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This document comprises an admission document relating to the Company and has been prepared in accordance with the AIM Rules. This document is not a prospectus for the purposes of the Financial Services Authority's Prospectus Rules and it has not been reviewed or approved by the Financial Services Authority. No offer of transferable securities to the public (for the purposes of section 102B of FSMA) is being made in connection with Admission.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.

Application will be made for all the issued Ordinary Shares to be admitted to trading on AIM, a market operated by the London Stock Exchange. It is expected that Admission will become effective and dealings in the Ordinary Shares will commence on AIM on 6 December 2007.

INVU PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 6283181)

Admission for up to 115,508,904 Ordinary Shares of 1p each to trading on AIM

Arbuthnot Securities Limited

Nominated Adviser and Broker

Arbuthnot, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as nominated adviser and broker to the Company in relation to Admission and will not be responsible to any person other than the Company for providing the protections afforded to its customers or for advising any other person on the contents of this document or any transaction or arrangement referred to herein. The responsibility of Arbuthnot as the Company's nominated adviser and broker under the AIM Rules is owed solely to the London Stock Exchange and is not owed to the Company or any Director or Shareholder. Arbuthnot is not making any representation or warranty, express or implied, as to the contents of this document.

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This document contains forward looking statements, including, without limitation, statements containing the words "believes", "anticipates", "expects" and similar expressions. Such forward looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of the Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Factors that might cause such a difference include, but are not limited to, those "Risk Factors" discussed in Part II of this document. New factors may emerge from time to time that could cause the Group's business not to develop as it expects, and it is not possible for the Company to predict all such factors. Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward looking statements. Other than in accordance with the Company's obligations under the AIM Rules or as otherwise required by law, the Company undertakes no obligation to update or revise publicly any forward looking statements in this document to reflect future events or developments.

In making any investment decision in respect of Admission, no information or representation should be relied upon in relation to Admission other than as contained in this document. No person has been authorised to give any information or make any representation other than that contained in this document and, if given or made, such information or representation must not be relied upon as having been authorised.

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DIRECTORS, SECRETARY AND ADVISERS

Directors	Daniel Goldman *(Non-Executive Chairman)* David Morgan *(Chief Executive Officer)* John Charles Agostini *(Group Finance Director)* Jonathan Victor Halestrap *(Director of Sales and Marketing)* Thomas Patrick Maxfield *(Non-Executive Director)* Bernard Fisher *(Non-Executive Director)*
	All of:
Registered Office	The Beren Blisworth Hill Farm Stoke Road Blisworth Northamptonshire NN7 3BD
Company Secretary	John Charles Agostini
Nominated Adviser and Broker	Arbuthnot Securities Limited Arbuthnot House 20 Ropemaker Street London EC2Y 9AR
Reporting Accountants and Auditors	Grant Thornton UK LLP Byron House Cambridge Business Park Cambridge CB4 0WZ
Solicitors to the Company	Addleshaw Goddard LLP 150 Aldersgate Street London EC1A 4EJ
Solicitors to the Nominated Adviser	Nabarro Lacon House 84 Theobald's Road London WC1X 8RW
Financial Public Relations Advisers	Financial Dynamics Holborn Gate 26 Southampton Buildings London WC2A 1PB
Registrars	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

EXPECTED TIMETABLE

All times in this document are London times unless otherwise stated

Latest time and date for return of Forms of Representation by Existing Invu Shareholders	4.15 p.m. on 3 December 2007[1]
Latest time and date for return of proxies for the Special Meeting	4.14 p.m. on 5 December 2007
Special Meeting of Invu, Inc. to approve the Reorganisation	4.15 p.m. on 5 December 2007
Effective time of reclassification of Common Shares	4.30 p.m. on 5 December 2007
Effective time of Merger	4.31 p.m. on 5 December 2007
Cancellation of admission to trading of Common Shares on AIM	8.00 a.m. on 6 December 2007
Admission and dealings commence in the Ordinary Shares on AIM	8.00 a.m. on 6 December 2007
CREST accounts credited (where applicable) by	8.00 a.m. on 6 December 2007[2]
Despatch of definitive share certificates or payment of cash (where applicable)	13 December 2007[3] (or as soon as practicable thereafter)

ADMISSION STATISTICS

Number of Ordinary Shares in issue prior to Admission	18,954,252
Number of Ordinary Shares in issue immediately following Admission	115,508,904[4]
ISIN number	GB00B28Y2K12
AIM symbol	INVU.L

CURRENCY REFERENCES

All references to “£”, “p”, “sterling”, “pounds” and “pence” in this document are to pounds and pence sterling. All references to “$”, “US$” and “c” are to US dollars and cents.

[1] This is the latest time and date for return of a duly completed and valid Form of Representation in order to receive Ordinary Shares via CREST on 6 December 2007 and to avoid potential negative UK tax consequences

[2] For those Existing Invu Shareholders (other than Existing Invu US Shareholders) who return a duly completed and valid Form of Representation in accordance with the above timetable and the instructions set out in the Circular and the Form of Representation electing to receive Ordinary Shares via CREST

[3] For those Existing Invu Shareholders who return a duly completed and valid Form of Representation in accordance with the above timetable and the instructions set out in the Circular and the Form of Representation

[4] Assuming the Company receives duly completed and valid Forms of Representation from all Existing Invu Shareholders in accordance with the above timetable and that no cash consideration is payable in accordance with the terms of the Merger Agreement. This also assumes that the EMI options with respect to 1,704,807 Common Shares which are exercisable prior to completion of the Reorganisation are exercised in full prior to the Reorganisation.

PART I

INFORMATION ON THE GROUP

1. Introduction

The Group develops, markets and sells fully scalable software (under the brand name of Invu) for the electronic management of all types of information and documents, such as forms, correspondence, literature, faxes, e-mail, technical drawings, electronic files and web pages. The Group targets the SME market and individual departments of larger organisations with a range of products which the Directors believe strongly adhere to the Group's brand values of ease of use, high quality and price performance.

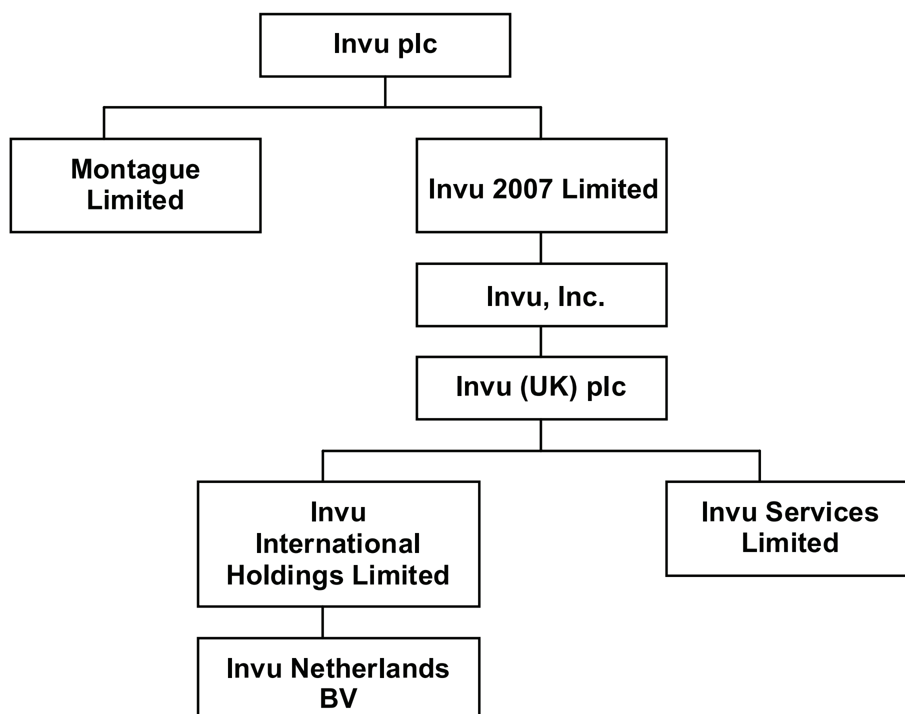
To date, the Group's products have been sold to over 3,300 customers, representing approximately 63,360 licensed users, ranging from SME businesses to individual departments within larger organisations such as:

- Persimmon Homes (with a licence for 835 users);
- Universal Music Group Limited (which has an enterprise wide licence for the UK and Ireland of 3,000 users); and
- Bates Millfield (with a licence for 3,500 users).

