Appendix 4E **Preliminary final report**

Name of entity

Hansen Technologies Limited and its Controlled Entities

ABN or equivalent company reference:	**ABN : 90 090 996 455**

1. Reporting period

Report for the financial year ended	**30 June 2004**
Previous corresponding period is the financial year ended	**30 June 2003**

2. Results for announcement to the market

$A'000

	Current period	Previous corresponding period	Amount Increase/ (decrease)	% Change Increase/ (decrease)
Revenues from ordinary activities	**53,197**	58,707	(5,510)	(9.4%)
Profit (loss) from ordinary activities after tax attributable to members	**651**	(6,690)	7,340	N/A
Net profit (loss) for the period attributable to members	**651**	(6,690)	7,340	N/A

Dividends	Amount per security	Franked amount per security
Interim dividend	0 ¢	N/A
Final dividend	1 ¢	1¢
Previous corresponding period	0 ¢	N/A
Record date for determining entitlements to the dividend	9 September 2004	

Hansen's is pleased to report a return to Profitability and Dividends with the announcement of a One cent per share fully franked Dividend.

Hansen's results show the benefits that have been derived from the strong growth in Revenue from its core proprietary billing Software, HUB, and its restructuring over the previous two years, with operating expenses reduced by $10 million and an improvement of $4.3 million in working capital.

Please refer to the attached Preliminary Financial Report for the year ended 30 June 2004 and the press release dated 26 August 2004 for further explanations of the above figures.

3. Statement of Financial Performance – refer to the attached preliminary financial report

4. Statement of Financial Position – refer to the attached preliminary financial report

5. Statement of Cash Flows – refer to the attached preliminary financial report

6. Dividends

	Date of payment	Total amount of dividend
Interim dividend – year ended 30 June 2004	Not applicable	$ 0
Final dividend – year ended 30 June 2004	23 September 2004	$ 1,120,146

Amount per security

		Amount per security	Franked amount per security at 30 % tax	Amount per security of foreign sourced dividend
Total dividend:	Current year	1 ¢	1 ¢	N/A
	Previous year	0 ¢	N/A	N/A

Total dividend on all securities

	Current period $A'000	Previous corresponding Period - $A'000
Ordinary securities	1,120	0
Preference securities	0	0
Other equity instruments	0	0
Total	**1,120**	**0**

7. Details of dividend or distribution reinvestment plans in operation are described below:

A dividend Reinvestment Plan has been established to provide shareholders with the opportunity to reinvest dividends in new shares rather than receiving cash. The Directors may alter, suspend or terminate the terms of the Dividend Reinvestment Plan at any time.

The last date for receipt of election notices for participation in the dividend or distribution reinvestment plan.	6 September 2004

8. Statement of retained earnings

Refer to note 18 of the attached preliminary financial report

9. Net tangible assets per security

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	5.0 cents	2.9 Cents

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

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

11. Post Balance Date event

Subsequent to the 30 June 2004 the company sold the rights to a non core proprietary software product. The consideration for the sale, which has not been reported in the current period's results, amounts to $ 557,500.

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

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

- The removal of the requirement to amortise Goodwill. (The current year's results include an amortisation expense for Goodwill of $ 1.118 million).
- Share based Payments to executives.

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

14. Commentary on the results for the period.

The consolidated entity has returned, for the Year ended 30 June 2004, a profit after tax of $0.6 million which is a significant improvement from the Loss of $6.7 Million in the previous year . Earnings before interest, tax, depreciation and amortisation (EBITDA) has improved to $5.9 million from $2.4 million in the previous year. Profit after tax and before amortisation of Goodwill on consolidation is $ 1.7 million.

In view of the company's positive cash position following its restructuring and the strong prospects for HUB in the utilities sector, the directors have declared, out of the profits to 30 June 2004, a final dividend of 1 cent per share fully franked (2002/3: nil) . The Dividend will be payable on 23 September 2004 to shareholders on the register at 9 September 2004.

The Consolidated entity's Revenue from Hansen's core proprietary utilities billing software, HUB, increased 65% in the year and was a significant contributor to the company's revenue of $53.1 million. Revenues in 2002/3 of $58.7 million included $10 million from revenue sources that have either reached the end of their scheduled life or, as a result of the company's restructuring, are no longer core business activities for Hansen.

