  - Annual Reports and presentations
  - Financial results
  - Corporate Governance
  - Key dates
  - Share registry contact details and links
  - Contact link for more shareholder information
- Annual Report: distributed either over the web or by post.
- Notice of Annual General Meeting by mail.
- Mail or upload to the web site whenever there are other significant developments to report.

The Annual General Meeting is 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 questions. 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.

CONTINUOUS DISCLOSURE

The Hansen Continuous Disclosure and Communication Policy has been developed to provide clear guidelines for the operations of the Hansen business and establishes appropriate processes and criteria for continuous disclosure to ensure compliance with the requirements of the ASX and other securities and corporations legislation. The Policy's primary objective is the promotion of effective communication with Shareholders and related stakeholders.

The key principles of the Policy are:

- Material Company information is issued to shareholders and the market in a timely manner and 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.
- 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, Management, Executives, and Directors on disclosure guidelines and raising awareness of the principles underlying continuous disclosure.
- Supporting the Directors and Executives in ensuring that Hansen complies with continuous disclosure requirements.

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

- The Chairman.
- The Chief Executive Officer.
- Company Secretary.
- 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.

Directors and Executives responsibilities

Directors and Senior Executives 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 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.
- 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 Group.
- Major litigation.
- 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 Senior 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 channels include:

- Investor briefings and presentations.
- One-on-one meetings with stockbroking analysts or institution fund managers.
- Industry forums.
- Company literature.
- 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 Senior Executives, may not release any information that is required to be disclosed to the 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.
- An acknowledgement of the receipt of that information has been received from ASX.

SHARE TRADING POLICY

Hansen share trading policy is established in accordance with ASX listing rules guidelines. 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, Key Management Personnel and their respective 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 Group, 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.
- 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, Executives and their respective associates 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.
- Hansen's Annual General Meeting.
- 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).

Unless a member of the Key Management Personnel is subject to severe financial hardship or there are other exceptional circumstances, Key Management Personnel may not deal in Securities at any time during the following periods (blackout periods):

(a) 31 days immediately before the release of Hansen's half yearly results and the two days immediately following such release;

(b) 31 days immediately before the release of the Hansen's full year results and the two days immediately following such release; and

(c) 14 days immediately before Hansen's Annual General Meeting and the two days immediately following such Annual General Meeting.

Where Directors or Executives want to trade outside of these specified periods, they are required to discuss the matter with the Chairman and Chief Executive Officer, (or in respect to trading related to the Chairman and CEO the Company Secretary's approval is also required), who will only consider approval if it is determined that there is no price-sensitive information held that is not available to the market.

Additionally approval will only be given for trading during "blackout periods" if it is determined that the person is subject to severe financial hardship or there are other exceptional circumstances. In this regard, approval will be assessed having regard to those circumstances set out in the ASX listing rules and Guidance notes.

Any dealing in Hansen's Securities by Key Management Personnel pursuant to a margin lending arrangement must be approved by the Chairman and CEO, (or in respect to schemes related to the CEO and Chairman the Company Secretary's approval is also required).

Should approval be given for entry into a margin lending arrangement, Hansen may where appropriate or required by law, disclose to the ASX the fact and nature of the margin lending arrangement.

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 five years, or both. Where individuals are concerned about breaching the insider trading provisions of the Corporations Act they should immediately obtain independent legal advice.

3. RISK MANAGEMENT

Hansen recognises that the daily activities and existence of its business is subject to various elements that can create uncertainty which brings with it potential risk and opportunity. At Hansen, all members of the Group aim to promote a culture of 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.

With contribution from all layers of management and the Board, a Register of Risks has been developed and will be maintained. Each risk is assessed for the likelihood and consequence of a risk eventuating and a combined inherent risk rating developed. Risk management practises to mitigate and manage the identified risks are then specified and put into action. It is the intention that the Risk Register be regularly reviewed and updated on a case by case basis as new risks are identified or the situation surrounding previously identified risks are varied.

ROLES AND RESPONSIBILITIES

The Board of Directors is responsible for approving and reviewing Hansen's Risk Management Policy and overseeing all aspects of internal control including compliance activities, the appropriateness of accounting policies and the adequacy of financial reporting. It delegates daily management responsibility to the Chief Executive Officer.

The Executive team is responsible for implementing the Board approved Risk Management Policy, maintaining the currency of the Risk Register and developing operational policies, internal controls, processes and procedures for identifying and managing risks in all of Hansen's activities. Management must also periodically report to the Board on the maintenance of the Risk Register and the effectiveness of the risk management processes.

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.
- 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 Risk Management 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.

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	Environment
■ Target markets ■ Know your customers ■ Know your vendors ■ Product planning & management ■ Pricing models ■ Resource planning	■ Assess the market & region ■ Assess the product for the region ■ Global Hansen policies to be observed ■ Manage segregation of duties
Monitoring and reporting	**Authorities**
■ Transparency and communication ■ Change management ■ Central reporting on product, financials, operations, legal and risk management	■ Delegation of authority ■ Central authorities ■ Supports segregation of duties operations, legal and operations, legal and risk management

Assurances

The integrity of the Group's financial reporting depends upon the existence of a sound system of risk oversight and management and internal control. The Board receives regular reports about the financial condition and operational results. The CEO and the CFO annually provide a formal statement to the Board that in all material respects:

The financial records of the Group for the financial year have been properly maintained in that they:

- Accurately record and explain its financial position and performance.
- Enable true and fair financial statements to be prepared and audited.
- The financial statements and notes required by the accounting standards for the financial year comply with the accounting standards.
- The risk management and internal compliance and control systems are sound, appropriate and operating efficiently and effectively.