2. Group structure

The Company was incorporated in England on 18 June 2007. As part of the Reorganisation, the Company has agreed to acquire the entire issued share capital of Invu, Inc. (conditional upon Admission, the approval of the Existing Invu Shareholders and other factors). Further details of the Reorganisation are set out in paragraph 3 below and paragraph 11 of Part IV of this document. The Company will become the holding company of the Group upon Admission.

The Group structure immediately following Admission will be as follows:



3. Reorganisation

Pursuant to the Reorganisation, Invu, Inc. will have four classes of Common Shares rather than one. Existing Invu Shareholders other than Invu 2007 Limited who (i) have returned a Form of Representation by 4:15 p.m. (London time) on 3 December 2007 representing that they are not U.S. persons and who have not dissented from the Merger, or (ii) who the board of Invu, Inc. in its exercise of discretion reasonably determines is not a U.S. person, will, in each case, have such number of Common Shares as they currently hold reclassified as Class A Shares. Existing Invu Shareholders who (i) have returned a Form of Representation by 4:15 p.m. (London time) on 3 December 2007 representing that they are U.S. persons and who have not dissented from the Merger, or (ii) who the board of Invu, Inc. in its exercise of discretion reasonably determines is a U.S. person, will, in each case, have such number of Common Shares as they currently hold reclassified as Class B Shares. Invu 2007 Limited will have such number of Common Shares as it currently holds reclassified as Class C Shares. Existing Invu Shareholders who (i) have not returned a Form of Representation by 4:15 p.m. (London time) on 3 December 2007 or (ii) properly exercised their dissenter's rights with respect to the Merger under Colorado law will, in each case, have such number of Common Shares as they currently hold reclassified as Class D Shares. Each new class of Common Shares will have identical rights and privileges as each other class, which will be the same rights and privileges that current holders of Common Shares enjoy.

The Merger is expected to become effective upon Admission, subject to the prior satisfaction or waiver of the conditions to the Merger Agreement, including, without limitation, no more than 5 per cent. of Existing Invu Shareholders exercising their dissenters' rights and Invu, Inc. not having received Forms of Representation from, or the directors of Invu, Inc. not having determined that it is reasonably likely that there exists such number of U.S. persons as would be entitled to receive cash Merger consideration exceeding £1.5 million.

Under the terms of the Merger Agreement, further details of which are included in paragraph 11 of Part IV of this document and in the Circular, Class A Shareholders will have the right to receive one Ordinary Share for each Class A Share held, Class B Shareholders will have the right receive $0.532 in cash, for each Class B Share held, Class C Shareholders will continue to own their Class C Shares with the same rights and privileges as before the Merger, and Class D Shareholders (except for Class D Shareholders who perfect their dissenter's rights) will have the right to receive, upon return of a properly completed and valid Form of Representation, either the Class A Share merger consideration or the Class B Share merger consideration, depending upon their status as a U.S. person or non-U.S. person, as indicated on such Existing Invu Shareholder's completed and valid Form of Representation or as reasonably determined by the board of Invu Inc. Existing Invu Shareholders exercising their dissenter's rights will have the right to receive only the consideration provided for under Colorado law. Class D Shareholders who fail to return a duly completed and valid Form of Representation on or before 31 March 2008 will only be entitled to receive the cash payment of $0.532 per Common Share, regardless of whether or not such shareholder is a U.S. person. Existing Invu Shareholders who are entitled to receive a cash payment pursuant to the Merger Agreement will not be entitled to any interest on such cash payment or otherwise. Beneficial owners whose Common Shares are held by a bank, depository, broker or other nominee are considered to be Existing Invu Shareholders for this purpose and should complete and return a Form of Representation as soon as possible and by 4.15 p.m. (London time) on 3 December 2007 if they wish to receive Ordinary Shares in CREST on 6 December 2007 and to avoid potential negative UK tax consequences.

The Merger is technically classified as a related party transaction under the AIM Rules, by virtue of the fact that the directors of Invu, Inc. constitute the same individuals as the directors of Invu plc.

While believing that the Reorganisation is fair and reasonable and in the best interest of the Shareholders as a whole, the directors of Invu, Inc. are, however (together with their related parties, as referred to in paragraph 5(a) Note 2 of Part IV of this document) technically unable to vote their Common Shares on the resolutions in the notice of Special Meeting in connection with the Reorganisation set out in the Circular. Had the directors of Invu, Inc. been able to, they would have voted in favour of the resolutions.

It is expected that the entire issued share capital of Invu, Inc. will cease to be admitted to trading on AIM at 8.00 a.m. on 6 December 2007 and the Ordinary Shares will be admitted to trading on AIM at the same time and date. All existing share options in Invu, Inc. will either be exercised or cancelled prior to the Special Meeting. The Company intends to adopt a new share option scheme and to grant certain options following Admission, further details of which are set out in paragraph 16 below and in paragraph 10 of Part IV of this document.

4. Important UK tax consequences of the Reorganisation for certain Existing Invu Shareholders

Only those Existing Invu Shareholders who return a duly completed and valid Form of Representation so as to be received by the Company's registrars on or before 4.15 p.m. (London time) on 3 December 2007 representing that they are not a US person, or those Existing Invu Shareholders who the directors of Invu, Inc. in the exercise of their discretion reasonably determine are not U.S. persons, will have their Common Shares reclassified as Class A Shares. This is important as it is anticipated that holders, and only holders, of Class A Shares will be able to treat the cancellation of their Class A Shares and the receipt of Ordinary Shares as an exchange of shares within the provisions of section 136 Taxation of Chargeable Gains Act 1992 ("TCGA") and therefore for UK tax purposes as not involving a disposal for capital gains purposes of their Common Shares. Failure to return a duly completed and valid Form of Representation by this deadline may result in an increased tax liability for Existing Invu Shareholders who are subject to UK taxation.

Introduction

The following is a summary of the material UK tax consequences of the Merger to holders of Class A Shares, Class B Shares and Class D Shares in Invu, Inc. The summary applies only to individual Shareholders who would be subject to UK capital gains tax in respect of chargeable gains on the disposal of Class A, B or D Shares respectively or to corporate Shareholders whose chargeable gains on the disposal of Class A, B or D Shares respectively would be included in the company's total profits. It does not deal with the position of certain classes of Shareholders, such as dealers in securities, clearing houses, collective investment schemes or Shareholders who have (or are deemed to have) acquired their shares by virtue of an office or employment, nor with Shareholders who are not the absolute beneficial owners of their Ordinary Shares. Since the discussion is a summary only, it is not intended to constitute a complete description of all the tax consequences relating to the Merger. HM Revenue and Customs may disagree with the description below and its determination may be upheld by the courts. **Existing Invu Shareholders should consult their own tax adviser immediately regarding the applicability of the rules discussed below and the particular tax effects to the Existing Invu Shareholder of the Merger.**

Residency Rule

Generally a disposal of Common Shares by a Shareholder resident (or in the case of an individual, resident or ordinarily resident) for tax purposes in the UK will give rise to a chargeable gain or allowable loss. The charge may be extended to those not resident nor ordinarily resident in certain circumstances, including to individuals who are temporary non residents or to non-residents carrying on a trade in the UK through a branch or agency. There are also complex anti-avoidance rules which may attribute the gains of a non-resident company or trust to a UK resident person.

Class A Shares

It is envisaged that the cancellation of Class A Shares in exchange for which Existing Invu Shareholders will receive Ordinary Shares will be a transaction within the provisions of section 136 TCGA and will therefore not involve a disposal for UK capital gains purposes of the Class A Shares. Tax clearance has been received from HM Revenue and Customs ("HMRC") in relation to the transaction under the provisions of section 138 TCGA.