Hansen's results show the benefits that have been derived from its restructuring over the previous two years, with operating expenses reduced by $10 million and an improvement of $4.3 million in working capital.

In recognition of the increasing customer acceptance of HUB billing software, the amortisation period for HUB has been extended from three years to five years, resulting in a $0.8 million reduction of amortisation.

The amortisation of Hansen's investment in HUB research and development expensed during the year was a similar amount to the cost of research and development capitalised during the year.

The year's result is after providing $0.9 million for the negotiated settlement with the vendor of the SVi Group of companies acquired in 2002.

Please refer to the attached Preliminary Financial Report for the year ended 30 June 2004 for further explanations of the above figures and to the Statement of Financial Performance and note 6 for Earnings per share information.

15. Audit of the financial report

The financial report is in the process of being audited.

16. Audit opinion

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

Statements of financial performance
For the year ended 30 June 2004

		Consolidated	
		2004	2003
	Note	$'000	$'000
Revenue from rendering of services		50,525	56,671
Other revenues from ordinary activities		2,672	2,036
Total revenue	3	53,197	58,707
Employee expenses		(27,763)	(31,507)
Depreciation and amortisation expenses		(5,741)	(8,082)
Write-down in carrying value of non-current assets		(232)	(986)
Borrowing costs		(169)	(281)
Operating lease rental expenses		(5,135)	(6,873)
Contractor and consultant expenses		(1,756)	(3,201)
Software licence expenses		(429)	(1,313)
Hardware and software maintenance expenses		(2,309)	(2,139)
Transportation expenses		(745)	(765)
Travel expenses		(1,271)	(1,333)
Data communication expenses		(2,985)	(3,298)
Legal, settlement and liquidation costs		(971)	(1,328)
Other expenses from ordinary activities		(3,524)	(4,448)
Profit / (loss) from ordinary activities before related income tax expense	4	166	(6,846)
Income tax credit / (expense) relating to ordinary activities	5	485	155
Net profit / (loss) attributable to members of the parent entity		651	(6,690)
Net exchange difference relating to self-sustaining foreign operations		(33)	(237)
Total changes in equity from non-owner related transactions attributable to the members of the parent entity		618	(6,927)
Basic earnings / (loss) per share	6	$0.006	($0.070)
Diluted earnings / (loss) per share	6	$0.006	($0.070)

Statements of financial position
As at 30 June 2004

		Consolidated	
		2004	2003
	Note	$'000	$'000
Current assets			
Cash assets	7	3,623	4,663
Receivables	8	5,124	5,208
Other	9	1,818	2,093
Total current assets		10,565	11,964
Non-current assets			
Receivables	8	1,330	999
Plant and equipment	10	6,819	8,342
Intangible assets	11	23,147	24,508
Deferred tax assets		3,053	1,724
Other	9	155	444
Total non-current assets		34,505	36,017
Total assets		45,070	47,981
Current liabilities			
Payables	12	4,943	6,039
Interest-bearing liabilities	13	556	253
Current Tax Liabilities		51	0
Provisions	14	4,013	5,156
Other	15	3,438	6,590
Total current liabilities		13,001	18,038
Non-current liabilities			
Payables	12	300	333
Interest-bearing liabilities	13	893	371
Deferred tax liabilities		1,947	1,037
Provisions	14	153	449
Total non-current liabilities		3,293	2,190
Total liabilities		16,294	20,228
Net assets		28,775	27,753
Equity			
Contributed equity	16	96,158	95,752
Reserves	17	(478)	(444)
Retained profits / (accumulated losses)	18	(66,905)	(67,555)
Total equity	19	28,775	27,753