Such a statement has been provided in respect of the current financial year.

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, registered in the Risk Register and raised to the attention of the Executive team which will develop and document the steps which are required to manage the risk. 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.

4. REMUNERATION

The Group aim in remunerating the CEO and other Executives is to provide a base pay plus rewards and other benefits that will attract, motivate and retain key Executives while aligning 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.
- Recognises the individual's capabilities and experience.
- Rewards the performance of individuals.
- Assists in Executive retention.
- The structure provides a mix of fixed and variable pay, and a blend of short- and long-term incentives.

CEO AND EXECUTIVES

The Remuneration Committee sets the remuneration package for the CEO and engages with external third party consultants from time to time to verify the appropriateness and market competitiveness of the CEO's remuneration package. The CEO establishes employment arrangements and remuneration packages for the Executives. 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.

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. Details of the pay and rewards for Hansen's top five key management personnel and their total remuneration are set out in the Annual Report each year.

Base Pay

Senior Executives are offered a competitive base pay that reflects the market for each position. It is generally revised annually to recognise inflationary impacts, job responsibility changes or if there has been a marked structural shift in market rates.

Short-term Performance Incentives

Each year the performance of the Executives is reviewed by the CEO and the Remuneration Committee and key performance objectives are established with potential bonuses linked to the achievement of the objectives specified. If individual performance objectives are met, a short-term incentive in the form of a bonus may be paid.

Long-term Performance Incentives

Long-term incentives for the CEO and Senior Executives are designed to align their financial interests with those of our shareholders. 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

Long-term incentives for the CEO and Senior Executives are designed to align their financial interests with those of our shareholders. 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.

NON-EXECUTIVE DIRECTORS

The Remuneration Committee recommends the remuneration of Non-Executive Directors to the Board for consideration and approval. Remuneration for Non-Executive Directors consists of a base pay and related superannuation to meet the requirements of the Superannuation Guarantee Scheme. Non-Executive Directors are excluded from participation in the Company's share and option plans. The maximum amount payable to Non-Executive Directors, in their capacity as Directors, is established by resolution passed by a majority of Shareholders. Any increase in the maximum amount is required to be submitted to shareholders for approval. No separate or additional retirement benefits are provided for Non-Executive Directors.

ASX ADDITIONAL INFORMATION

As at 27 September 2011

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 is set out below:

Shareholder	Number of Ordinary Shares	Percentage Held
Othonna Pty Ltd – including associates	92,610,336	58.85%

VOTING RIGHTS

Ordinary shares and Options - refer Note 15

DISTRIBUTION OF EQUITY SECURITY HOLDERS

	Number of Equity Security Holders	
Category	**Ordinary Shares**	**Options**
1 to 1,000	181	-
1,001 to 5,000	659	-
5,001 to 10,000	534	-
10,001 to 100,000	997	3
100,001 and Over	75	10

The number of shareholders holding less than a marketable parcel of ordinary shares is 88.

TWENTY LARGEST SHAREHOLDERS

Name	Number of Ordinary Shares Held	Percentage of Issued Capital
Othonna Pty Ltd	91,160,249	57.93%
Hsbc Custody Nominees (Australia) Limited	4,798,583	3.05%
Rbc Dexia Investor Services Australia Nominees Pty Ltd	4,222,587	2.68%
J P Morgan Nominees Australia Limited	2,210,893	1.40%
Rubi Holdings Pty Ltd	2,000,000	1.27%
Picton Cove Pty Ltd	1,000,000	0.64%
Mr James Lucas & Ms Lesley Dormer	772,468	0.49%
Ozcun Pty Ltd	739,154	0.47%
Ubs Nominees Pty Ltd	678,544	0.43%
Mrs Yvonne Irene Hansen	655,607	0.42%
Bond Street Custodians Ltd	642,506	0.41%
Mr Cameron Hunter	552,498	0.35%
Mr Kenneth Hansen	532,107	0.34%
M F Custodians Ltd	500,000	0.32%
Marich Nominees Pty Ltd	497,100	0.32%
Equitas Nominees Pty Limited	475,639	0.30%
Mr Grant Lister	450,000	0.29%
Mr Stephen Cocker & Mrs Denise Cocker	428,000	0.27%
Exwere Investments Pty Ltd	418,813	0.27%
Mr Bruce Rodney Pettit	406,418	0.26%
Total	**113,141,166**	**71.89%**

HANSEN
TECHNOLOGIES

Directors

David Trude, Chairman
Andrew Hansen, Managing Director & Chief Executive
Bruce Adams, Non-Executive
Kenneth Hansen, Non-Executive
Phillip James, Non-Executive
David Osborne, Non-Executive

Company Secretary

Grant Lister

Principal registered office

2 Frederick Street, Doncaster VIC 3108
T (03) 9840 3000
F (03) 9840 3099

Share registry

Link Market Services
Level 1, 333 Collins Street
Melbourne VIC 3000
T (02) 8280 7761 or 1300 554 474
F (02) 9287 0309 - Proxy forms
F (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 – **www.forge.co.nz**

HANSEN
TECHNOLOGIES

2 Frederick Street, Doncaster,
Victoria, 3108 Australia

T +61 3 9840 3000
F +61 3 9840 3099
E info@hsntech.com

www.hsntech.com