In order for the Reorganisation to be within the provisions of section 136 TCGA it is necessary for it to meet the requirements of schedule 5AA TCGA that the Merger satisfies the definition of a "Scheme of Reconstruction" and in particular under paragraph 5 in these circumstances that the Merger taking place

under Colorado law is a provision under the law of a country or territory corresponding to section 425 Companies Act 1985. HMRC declined to comment on this issue on the grounds that their function is simply to give or refuse clearances on the basis of satisfying the test of section 137 TCGA.

The Group has received counsel's opinion that the Merger under Colorado law is such a corresponding provision. Should HMRC successfully dispute this then the cancellation of Class A Shares in exchange for which Existing Invu Shareholders will receive Ordinary Shares will be a transaction outside of the provisions of section 136 TCGA and will involve a disposal for UK capital gains purposes of the Class A Shares.

Class B Shares

The cancellation of Class B Shares in exchange for which certain Existing Invu Shareholders will receive cash will be a disposal for UK capital gains purposes of the Class B Shares.

Class D Shares

The cancellation of Class D Shares in exchange for which certain Existing Invu Shareholders will receive either cash or Ordinary Shares will be a disposal for UK capital gains purposes of the Class D Shares.

Section 707 Income and Corporation Taxes Act 1988 ("ICTA").

The Group has received clearance under section 707 ICTA that HMRC are satisfied that the Reorganisation is such that no notice under Section 703 ICTA should be given in respect of it.

Section 701 Income Tax Act 2007 ("ITA")

The Group has received clearance under section 701 ITA that HMRC are satisfied that the Reorganisation is such that no counteraction notice should be served in relation to it.

Section 765 ICTA

The Group has received Treasury consent under section 765 ICTA for the Reorganisation.

Venture Capital Trust investors

The Directors believe that the Ordinary Shares will not constitute a qualifying holding for existing Venture Capital Trust shareholders under the provisions of chapter 4 part 6 ITA. However, the Group has received an informal clearance from HMRC that for Venture Capital Trust shareholders the cancellation of Class A Shares in exchange for which they receive Ordinary Shares will be a transaction within the provisions of paragraph 6 of the Venture Capital Trust (Exchange of Shares and Securities) Regulations 2002 and that paragraph 9 of the regulations will apply with the result that the Ordinary Shares should continue to constitute a qualifying holding as defined in chapter 4 of part 6 ITA for a period of three years after the issue date.

Enterprise Investment Scheme (EIS) shareholders

Certain Existing Invu Shareholders who have qualified for relief under the Enterprise Investment Scheme subscribed for shares in Invu, Inc. on or around 17 November 2004. EIS reliefs will be withdrawn where there are within three years of the issue date any arrangements in existence by virtue of which Invu, Inc. may become a 51 per cent. subsidiary of another company. The Company has received oral assurance from HMRC that because the Effective Time of the Merger is after the third anniversary of the issue date, HMRC will be unlikely to pursue this point.

For Existing Invu Shareholders who have qualified for relief under the Enterprise Investment Scheme there is an exemption from capital gains tax potentially available under the provisions of section 150A(2) TCGA. For Existing Invu Shareholders who are within this exemption, the cancellation of Common Shares in exchange for which they receive Ordinary Shares will be a transaction treated as an actual disposal of these shares. Any gain made on this exchange can potentially benefit from the exemption provisions. However, the new Ordinary Shares will not continue to qualify for this exemption and will on any disposal be potentially taxable in the same way as any other shareholding.

Some Existing Invu Shareholders who have qualified for relief under the Enterprise Investment Scheme may have made claims under schedule 5B TCGA for "reinvestment relief". The Directors believe that for such shareholders the cancellation of Common Shares in exchange for which they receive Ordinary Shares will be a chargeable event for the purposes of schedule 5B with the result that any deferred gain attributable to the shares shall be treated as accruing at that time.

Shares acquired as a result of exercise of employee share options

Enterprise Management Incentives ("EMI") share options granted in March 2004 will be exercised prior to the Reorganisation and Common Shares will be acquired on exercise. EMI options are afforded certain tax advantages, including the fact that taper relief accrues from the date the option is granted rather than the date the shares are acquired under the option. EMI options granted in March 2004 will have already accrued maximum business asset taper relief (the options having been outstanding for more than 2 years). Where these shares become Class A Shares, as a result of the reclassification, the extended taper relief entitlement should attach to the Ordinary Shares issued to the Class A shareholders in exchange for the cancellation of the Class A Shares. Where Common Shares become Class D Shares, as a result of the reclassification, the cancellation of these shares in exchange for the issue of Ordinary Shares will be a disposal of those Class D Shares as disclosed above.

The summary set out above does not constitute a complete description of all tax consequences relating to the Merger. Shareholders who are in any doubt as to their tax position or the particular tax effects of the Merger should consult an appropriate professional adviser immediately.

5. Background to and reasons for the Reorganisation

The Directors believe that the Reorganisation will improve the liquidity in the Company's shares compared with that of Invu, Inc. historically, simplify the structure of the Group and minimise the risk of the Group in the future having to resume periodic reporting and other obligations under US securities laws.

Improve liquidity

When Invu, Inc.'s Common Shares were admitted to trading on AIM in January 2004 it was necessary to create two different lines of shares with the "ticker symbols" NVUK (Regulation S) and NVU. The NVU shares were the original shares in Invu, Inc. when its shares were quoted in the United States on the OTC Bulletin Board. When Invu, Inc.'s Common Shares were admitted to trading on AIM in January 2004, the new shares issued became the NVUK shares, which were subject to transfer restrictions of Regulation S under the Securities Act. The NVU shares were more illiquid because there was a lower number of NVU shares in issue, and holders of these shares encountered difficulty in being able to sell their shares on AIM.

The two separate ticker symbols have caused confusion in the minds of Existing Invu Shareholders and potential investors. The different levels of supply and demand as between the two lines of shares have also created from time to time a divergence in the share price between the two lines of shares making it difficult for potential investors and shareholders alike to accurately assess the Group's market value. The liquidity of the shares has been further impaired because shares issued pursuant to Regulation S or sold by affiliates of Invu, Inc. (including directors and large shareholders) could not be traded in CREST due to the risk of breaching US securities law transfer restrictions applicable to such shares.

The combination of these factors has had a negative impact on the liquidity and price performance of Invu, Inc.'s shares historically. The Reorganisation will result in the Company as the new holding company of the Group with one line of shares tradable in CREST. The Directors believe that this will greatly enhance the liquidity of the Company's shares compared with that of Invu, Inc. historically.

Simplify the Group structure

Invu, Inc., as a Colorado corporation, has a capital structure and other corporate attributes that are different from a UK public limited company and potential investors have found the group structure confusing. Questions have arisen about the possible exposure of Invu, Inc. to both US regulation and the generally litigious environment in the United States. This has been confusing to Existing Invu Shareholders and potential investors given that Invu, Inc. has always been predominantly a UK business, subject to UK regulations in carrying on its trade mainly in the UK. By contrast, the Company is a UK public limited company.

SEC periodic reporting and other obligations

In the past, Invu, Inc. has been required to meet SEC periodic reporting and other obligations. Invu, Inc. ceased its SEC reporting obligations at the time of the admission of its shares to AIM in 2004. However, it remained subject to the requirements of the US Securities Exchange Act of 1934 which requires it to resume its SEC reporting obligations if it exceeds both 300 shareholders of record and total assets of $10 million, or exceeds 500 shareholders of record, as at the end of any financial year. The Directors believe that Invu, Inc. is likely to exceed these thresholds in the near future, triggering its obligation to resume SEC periodic reporting and to comply with other obligations, including the requirement to comply with section 404 of the Sarbanes-Oxley Act 2002. The costs of complying with such SEC regulations are significant in comparison to the costs of complying with the regulatory requirements of a publicly quoted UK company on AIM.

After Admission, the Group will not have any obligations to file periodic reports with the SEC unless it subsequently meets the requirements of being a "foreign private issuer". Although the Company will be subject to SEC reporting requirements for foreign private issuers in the event that it ever meets certain criteria in the future, including having more than 300 US resident shareholders of record, the Directors believe this is unlikely to occur in the foreseeable future.