Statements of cash flows
For the year ended 30 June 2004

		Consolidated	
		2004	2003
	Note	$'000	$'000
Cash flows from operating activities			
Cash receipts in the course of operations		54,536	63,422
Cash payments in the course of operations		(51,568)	(60,799)
Interest received	3	201	154
Borrowing costs paid	4	(169)	(87)
Income taxes paid		116	0
Net cash provided by/(used in) operating activities		3,115	2,690
Cash flows from investing activities			
Proceeds on disposal of controlled entity (net of cash received / (disposed))		0	(53)
Payments for plant and equipment		(1,308)	(936)
Proceeds from sale of plant and equipment	3	85	109
Payments for controlled entities (net of cash acquired)		(628)	(616)
Payment for resolution of legal dispute		(525)	0
Payments for:			
Capitalised research and development	11	(2,000)	(2,956)
Intellectual property		0	0
Net cash provided by/(used in) investing activities		(4,376)	(4,452)
Cash flows from financing activities			
Proceeds from issue of shares	16	72	3,348
Transaction costs for issue of shares		0	(34)
Funds provided under lease arrangement		(676)	0
Proceeds from lease and hire purchase borrowings		1,334	0
Net advances from/(to) controlled entities		0	0
Finance and hire purchase lease payments		(509)	(1,077)
Dividends paid		0	0
Net cash provided by/(used in) financing activities		222	2,237
Net increase/(decrease) in cash held		(1,040)	475
Cash at the beginning of the financial year	7	4,663	4,188
Cash at the end of the financial year		3,623	4,663

Hansen Technologies Limited and its controlled entities
ABN 90 090 996 455

Notes to the financial statements
For the year ended 30 June 2004

1. Statement of significant accounting policies

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

(a) Basis of preparation

The preliminary financial report has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

It has been prepared on the basis of historical costs and except where stated, does not take into account changing money values or fair values of assets.
These accounting policies have been consistently applied by each entity in the consolidated entity and, except where there is a change in accounting policy as set out in Note 2, are consistent with those of the previous year.

(b) Reclassification of financial information

Some line items and some sub-totals reported in the comparatives to the Statement of Financial Performance have been reclassified in order to ensure consistency with the classifications made in the current financial year.

(c) Principles of consolidation

Controlled entities
The financial statements of controlled entities are included in the consolidated financial statements from the date control commences until the date control ceases.
Outside interests in the equity and results of the entities that are controlled by the Company are shown as a separate item in the consolidated financial statements.

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

Changes in ownership interest
Loss of control, no joint control or significant influence
When control ceases, a gain or loss is recognised as the difference between net sales proceeds, if any, and the consolidated carrying amount (including post-acquisition share of profits, goodwill and equity). Any remaining investment is then accounted for at cost if unlisted, or fair value if listed.

(d) Revenue recognition – Note 3

Revenues have been measured at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority. Exchanges of goods and services of the same nature and value without any cash consideration are not recognised as revenues.

Rendering of services
Revenue for rendering of services is recognised in proportion to the stage of completion of the contract when the stage of contract completion can be reliably measured.

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

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

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

(e) Goods and services tax

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

(f) Foreign currency

Transactions
Foreign currency transactions are translated to Australian currency at the rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at reporting date are translated at the rates of exchange ruling on that date.
Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account as exchange gains or losses in the statement of financial performance in the financial year in which the exchange rates change, except where:
* relating to amounts payable or receivable in foreign currency forming part of a net investment in a self-sustaining foreign operation. In this case, the exchange difference, together with any related income tax expense / revenue, is transferred to the foreign currency translation reserve on consolidation
* relating to acquisition of qualifying assets (see Note 1 (g))

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

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

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

Notes to the financial statements
For the year ended 30 June 2004

(g) Borrowing costs

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

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

(h) Taxation – Note 5

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

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

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

The economic entity has undertaken tax consolidation as at 1 July 2002 in respect of the Australian entities.

(i) Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the net profit attributable to members of the parent entity for the reporting period, after excluding any costs of servicing equity (other than ordinary shares and converting preference shares classified as ordinary shares for EPS calculation purposes), by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

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

(j) Acquisition of assets

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

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

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

The costs of assets constructed or internally generated by the consolidated entity, other than goodwill, include the cost of materials and direct labour. Directly attributable overheads and other incidental costs are also capitalised to the asset. Borrowing costs are capitalised to qualifying assets as set out in Note 1(g).

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

Research and development costs – Note 11

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

Subsequent additional costs

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

(k) Receivables – Note 8

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

Trade debtors

Trade debtors to be settled within 60 days are carried at amounts due.

Other non-current debtors

(l) Investments

Controlled entities

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

(m) Leased assets

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

Linked transactions involving the legal form of a lease are accounted for as one transaction when the series of transactions are negotiated as one, take place concurrently or in sequence or cannot be understood economically alone.

Linked transactions are not considered leases where the consolidated entity retains all risks and rewards of ownership and enjoys substantially the same benefits as before the arrangement, the primary purpose for the transactions are not to convey the right to use the asset or an option exists, with terms making exercise almost certain.

Where lease accounting is not applicable, assets are recognised only when they are controlled, future benefits are probable and they can be reliably measured. Liabilities are recognised only when a present obligation exists, it is probable sacrifice of resources will be required and it is capable of reliable measurement.

Finance leases

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

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

Operating leases

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

Lease incentives are recognised as liabilities. Lease rental payments are allocated between expense and reduction of the liability, on a straight line basis over the period of the incentive.

Notes to the financial statements
For the year ended 30 June 2004

(n) Goodwill – Note 11
Goodwill represents the excess of the purchase consideration plus incidental costs over the fair value of the identifiable net assets acquired.

(o) Recoverable amount of non-current assets valued on cost basis
The carrying amount of non-current assets valued on the cost basis are reviewed to determine whether they are in excess of their recoverable amount at reporting date. If the carrying amount of a non-current asset exceeds its recoverable amount, the asset is written down to the lower amount. The write-down is expensed in the reporting period in which it occurs.
Where a group of assets working together supports the generation of cash inflows, recoverable amount is assessed in relation to that group of assets.
In assessing recoverable amounts of non-current assets, the relevant cash flows have been discounted to their present value.

(p) Depreciation and amortisation

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

(p) Depreciation and amortisation (continued)
Assets are depreciated or amortised from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use

Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only. Depreciation and amortisation are expensed, except to the extent that it is included in the carrying amount of another asset as an allocation of production overheads.
The depreciation / amortisation rates or useful lives used for each class of asset are as follows:

	Method	2004	2003
Property, plant and equipment			
Buildings	SL	-	-
Plant and equipment	SL / DV	9% to 40%	9% to 40%
Intangibles			
Goodwill	SL	20 years	20 years
Other non-current assets			
Research and development costs	SL	5 years	3 years
Intellectual property	SL	5 years	3 years

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

(r) Interest bearing liabilities – Note 13
Lease and hire purchase liabilities are recognised at their principal amount.

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

Long service leave
The provision for employee benefits to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided to reporting date.
The provision is calculated using estimated future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the rates attaching to national government bonds at reporting date which most closely match the terms of maturity of the related liabilities.

(t) Provisions – Note 14
A provision is recognised when there is a legal, equitable or constructive obligation as a result of a past event and it is probable that a future sacrifice of economic benefits will be required to settle the obligation, the timing or amount of which is uncertain.
If the effect is material, a provision is determined by discounting the expected future cash flows (adjusted for expected future risks) required to settle the obligation at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability, being risk free rates on government bonds most closely matching the expected future payments, except where noted below.
When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the recovery receivable is recognised as an asset when it is probable that the recovery will be received and is measured on a basis consistent with the measurement of the related provision.
In the statement of financial performance, the expense recognised in respect of a provision is presented net of the recovery. In the statement of financial position, the provision is recognised net of the recovery receivable only when the entity:
* has a legally recognised right to set-off the recovery receivable and the provision, and
* intends to settle on a net basis, or to realise the asset and settle the provision simultaneously.

Restructuring and employee termination benefits
A provision for restructuring, including employee termination benefits, related to an acquired entity or operation is recognised at the date of acquisition where:
* the main features of the restructuring were announced, implementation of the restructuring commenced, or contracts were entered by the date of acquisition
* a detailed formal plan is developed by the earlier of three months after the date of the acquisition and the completion of this financial report.

The provision only relates to costs associated with the acquired entity, and is included in the determination of the fair value of the net assets acquired. The provision includes liabilities for termination benefits that will be paid to employees of the acquired entity as a result of the restructuring.
Other provisions for restructuring or termination benefits are only recognised when a detailed plan has been approved and the restructuring or termination benefits has either commenced or been publicly announced, or firm contracts related to the restructuring or termination benefits have been entered into. Costs related to ongoing activities are not provided for. The liabilities for termination benefits that will be paid as a result of these restructurings have been included in the provision for employee benefits.

Notes to the financial statements
For the year ended 30 June 2004

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

2 Change in accounting policies

(a) **Software Research & Development Expenditure**
In recognition of the increasing customer acceptance of the company's proprietary billing software, the amortisation period for deferred research and development expenditure has been revised from three years to five years effective 1 July 2003. This reassessment has resulted in a reduction of the amortisation charge in the year ended 30 June 2004 of $ 836,822.