6. Business overview

The Group's business is the development and sale of document and information management software programmes that operate on stand-alone PCs, networked PCs and client server systems. The software allows documents of any size and format, from correspondence and faxes to technical drawings and electronic files, to be stored on computer memory and retrieved instantly. To store such information, Invu software also scans paper and creates files and imports documents. The software also provides a mechanism to manage and retrieve the imported and filed information.

The Group continues to target its sales and marketing efforts on several easily identifiable and proven market channels, namely value added resellers ("VARs"), strategic alliances with established information technology companies and distributors.

The Group's principal geographic markets are the UK and the Netherlands, and the Group intends to continue to develop these markets whilst cautiously expanding into other territories.

7. Market

The term "document management," when associated with software, has a very wide meaning. At the basic level, it is usually understood to mean the "scanning and storage of documents," thereby providing the benefits of ease of access, space saving and back up. This basic functionality could be achieved by using MS Office products and an inexpensive scanner. However, the limitations of such a system are great and the benefits of true document management represent much greater functionality and accountability in all aspects of a business. Current products available in the market represent everything from a simple package to keep track of the files stored in a paper archive, through to a large scale document capture, workflow and archiving system with elements of artificial intelligence. The Group's product suite is an example of the latter definition, but addresses the needs of the SME market with a price point targeted at that market.

Each year there continues to be a significant increase in the volume of information available to organisations with the predominance of inexpensive computing and wide area networks (that provide a conduit to this information). There is also an ever increasing amount of information (e.g. online databases, documents, graphics, audio recordings and video) now available via the Internet to organisations and individuals from sources around the world. The Directors believe that the continuing proliferation and consequent accumulation of such information and accompanying documents over recent years have created a problem for individuals and organisations because they now need to manage large and disparate sets of data created internally and arriving externally. The Directors believe that this is a global problem that has resulted in an international market for document management technologies, which will grow significantly over the next five years.

Information is now regarded as a key resource for organisations and individuals. The Directors believe that accessing and sharing information are two of the biggest challenges currently facing businesses of all sizes. Organisations that are able to harness and exploit information will derive a competitive advantage in their markets. By contrast, the availability of cost effective products that enable organisations to manage and control this mass of information has lagged behind market demand.

8. Group strategy

The Group's objective is to establish itself as a leading global supplier of information and document management software and services. The Directors believe that as the market matures, the purchase of document management systems will become increasingly routine as buyers become acquainted with the available technology and applications and their benefits. In order to deal with the increased demand, the Company continues to improve the quality of its third party VARs. Branding and product positioning are both fundamental to attaining the market share required to profitably achieve the Group's objective of being a leading supplier of information and document management software.

The Group will continue to assess its target markets with a view to expanding its business beyond the UK and the Netherlands into Europe and the USA. The Directors intend to use the Netherlands as a platform for entering the wider continental European market, in particular English speaking Scandinavian countries, by adopting similar VAR strategies to those employed in the UK and the Netherlands and using distributors where appropriate. The Directors believe that the US market has significant potential for the Group in due course and intend to commence an effective channel to that market.

9. Competitive strengths

The Group intends to implement its strategy by exploiting the following competitive strengths:

- scaleable software – offering a single integrated solution with functionality which is suitable for a wide range of customers;
- sales know-how and methodology – the Group's product sales are principally generated through its VAR distribution channel. The Group has successfully designed and developed a proven method of VAR sales training and support;
- advanced technology – the Group's Codefree Integration tool enables users to integrate Invu products with third party software products without further software development, thereby reducing the amount of time and cost associated with the installation, roll-out and upgrades of the Group's products; and
- price performance – in accordance with the Group's core brand values, the Directors believe that the Group provides solutions which incorporate broad functionality at a price which is affordable to customers in its target markets.

10. Distribution

The Group continues to target its sales and marketing efforts on several easily identifiable mature market channels. These channels include software distributors and resellers who market to small and medium size enterprises as well as departmental users in major organisations, strategic alliances with hardware manufacturers and distributors, and occasional direct sales to major institutions and organisations.

The Group currently distributes its products principally through the following channels: VARs, strategic alliances with established information technology companies and distributors.

VARs

The Group has adopted a VAR model for sales of its products in the UK, Ireland, and the Netherlands and to date has approximately 140 live VAR appointments. Each VAR is currently engaged by the Group as an accredited reseller, generally at an initial fee of £5,250 payable to the Group with a subsequent recurring annual fee of £2,625. The Group monitors the performance of its resellers on an ongoing basis to ensure that they meet the Group's accreditation requirements and discharges those who fail to meet the criteria. The Group has also recently appointed a small number of VARs in the United States, South East Asia and Australia.

A rapid return on investment is now seen as a fundamental part of software solution purchasing. The price and performance of the Group's products are designed to deliver a demonstrable return on investment, typically within three to six months of purchase. The Group provides a formal methodology for VARs to demonstrate to end users the return on investment generated by a purchase of its software.

Sales success in a VAR based route to market can be inconsistent. However, the Group's sales management team has implemented an intensive marketing and sales support programme for its resellers, including sales and technical training, joint seminars, direct mail and joint telephone marketing campaigns. The success of this ongoing programme has provided many of the Group's resellers with a pipeline of end-user opportunities that they are actively pursuing with the involvement of Group sales personnel. Many newly recruited resellers are taking sales orders within weeks of accreditation. The level of end user inquiries continues to grow, and these are now being converted into sales at a rapidly increasing rate. There has also been a significant reduction in time between first contact and order placement by end users.

Strategic alliances

The Group seeks to distribute its products via strategic alliances with established information technology companies. Recent alliances have included Sharp, Sage and Panasonic. The Group is currently in negotiation with several other potential strategic partners. These strategic alliances have included, and are likely to include, re-branding and bundling of Invu software with hardware devices and/or the Group being awarded status as a preferred document management provider.

On 21 August 2006 the Group announced an original equipment manufacturer agreement with Sage (UK) Limited ("Sage"), a leading supplier of business management software and services. Under the terms of the agreement, Sage will sell the Group's document management product to the accountancy and professional services markets under the Sage brand. The Sage sales force commenced selling the product in September 2006 to its existing customer base of 14,000 firms of accountants. In addition, it was agreed that Sage would fully integrate the Group's technology into the Sage accountancy practice suite of products.

The Group is currently the only vendor of document management software to be accredited by the Institute of Chartered Accountants in England & Wales ("ICAEW") for two products, following the accreditation of Invu Series 6. This accreditation, along with the agreement with Sage referred to above, solidifies the Group's position within this key market sector, and in January 2007 the Group received the accolade of "most dominant supplier" (of document management software) in the ICAEW report "IT in Accountancy Practices."

On 24 November 2006 the Group announced an agreement with Panasonic Netherlands to take on exclusive distribution of the Group's products to copier and multi function device resellers in the Netherlands. Panasonic has been a Group reseller for two years, with sales growing significantly during the current financial year. This agreement, the biggest single contract in the Group's history, is for three years, with a guaranteed minimum purchase commitment from Panasonic of €1.3 million in the first year. This commitment increases significantly in years 2 and 3, but such increases are subject to review and agreement in each year. Panasonic has over 10,000 live customers and is actively working on a prospect database of more then 60,000 customers in the Netherlands.

Distributors

Where the Group does not have a local presence the Group will appoint a local distributor who in turn will appoint and support VARs on its own behalf. The Group currently has one distributor in Ireland. This distribution method is being monitored by the Group and if successful, may be replicated in other territories.

The Group has also recently signed non-exclusive distribution agreements for its products in South East Asia and Australia. These ventures reflect the Group's global aspirations, while ensuring that tight financial controls are exercised over the business during this period of growth and change.

Other

In addition to an increase in the adoption of the Group's products by companies in the SME market there has been a continuing level of interest from large organisations. The Group has received repeat orders from, amongst others, Kraft Foods, Persimmon Homes, Iron Mountain, Thorntons plc, London South Bank University and Chelsea Football Club.