3 Revenue from ordinary activities

	Note	Consolidated 2004 $'000	Consolidated 2003 $'000
Rendering of services revenue from operating activities		50,525	56,671
Other revenues:			
From operating activities			
Management fees		0	0
Net foreign exchange gains		48	1,013
Interest – other parties		201	154
Other income		2,339	760
From outside operating activities			
Gross proceeds from sale of non-current assets		85	109
Total other revenues		2,672	2,036
Total revenue from ordinary activities		**53,197**	**58,708**

4 Profit / (loss) from ordinary activities before income tax expense

	Note	Consolidated 2004 $'000	Consolidated 2003 $'000
(a) **Individually significant expenses / (revenues) included in profit / (loss) from ordinary activities before income tax expense:**			
Write-down of software research and development costs		0	217
Write-down of intellectual property		0	769
Forgiveness of loan payable for intellectual property		(333)	0
Legal / settlement costs		895	709
Restructuring costs		0	1,268
		562	2,963
(b) **Profit / (loss) from ordinary activities before income tax expense has been arrived at after charging / (crediting) the following items:**			
Depreciation of:			
Property, plant and equipment		2,124	2,690
		2,124	2,690
Amortisation of:			
Goodwill		1,118	1,103
Intellectual property		0	680
Software research and development		1,930	2,779
Hire purchase and finance leased plant and equipment		568	830
		3,617	5,392
Total depreciation and amortisation		5,741	8,082
Research and development expenditure			
- capitalised and written off		0	217
		0	217

Hansen Technologies Limited and its controlled entities
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Notes to the financial statements
For the year ended 30 June 2004

Profit / (loss) from ordinary activities before income tax expense Cont'd

	Note	Consolidated 2004 $'000	Consolidated 2003 $'000
Borrowing costs:			
Other parties			
- finance charges on capitalised Leases		144	61
- bank overdraft		0	87
- interest on deferred consideration		26	133
		169	281
Net bad and doubtful debts expense including movements in provision for doubtful debts		(115)	132
Net expense from movement in provision for employee entitlements		(14)	19
Net foreign exchange loss		0	0
Net (gain) / loss on disposal of non-current assets:			
- Plant & equipment		36	21
- Controlled entity		0	120
Operating lease rental expense:			
- Minimum lease payments		5,135	6,873

5 Taxation

Income tax expense / (benefit)		
Prima facie income tax expense / (benefit) calculated at 30% (2003: 30%) on the profit from ordinary activities	50	(2,054)
Increases in income tax expense due to:		
Amortisation of goodwill	315	331
Effect of higher rates of tax on overseas income	0	79
Net non-deductible expenses on liquidation of controlled entities	0	427
Sundry items	0	205
Non deductible expenditure	467	0
Decrease in income tax expense due to:		
Research and development allowances	(180)	(222)
Tax benefit on tax losses transferred from a controlled entity	0	0
Non assessable income	(29)	0
Income tax expense / (benefit) on the profit / (loss) from ordinary activities before individually significant income tax items	623	(1,234)
Individually significant income tax items:		
Prior year tax losses and timing differences of controlled entities recognised as a future income tax benefit (net)	(1,211)	0
Tax losses and timing differences of controlled entities not carried forward as a future income tax benefit	219	928
	(369)	(306)
Income tax over provided in prior year	(116)	(66)
Income tax expense/(benefit) attributable to profit / (loss) from ordinary activities	(485)	(372)

6 Earnings per share

Earnings reconciliation

Profit/(loss)	651	(6,690)
Adjustments	0	0
Basic earnings / (loss) - ordinary shares	651	(6,690)
Adjustments	2	0
Diluted earnings / (loss) - ordinary shares	653	(6,690)

	2004 number	2003 number
Weighted average number of shares used as the denominator		
Number for basic earnings per share - ordinary shares	111,703,324	95,245,858
Number for diluted earnings per share - ordinary shares	112,363,324	95,245,858
Basic earnings / (loss) per share	$0.006	($0.070)
Diluted earnings / (loss) per share	$0.006	($0.070)

Notes to the financial statements
For the year ended 30 June 2004

	Note	Consolidated 2004 $'000	Consolidated 2003 $'000
7 Cash assets			
Cash at bank and on hand		3,249	4,660
Bank short term deposits		374	2
		3,623	4,662
8 Receivables			
Current			
Trade debtors		4,293	4,787
Less: Provision for doubtful debts		(59)	(209)
		4,233	4,578
Sundry debtors		891	631
		5,124	5,208
Sundry debtors generally arise from transactions outside the usual operating activities of the consolidated entity.			
Non-current			
Term debtor		1,330	999
Loans to controlled entities		0	0
		1,330	999
The weighted average effective interest rate on the term debtor is 8.5% (2003: 8.5%) at 30 June 2004.			
9 Other assets			
Current			
Prepayments		1,204	1,478
Accrued revenue		614	615
		1,818	2,093
Non-current			
Accrued revenue		155	444
		155	444
10 Plant and equipment			
Plant and equipment, at cost		23,060	22,945
Accumulated depreciation		(16,993)	(15,421)
		6,067	7,524
Hire purchase and finance leased plant and equipment, at cost		4,263	3,821
Accumulated amortisation		(3,511)	(3,003)
		752	818
Total plant and equipment at net book value		6,819	8,342
Reconciliations			
Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:			
Plant and equipment			
Carrying amount at beginning of year		7,525	9,459
Additions		757	936
Disposals		(73)	(131)
Depreciation		(2,124)	(2,690)
Foreign exchange adjustment		(18)	(49)
Carrying amount at end of year		6,067	7,525
Hire purchase and finance leased plant and equipment			
Carrying amount at beginning of year		817	1,413
Additions		551	234
Disposals		(48)	0
Amortisation		(568)	(830)
Carrying amount at end of year		752	817

	Note	Consolidated 2004 $'000	Consolidated 2003 $'000
11 Intangible assets			
Goodwill, at cost		23,005	23,317
Accumulated amortisation		(5,569)	(4,450)
		17,436	18,867
Software research and development, at cost		11,967	9,967
Accumulated amortisation		(6,256)	(4,326)
		5,711	5,641
Intellectual property, at cost		0	0
Accumulated amortisation		0	0
		0	0
Total intangible assets		23,147	24,508

At 30 June 2003, the Directors wrote down the carrying value of capitalised software research and development and intellectual property of a non-core proprietary software product on the basis that their future benefits were no longer probable. In assessing the future benefits of these assets, the relevant cash flows were discounted to their present value

Reconciliation of goodwill at cost

	2004 $'000	2003 $'000
Goodwill at cost at beginning of year	23,317	22,867
Increase/(Decrease) due to acquisition adjustments relating to previously acquired entities	(312)	450
Goodwill at cost at end of year	23,005	23,317
Accumulated amortisation at beginning of year	(4,450)	(3,347)
Current year charge	(1,118)	(1,103)
Accumulated amortisation at end of year	(5,569)	(4,450)

Reconciliation of software research and development at cost

	2004 $'000	2003 $'000
Software research and development at cost at beginning of year	9,967	7,567
Expenditure capitalised in current period	2,000	2,956
Current year write down		(217)
Accumulated amortisation prior to the software research and development write-down netted-off	0	(339)
Software research and development at cost at end of year	11,967	9,967
Accumulated amortisation at beginning of year	(4,326)	(1,886)
Current year charge	(1,930)	(2,779)
Accumulated amortisation prior to the software research and development write-down netted-off		339
	(6,256)	(4,326)

Reconciliation of intellectual property at cost

	2004 $'000	2003 $'000
Intellectual property at cost at beginning of year	0	2,060
Current year write down	0	(769)
Accumulated amortisation prior to the intellectual property write-down netted-off	0	(1,291)
Intellectual property at cost at end of year	0	0
Accumulated amortisation at beginning of year	0	(611)
Current year charge	0	(680)
Accumulated amortisation prior to the intellectual property write-down netted-off	0	1,291
	0	0

12 Payables

	2004 $'000	2003 $'000
Current		
Trade creditors	1,765	2,016
Other creditors and accruals	3,178	4,023
	4,943	6,039
Non-current		
Other creditors and accruals	300	333
Loans - controlled entities	0	0
	300	333