Sales team

The Group has an experienced and dedicated sales and marketing team of 22 people, including a sales and marketing director, a marketing manager, 2 senior business development managers, a VAR recruitment manager and other sales staff. The sales team was expanded in the financial year ended 31 January 2007, under the guidance of Jonathan Halestrap, Director of Sales and Marketing, providing the Group with an experienced and dedicated team with which to support its reseller base and explore other sales opportunities.

The Directors believe that the increasing experience of both its sales team and VARs in the document management sector, together with their proven ability to develop and grow sales revenue, continue to be key factors in the Group's development. All VARs are required to attend a bespoke sales training course, which the Directors believe has contributed to the generation of new business opportunities and subsequent sales.

11. Products and services

Products

The Group's original product suite (labelled as version 5) was first launched in 2000 and the Group continues to sell the final release of version 5 (version 5.4). The Directors expect to phase out this product within the next 12 to 18 months.

Version 5.4 was superseded by the Group's Series 6 document management suite in 2006, which is based upon an entirely new architecture and utilising Microsoft.NET programming technology. The Directors believe this new programme suite provides a significantly improved and functionally richer user interface, with many improvements on its predecessor. The system will store all types of documents, from Microsoft Office documents through to scanned images, in a wide variety of formats. Invu provides full revision control and management of all documents in a Windows based environment. Invu allows for access via client server networked PCs, web browser or rich client (all within the same product), so that even when users are out of the office, they can still access their documents or their intrays.

The following products are contained within the Series 6 suite:

Product	*Description*
Invu Series 600	Single or multi-user global access information and document management system via a client server networked system with integral web browser and rich client capabilities.
Invu Series 650	Multi-user global access information and document management system with parallel multi-layered workflow module integrating to S600 and also to existing business systems. This also has integral web browser and rich client capabilities.
Invu i600	Multi-user global access with functionality restricted to retrieve and view only.
Invu Codefree Integration	Fast track integration to "Invu enable" customers' existing applications

Series 6, like its predecessor (Version 5.4), contains OCR (Optical Character Recognition) functionality that works with all Microsoft Office™ and Adobe™ file types and scanned images. This functionality automatically allows a user to keyword search all existing documents in the system. Again, like

Version 5.4, Series 6 contains a Microsoft Office add-in that allows integration with Microsoft Office 2000, 2003 and Vista. This gives Invu the ability to send items from Microsoft Outlook to a user-selectable intray. It also allows users to save documents from Microsoft Word, Excel and PowerPoint as an Invu filing, even if these files are created outside of Invu.

Series 6 incorporates a greatly enhanced replacement for the workflow application provided within Version 5.4. Instead of a "Sequential Workflow Module", Series 6 allows documents, forms and files to be "intelligently" routed electronically to specific departments and individuals in multi-layered parallel workflow routines. These routines are pre-configured to the exact requirements of the customer and progress of all documents and processes within any workflow can be monitored via comprehensive audit logs. The workflow module is designed to be customer friendly and easy to use. The Directors believe that this additional functionality, together with the new user interfaces embedded within Series 6, has given the Invu range a much broader appeal to all of its potential customer base.

The Group has successfully incorporated its highly sophisticated codefree integration tool within the new Series 6 suite. This allows Invu products to be linked to any other Windows™ or Windows emulation-based applications. For instance, an Invu scanned image of a supplier invoice can be retrieved directly from an accounts software application, or an image of an x-ray can be retrieved directly from a patient records application. This is achieved without the need for further software development and gives the Group's resellers the ability to add considerable value to the Invu product offering without the difficulty and cost of hiring and managing development programmers. The Directors believe the use of this product in a considerable number of projects has significantly reduced cost and installation timescales. The Directors also believe that this product provides a significant competitive advantage when compared to other information and document management technologies. Sales of the "codefree" technology are steady and are particularly suited to smaller business environments, which do not have the technical or financial resource to produce bespoke integration with existing systems.

Following the initial launch of the Series 6 product several technical problems arose that impeded integration and installation of the product with the Group's larger partners and their customers. The issues associated with Series 6 had a consequent effect on both cash collections and debtors for both the Group and its partners during the first half of the current financial year. In maintaining the goodwill and commitment of the Group's partners and their end users, payment terms were extended whilst the problems were resolved. The Directors believe the Group will collect the majority of outstanding debts. All issues with Series 6 have now been resolved without the loss of a single reseller or end user site.

The Group also offers the following integration and other add-in tools:

- *Invu Microsoft Office Addin* – this works with Microsoft Office 2000 and above. It allows the users to send items (documents, emails, spreadsheets, etc.) either to a person's intray or will allow them to index the item into Invu.
- *Netscan* – this service can be set up to allow files to be moved from a Windows directory into Invu. In being moved these can either be placed in a person's intray, be indexed into Invu, or be indexed into Invu and placed in a workflow.
- *Invu Research Service* – this allows access to search and retrieve information from Invu through the Microsoft research pane. It also allows users to refer to documents in Invu through a link. This link can be mailed to other Invu users whereupon they can view the document. This is only available for customers using Microsoft Office 2003 and later versions.
- *Link Manager* – this allows users to import documents into Invu using a csv file and the image itself.
- *Advanced Codefree Integration* – a product that allows users to integrate other Windows and Terminally Emulated programmes with Invu via wizard driven technology and without the need for expensive hard coding.
- *COM Object* – this is a programming interface to Invu that allows a developer to access the majority of Invu methods.

- *API* – this is an application programming interface that allows bespoke hard coded integration with existing business systems.

On 2 November 2007 the Group announced the Beta release of its new product, Ergo™, the Group's next generation search and social networking tool. Using a proprietary clustering engine, Ergo takes local desktop files and Internet search results from Microsoft Live, Google, Wikipedia, Yahoo and Flickr and visualises them in either 2 or 3 dimensions. The Group has a number of patents pending in respect of the Ergo product, including International Patent Application PCT/EP2007/060844.

Services

The Group also performs an after sales service, known as InvuCare, which is available to all customers. InvuCare is charged annually according to a published InvuCare price list which is currently approximately 20 per cent. of the initial price charged and is included free of charge in the first year following purchase. Renewal rates for the financial year ended 31 January 2007 are approximately 82 per cent. by value of all customers.

Research and development

The Directors recognise that research and development is a core function and one of the keys to creating long term shareholder value. The Group's technical development team is highly skilled and innovative utilising recognised tools to produce software which can meet a broad range of customer requirements and which can be installed on a wide range of computers and networks. They have demonstrated an ability to exploit synergies between different strands of computer science and, most recently, have used artificial intelligence technology to resolve complex data extraction issues.

Customer support

All Invu resellers are trained by the Group to provide technical services. The Invu resellers provide first line support backed up by the Group's technical team which provides second line support. The Invu support helpdesk typically answers 500-600 support calls per month, and the Group's call logs demonstrate that 80 per cent. of calls placed are resolved within 1 hour. The Group's support team can link remotely to any Group site to help support users.

The Group provides technical training for all of its resellers including classroom learning, practical workshops, technical manuals, and a technical web site. In 2005, the Group launched a certified training programme for technical support engineers (ICE – Invu certified engineer). This programme has three levels of expertise; basic, intermediate and advanced. Intensive training days culminate in examinations, and successful candidates obtain their ICE certification. This process is part of a larger initiative of "Invu Centres of Excellence" that aims to provide an elite level of resellers to meet the needs of the more technically demanding customer.

The Group undertakes weekly surveys of customer satisfaction. Since the weekly surveys started in 2005, the level of "good" or "excellent" responses has not fallen below 90 per cent. of respondents.

12. Intellectual property

The Group's success is dependent in part upon proprietary technology. The Group has not patented any aspect of its document management systems technology in the United Kingdom, the United States or elsewhere. The Group currently has no plans to file for and obtain patents domestically or internationally in respect of its document management systems technology. Even if the Group were to attain patent protection over parts of its intellectual property, the rapidly changing technology in the industry makes the Group's success largely dependent on the technical competence and creative skills of its personnel.

The Group has patents pending in respect of its new Ergo product, further details of which are set out in paragraph 11 above.