Hansen Technologies Limited and its controlled entities
ABN 90 090 996 455

Notes to the financial statements
For the year ended 30 June 2004

	Note	Consolidated 2004 $'000	Consolidated 2003 $'000
13 Interest bearing liabilities			
Current			
Hire purchase liability		299	156
Finance lease liability		257	97
Lease liabilities, secured		556	253
Non-current			
Hire purchase liability		500	336
Finance lease liability		393	34
Lease liabilities, secured		893	371
14 Provisions			
Current			
Employee benefits		3,446	3,465
Deferred consideration		223	669
Provision for restructuring		0	363
Other		344	660
		4,013	5,156
Non-current			
Employee benefits		153	148
Deferred consideration		0	301
		153	449

Reconciliations

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

		2004	2003
Deferred consideration - current			
Carrying amount at beginning of year		669	544
Provisions made during the year		(123)	0
Payments made during the year		(628)	(389)
Transfer from non-current deferred consideration		301	514
Foreign exchange adjustment		4	
Carrying amount at end of year		223	669
Provision for restructuring			
Carrying amount at beginning of year		363	78
Provisions made during the year		0	363
Payments made during the year		(363)	(78)
Carrying amount at end of year		0	363
Deferred consideration - non-current			
Carrying amount at beginning of year		301	815
Provisions made during the year		0	0
Payments made during the year		0	0
Transfer to current deferred consideration		(301)	(514)
Carrying amount at end of year		0	301
Provisions - other			
Carrying amount at beginning of year		660	119
Provisions made during the year - liquidation and litigation costs		0	660
Payments made during the year		(316)	(119)
Carrying amount at end of year		344	660
15 Other liabilities			
Current			
Deferred income		3,438	5,590
		3,438	5,590

Notes to the financial statements
For the year ended 30 June 2004

	Note	Consolidated 2004 $'000	Consolidated 2003 $'000
16 Contributed equity			
Share capital			
112,014,565 (2003: 111,451,291) ordinary shares, fully paid		96,158	95,752
Movements during the year			
Balance at beginning of year		95,752	92,039
212,314 shares issued to settle liability arising from purchase of intellectual property (2003: 212,314 shares issued to settle liability)		333	333
(2003: 18,599,770 shares issued pursuant to a non-refundable rights issue)		0	3,348
350,960 shares issued under Employee Share Plan (2003: 376,552 shares issued under Employee Share Plan)		72	66
Transaction costs on issue of shares		0	(34)
Balance at end of year		96,158	95,752
17 Reserves			
Foreign currency translation		478	444
Movement in foreign currency translation reserve during the year			
Balance at beginning of year		444	207
Net translation adjustment		33	237
Balance at end of year		478	444

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

		2004 $'000	2003 $'000
18 Retained profits / (accumulated losses)			
Retained profits / (accumulated losses) at beginning of year		(67,555)	(60,866)
Net profit / (loss) attributable to members of the parent entity		651	(6,690)
Accumulated losses at end of year		(66,905)	(67,555)
19 Total equity reconciliation			
Total equity at beginning of year		27,752	30,966
Total changes in parent entity interest in equity recognised in statement of financial performance		618	(6,927)
Transaction with owners as owners:			
Contribution of equity		405	3,713
Total equity at end of year		28,775	27,752

20 Dividends

The final dividend for June 2004 of $1,120,146 was declared on 23 August 2004. In accordance with AASB 1044, this amount has not been provided for in the financial report.

Notes to the financial statements
For the year ended 30 June 2004

21 Segment Reporting

	Billing		IT Outsourcing		Other		Consolidated	
	2004	2003	2004	2003	2004	2003	2004	2003
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue								
External segment revenue	24,428	29,664	22,432	26,081	3,665	926	50,525	56,671
Other unallocated revenue							663	2,036
Total revenue							51,188	58,707
Result								
Segment result	2,604	164	2,708	2,701	2,331	(2,554)	7,643	311
Unallocated corporate expenses							(7,477)	(7,157)
Profit / (loss) from ordinary activities before income tax							166	(6,846)
Income tax (expense) / benefit							485	156
Net profit / (loss)							651	(6,690)
Assets								
Segment assets	20,884	19,520	9,535	11,155	1,056	2,391	31,475	33,066
Unallocated corporate assets							13,595	14,915
Consolidated total assets							45,070	47,981
Liabilities								
Segment liabilities	7,594	8,935	7,014	7,417	759	2,599	15,367	18,951
Unallocated corporate liabilities							927	1,277
Consolidated total liabilities							16,294	20,228