The Group's software is licensed to customers under licence agreements containing provisions prohibiting the unauthorised use, copying and transfer of the licensed programme. The Group also relies on a combination of trade secret, copyright and nondisclosure agreements with third parties to protect its proprietary rights in its software and technology.

The Group has registered the word "INVU" as a UK and Community trademark.

13. Competition

The market for the Group's products is competitive, subject to rapid change and significantly affected by new product introduction and other market activities of industry participants. The Group currently encounters direct competition, in the larger corporate market, from a number of public and private companies such as iManage (now Interwoven, Inc.), IBM FileNet and EMC^2. Virtually all of these direct competitors have significantly greater financial, technical, sales, marketing, and other resources than the Company. In the Group's preferred market space of small to medium sized enterprises, the Group encounters some competition from a large number of smaller vendors. However, in the Directors' opinion, few of these smaller vendors have the market penetration enjoyed by the Group, which already has over 3,300 installed end user sites. The Directors also expect that direct competition will increase as a result of consolidation in the software industry.

14. Financial information and current trading and prospects

Historical financial information on the Company, which has not traded since incorporation and on the Existing Group is set out in sections A and B respectively of Part III of this document.

Details of the current trading and prospects of the Group are included in the interim results announcement of the Existing Group for the 6 month period ended 31 July 2007, which is set out in full in section C of Part III of this document.

15. Board of Directors

The Board comprises three executive Directors and three non-executive Directors.

Executive Directors

David Morgan (aged 46), *Chief Executive Officer*

David Morgan founded Invu's business in 1997 and is the Company's Chief Executive Officer. David graduated in 1982 from the University of Warwick with a Bachelor of Laws degree, with honours. From 1982 to 1986, he was assistant to the Director of the Industrial & Marine Division of Rolls Royce plc. From 1986 to 1991, he was Group Commercial Manager of Blackwood Hodge plc, a worldwide distributor of construction and earthmoving equipment. From 1991 to 1992, he was managing director of Hunsbury Computer Services Limited (to become Network Imaging Solutions Limited), a systems integrator and subsidiary of Blackwood Hodge. From 1992 to 1995, he was Managing Director of the UK subsidiary of Network Imaging Inc., an international software and systems house. From 1995 to 1996, he was Managing Director of Orchid Limited, a UK computer software reseller. From 1997 to the present, he has been the Chief Executive Officer of the Group.

John Agostini FCA (aged 48), *Group Finance Director*

John is a qualified chartered accountant and joined the Group in February 1999 as Chief Finance Officer and Company Secretary. In 1997, he joined the performance textiles division of Porvair PIc as finance and operations director. In 1996, he was employed as an interim European financial controller for Sunbeam European Limited, a domestic appliance distributor. Between 1993 and 1996 he was the director of finance and operations at Bizeq Limited, a security alarms distributor. He joined Haines Watts in 1992 as a financial and management consultant. John trained as a chartered accountant with Grant Thornton and qualified in 1984.

Jonathan Halestrap (aged 47), *Director of Sales and Marketing*

Jonathan joined the Group in July 2000 as Director of Sales and Marketing. Prior to joining Invu, Jonathan was northern European business development manager for Motiva Limited, a global information management solutions company. In 1996, Jonathan joined the international software company Bentley Systems Limited, where he became channel director, prior to which he was group sales director at Orchid Limited. In 1994, Jonathan joined Hunsbury Computer Services Limited (to become Network Imaging Solutions Limited) as divisional managing director. Jonathan graduated from Coventry Polytechnic in 1984 with a Bachelor of Science degree in production engineering.

Non-Executive Directors

Daniel Goldman (aged 38), *Non-Executive Chairman*

Daniel became a director of the Group in May 1999 and replaced David Morgan as non-executive Chairman in 2002. He has significant experience with emerging technology companies, raising private equity finance and providing bespoke corporate finance advice. Daniel is currently chairman of DG Goldman Investments Limited, a provider of strategic advice and investment banking services. He was until recently a non-executive director of the Puma II Fund, a fund managed by the Shore Capital Group plc with a bias towards technology and was previously a non-executive director of BATM Advanced Communications Limited, a London listed technology Company. He has worked with a number of companies in the fields of software and the Internet, smart card technology, medical devices and other areas of patented technology as a consultant. Prior to founding DG Goldman Investments, Daniel worked for several firms in venture capital and corporate finance. Daniel holds a degree in Engineering and Business Administration and studied corporate finance at the London Business School.

Thomas Maxfield (aged 58), *Non-Executive Director*

Thomas became a director of the Group in May 1999. Between 1989 and 1997 he was a director of The Sage Group plc, a supplier of accounting software. His responsibilities included the development of a national reseller network, creating and maintaining telesales and field sales operations, and the creation of the group's retail sales channel. Since leaving Sage, Thomas founded Seaham Hall Limited, an independent private company set up to develop and acquire several hotel and restaurant properties, of which he is a director. Thomas holds a Bachelor of Honours degree in Modern Languages.

Bernard Fisher (aged 57), *Non-Executive Director*

Bernard became a director of the Group in June 2005 and serves as the Senior Independent Non-Executive Director. He has over 30 years' experience in the IT sector, including roles within the industry and as an external advisor. In March 2004, Bernard was Executive International General Manager of Popkin Software and Services Inc., when he was part of the team which sold it to the Swedish firm Telelogic for $45 million. Prior to that, Bernard focused on his career as an entrepreneur, starting up and providing business development advice to a range of high technology enterprises. Bernard has extensive experience of management and growth of businesses throughout Europe and the US, both organically and through acquisition. Highlights of his career include being an independent non-executive director of The Sage Group plc between 1989 and 1996 and representing 3i on the board of Adaytum Inc. The first half of Bernard's career was spent in a series of technical roles, starting with the BBC and culminating as European Technical Director for the ICL Group of companies. He is currently non-executive chairman of Chemistry Communications Group Plc and @ukplc, both, UK publicly quoted companies. He is also chairman of FTIM Limited, a retail software company and a non-executive director of Trinity Horne Limited, a business performance improvement consultancy.

16. Share incentive arrangements

As at the date of this document, the Existing Group has 4 option schemes ("Existing Schemes") pursuant to which 6 tranches of share options have been granted between 2001 and 2005 to both Directors and key members of staff. Options have been granted under both Enterprise Management Incentive share option schemes ("EMI") and unapproved share option schemes, totalling 4,402,802 options over Common Shares. The executive directors of Invu, Inc. currently hold options in respect of 3,150,000 Common Shares representing approximately 49 per cent. of the issued options. The Existing Schemes cannot be "rolled over" into the Company pursuant to the Reorganisation.

Prior to completion of the Reorganisation, all existing unapproved share options over Common Shares will be cancelled and reissued on similar terms in the Company. Invu, Inc. has agreed with option holders that 1,704,807 options in aggregate under the Invu Inc. Enterprise Management Share Option Scheme (Group A and B) may be exercised prior to completion of the Reorganisation and any options not so exercised will lapse. EMI option holders who exercise their options prior to completion of the Reorganisation intend to sell sufficient Common Shares to cover the exercise price and, as a result, are to be granted up to 620,608 EMI options in aggregate immediately following the Reorganisation as compensation for the loss of future potential growth in the shares sold ("Compensation Options"). EMI options granted in 2001 and 2005 will be cancelled prior to completion of the Reorganisation and reissued under similar terms in the Company.

Conditional upon Admission, the Existing Schemes will cease and the Group will establish the Invu plc Share Option Plan 2007, which will incorporate both EMI and unapproved options. The principal features of the Share Plan are set out in paragraph 10 of Part IV of this document.

Following Admission, the Company intends to grant options over 4,387,084 Ordinary Shares to Directors and employees, comprising 620,608 Compensation Options, 879,070 to employees and non-executive Directors who currently have no options with respect to the Existing Group, 2,697,995 replacement options, and 189,411 options to employees and Directors who currently hold share options. All of these options will have an exercise price of 28.5p per share.

17. Dividend policy

The declaration and payment by the Company of any dividends on the Ordinary Shares in the future will depend on the results of the Group's operations, its financial condition, cash requirements, future prospects, profits available for distribution and other factors deemed to be relevant at the time.

The Directors intend to pursue a progressive dividend policy which broadly reflects growth in underlying earnings and to commence the payment of dividends as soon as reasonably practicable.

18. Taxation

Certain information concerning United Kingdom taxation in relation to Admission is set out in paragraph 12 of Part IV of this document. **If investors are in any doubt as to their tax position they should consult their own independent professional adviser immediately.**

The attention of Existing Invu Shareholders is drawn to paragraph 4 above, headed "Important UK tax consequences of the Reorganisation for certain Existing Invu Shareholders".

19. Cancellation of listing, Admission, settlement and CREST

Prior to the Merger becoming effective, application will be made to the London Stock Exchange for the existing Common Shares to cease to be admitted to trading on AIM. It is intended that this will become effective at 8.00 a.m. on 6 December 2007.

Application will be made for the Ordinary Shares to be admitted to trading on AIM and it is anticipated that Admission will become effective and that dealings will commence at 8.00 a.m. on 6 December 2007.

The Articles permit the Company to issue shares in uncertificated form in accordance with the CREST Regulations. Application will be made by the Company's registrars for the Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, it is anticipated that settlement of transactions in the Ordinary Shares following Admission may take place within CREST if individual Shareholders so wish. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

The CREST accounts of those Existing Invu Shareholders (other than Existing Invu US Shareholders) who return a duly completed and valid Form of Representation in accordance with the timetable set out on page 4 above and the instructions set out in the Circular and the Form of Representation electing to receive Ordinary Shares via CREST will be credited upon Admission.

It is expected that share certificates will be despatched by the Company's registrars to those Existing Invu Shareholders who, pursuant to the terms of the Merger Agreement, are eligible to receive Ordinary Shares following completion of the Merger, as more particularly described in the Circular, and whose entitlements are to be dealt with outside CREST, at the risk of the person entitled thereto by 13 December 2007 or as soon as practicable thereafter.

It is expected that cheques will be despatched by Corporate Stock Transfer, Invu, Inc.'s transfer agent and U.S. registrar, on behalf of the Company to those Existing Invu Shareholders who, pursuant to the terms of the Merger Agreement, are eligible to receive a cash payment following completion of the Merger, as more particularly described in the Circular, on 13 December 2007 or as soon as practicable thereafter.

20. Corporate governance

The Directors recognise the importance of sound corporate governance, whilst taking into account the size and nature of the Group. The Directors intend to comply with the main provisions of the Combined Code, in so far as practicable given the Group's size and the constitution of the Board.

The Directors will, prior to Admission, establish an audit committee and a remuneration committee with formally delegated rules and responsibilities. The audit committee will meet regularly, and at least twice each year. The remuneration committee will meet at least once a year as required.

The audit committee will comprise the non-executive Directors and John Agostini and will be chaired by Daniel Goldman. The executive Directors will be invited to attend meetings when considered appropriate. The committee shall be responsible for reviewing the half year and annual financial statements prior to submission to the Board and monitoring the Group's systems of internal control. The committee shall also ensure the independence and objectivity of the external auditors and shall also review the provision of non-audit services by external auditors. Taxation and legal advice are provided to the Company by independent advisors with experience in the relevant jurisdictions.

The remuneration committee will comprise the non-executive Directors and will be chaired by Daniel Goldman. When appropriate, the committee shall also invite the views of the Chief Executive. The committee shall make recommendations to the Board, within agreed terms of reference, on the Group's framework of executive remuneration and cost. It shall also determine the remuneration and benefits packages for the executive Directors and any changes to their service contracts.

The Company will, prior to Admission, adopt a share dealing code for Directors' and employees' share dealings which is appropriate for an AIM quoted company. The Directors will comply with Rule 21 of the AIM Rules relating to Directors' dealings and in addition will take all reasonable steps to ensure compliance with the code by the Group's applicable employees.

21. Risk factors

The Group's business is dependent on many factors and Existing Invu Shareholders and potential investors should read the whole of this document and, in particular, Part II headed "Risk Factors".

22. Additional information

The attention of Existing Invu Shareholders is drawn to the additional information set out in Parts II to IV of this document, the terms of the Circular and the Form of Representation sent to them.

PART II

RISK FACTORS

An investment in the Ordinary Shares involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risk factors set out below in addition to the other information contained in this document before investing in the Ordinary Shares.

The Directors consider the following risk factors to be the most significant for potential investors in the Company, but the risks listed do not necessarily comprise all those associated with an investment in the Company and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Directors may also have an adverse effect on the Group's business.

If any of the following risks actually occur, the Group's business, financial condition, capital resources, results or future operations could be materially adversely affected. In such a case, the price of the Ordinary Shares could decline and investors may lose all or part of the value of their investment.

Before making a final investment decision, prospective investors should consider carefully whether an investment in the Company is suitable for them and, if they are in any doubt, should consult with an independent financial adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities in the UK.

The Reorganisation

The Merger is conditional upon, among other things, application for Admission having been made, passing of the relevant resolutions at the Special Meeting and satisfaction of the other conditions to the Merger Agreement, including without limitation no more than 5 per cent. of Existing Invu Shareholders exercising their dissenters' rights and Invu, Inc. not having received Forms of Representation from, or the directors of Invu, Inc. not having determined that it is reasonably likely that there exists, such number of US persons as would be entitled to receive cash merger consideration exceeding £1.5 million. There can be no assurance that any of these conditions will be satisfied or waived and therefore whether or not the Merger will become effective. If the Merger does not become effective, Existing Invu Shareholders will retain their Common Shares and Admission will not occur.

Under Colorado law, instead of accepting the merger consideration provided for in the Merger Agreement, Existing Invu Shareholders, including non-U.S. persons who would otherwise be entitled to receive Ordinary Shares, who believe that such merger consideration is inadequate may dissent from the Merger and demand to have their shares appraised by the Colorado courts. This right of appraisal is subject to a number of restrictions and technical requirements. Generally, in order to exercise dissenters' rights under Colorado law, a shareholder may not vote in favour of adoption of the Merger Agreement and must make a written demand for payment of the fair value of his/hers/its shares prior to the vote on the Merger Agreement. There is no limit under Colorado law on the number of shareholders that can exercise dissenters' rights, and if a large number of shareholders do properly exercise their dissenters' rights, it could result in the payment of cash consideration to shareholders in an amount that is much larger than anticipated. Completion of the Merger Agreement is conditioned upon holders of no more than five per cent. of the outstanding shares of Invu, Inc. having properly exercised their dissenters' rights; however, this condition can be waived by the Company. Moreover, the Colorado courts could appraise the shares of Invu, Inc. at a price higher than the cash merger consideration provided for in the Merger Agreement, resulting in an amount of cash merger consideration larger than that which is currently anticipated.

Ongoing SEC reporting requirements

Following Admission, the Company will be subject to SEC reporting requirements for foreign private issuers in the event that it ever meets certain criteria in the future, including having more than 300 US resident shareholders of record. If this occurs, the Company will incur significant additional compliance and reporting costs which may adversely affect the Group's financial condition, results or future operation.

Tax risks arising from the Reorganisation for Existing Invu Shareholders

The Reorganisation may create or increase the tax liability of certain Existing Invu Shareholders. Such shareholders should note in particular that:

Only those Existing Invu Shareholders who return a duly completed and valid Form of Representation so as to be received by the Company's registrars on or before 4.15 p.m. (London time) on 3 December 2007 representing that they are not a US person, or those Existing Invu Shareholders who the directors of Invu, Inc. in the exercise of their discretion reasonably determine are not U.S. persons, will have their Common Shares reclassified as Class A Shares. This is important as it is anticipated that holders, and only holders, of Class A Shares will be able to treat the cancellation of their Class A Shares and the receipt of Ordinary Shares as an exchange of shares within the provisions of section 136 TGGA and therefore for UK tax purposes as not involving a disposal for capital gains purposes of their shares in Invu, Inc. Failure to return a duly completed and valid Form of Representation by this deadline may result in an increased tax liability for Existing Invu Shareholders who are subject to UK taxation.

Further details of the tax risks for Existing Invu Shareholders associated with the Reorganisation are set out in paragraph 4 of Part I of this document.

Rapid technological change

The Group must continue to enhance and improve the performance, functionality and reliability of its products and services in a timely manner. The software industry is characterised by rapid technological change, changes in user requirements and preferences, frequent new product and services introductions embodying new technologies, and the emergence of new industry standards and practices that could render the Company's products and services obsolete. The Group has experienced product development delays in the past and may experience delays in the future. The Group's failure to continually enhance its products and services in a timely manner would adversely impact its business and prospects. In the past, the Group has also discovered that some of its customers desire additional performance and functionality not currently offered by its products. The Group's success will depend, in part, on its ability to internally develop and license leading technologies to enhance its existing products and services, to develop new products and services that address the increasingly sophisticated and varied needs of its customers, and to respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. The Group's product development efforts with respect to its Series 6 product suite and other planned product developments are expected to continue to require substantial investments by the Group, and the Group may not have sufficient resources to make the necessary investments. If the Group is unable to adapt its products and services to changing market conditions, customer requirements or emerging industry standards, it may not be able to maintain or increase its revenue and expand its business.

Lack of product diversification

The Series 6 product suite and related services are expected to account for substantially all of the Company's revenue in the near term and for the foreseeable future. Consequently, a decline in the price of, or demand for, the Series 6 product suite or related services, or its failure to achieve broad market acceptance, would adversely affect the Group's business.

Intellectual property

The Group's ability to compete effectively with other companies depends upon, *inter alia*, its exploitation of technology. There can be no assurance that competitors have not developed or will not develop substantially equivalent information or techniques or otherwise gain access to the Group's technology. The Group relies on a combination of trade secret, copyright and non-disclosure agreements with third parties to protect its proprietary rights in its software and technology. There can be no assurance that such measures are or will be adequate to protect the Group's proprietary technology. Furthermore, there can be no assurance that the Group's competitors will not independently develop technologies that are substantially equivalent or superior to the Group's technology.

The Group's software is licensed to customers under licence agreements containing provisions prohibiting the unauthorised use, copying and transfer of the licensed programme. The Group follows strict procedures for providing activation codes for all Invu products. While the Group is unable to determine the extent to which piracy of its software products exists, any significant piracy of its products could materially and adversely affect the Company's business, results of operations and financial condition. In addition, the laws of some foreign countries do not protect the Group's proprietary rights to as great an extent as do the laws of the United Kingdom and other members of the European Union and the Group's means of protecting its proprietary rights may not be adequate.

In addition, the Group relies on certain software that it licences from third parties, including software that is integrated with internally developed software and used in the Group's products to perform key functions. There can be no assurances that the developers of such software will remain in business, that they will continue to support their products, that their products will otherwise continue to be available to the Group on commercially reasonable terms or that their products are free from bugs or defects. The loss of or inability to maintain any of these software licences could result in delays or reductions in product shipments until equivalent software can be developed, identified, licensed and integrated, which could adversely affect the Group's business, operating results and financial condition.

The Group is not aware that any of its software products infringe the proprietary rights of third parties. There can be no assurance, however, that third parties will not claim infringement by the Group with respect to its current or future products. The Group expects that software product developers will increasingly be subject to infringement claims. Any such claims, with or without merit, could be time-consuming, result in costly litigation, cause product shipment delays, consume significant management time or require the Group to enter into royalty or licensing agreements. Such royalty or licensing agreements, if required, may not be available on terms acceptable to the Group or at all, which could have a material adverse effect on the Group's business, operating results and financial condition.

Reliance on a small number of resellers

A small number of resellers has typically accounted, and will continue in the future to account, for a large percentage of the Group's annual revenues. Lindenhouse Software Limited accounted for approximately 12 per cent. of the Group's total audited revenue for the financial year ended 31 January 2007. The Group's top 25 resellers accounted for approximately 80 per cent. of the Group's total audited revenue for the financial year ended 31 January 2007. Because of the Group's reliance on sales to relatively few resellers, the loss of significant sales through a small number of resellers could have a material adverse effect on the results of its operations in any financial period. Additionally, a significant portion of the Group's revenues has historically been, and is expected in the future to be, derived from the sales of systems to new customers. The Group generally incurs significant marketing and sales expense prior to entering into a contract with a new reseller that generates revenues. The length of time it takes to establish a new reseller relationship typically ranges from 6 to 12 months. As such, the Group may incur significant expenses associated with its sales efforts directed to prospective resellers in any particular period before any associated revenue stream begins. If the Group is not successful at obtaining significant new resellers, or if a small number of resellers cancel their accreditations or delay their orders for Invu products, then the Group's business and its prospects could be harmed, which may cause the price of the Company's Ordinary Shares to decline.

Competition

The market for the Group's products is competitive, subject to rapid change and significantly affected by new product introductions and other market activities of industry participants. The Group will need to continue to devote substantial efforts and expense of research and development in order to maintain a competitive position. The Group currently encounters competition from a number of public and private companies, including, but not limited to, electronic document management system/enterprise content management vendors such as iManage (now Interwoven, Inc.), EMC^2, IBM FileNet, Easy Software AG, and Hummingbird. Many of these direct competitors have significantly greater financial, technical, marketing and other resources than the Group. The Group also expects that direct competition will increase as a result of recent consolidation in the software industry.

The Group also faces indirect competition from systems integrators and VARs. The Group relies on a number of systems consulting and systems integration firms for implementation and other customer support services, as well as for recommendation of its products to potential purchasers. Although the Group seeks to maintain close relationships with these service providers, many of these third parties have similar, and often more established, relationships with the Group's principal competitors. If the Group were unable to develop and retain effective, long-term relationships with these third parties, the Group's competitive position would be materially and adversely affected. Furthermore, these third parties may market software products in competition with the Group in the future and may otherwise reduce or discontinue their relationship with, or support of, the Group and its products.

In addition, database vendors, such as Oracle, IBM and Microsoft are potential competitors in the future if they acquire competitive technology or otherwise expand their current product offerings. Like the Group's current competitors, these companies have longer operating histories, significantly greater financial, technical, marketing and other resources and name recognition and a larger installed base of customers than the Group. Several of these companies, including Oracle, Microsoft, IBM and others, have well-established relationships with the Group's current and potential customers and strategic resellers, as well as extensive resources and knowledge of the enterprise software industry that may enable them to offer a single-vendor solution more easily than the Group would be able to do so. In addition, the Group's competitors may be able to respond more quickly to new or emerging technologies and changes in customer requirements, or to devote greater resources to the development, promotion and sale of their products than the Group. If the Group cannot respond to its competitors adequately and in a timely manner, then it may be required to reduce prices for its products and could suffer reduced gross margins and loss of market share, any of which could adversely affect its business, prospects, financial condition and operating results, causing the price of the Company's shares to decline.

The Directors believe that the Group's products and marketing strategy are targeted at markets where, to date, few of the Group's larger and more established competitors have secured significant market penetration and often the Group secures sales without being exposed to any competition. Although the Group believes that it will compete favourably in these markets, there can be no assurance that the Group can maintain its competitive position against current and any potential competitors, especially those with greater financial, marketing, service, support, technical and other resources.

Strategic relationships

The Directors believe that the Group's success in penetrating its target markets depends in part on the Group's ability to develop and maintain strategic relationships with resellers, systems integrators and distribution partners. If the Group is unable to maintain its existing marketing and distribution relationships, or fails to enter into additional relationships, it will have to devote substantially more resources to direct sales and marketing of its products. In addition, licenses of the Group's products through indirect channels have been limited to date. The Group's existing relationships do not, and any future relationships may not, afford it exclusive marketing or distribution rights. Therefore, the Group's distribution partners could reduce their commitment at any time in the future. In addition, many of these distribution partners have multiple relationships and they may not regard the Group as significant for their business. In addition, these partners may terminate their relationships with the Group, pursue other relationships with the Group's competitors or develop or acquire products that compete with the Group's products. Even if the Group succeeds in entering into these relationships, they may not result in additional customers or revenues.

Product liability

The Group's licence agreements with its customers usually contain provisions designed to limit its exposure to potential product liability claims. It is possible, however, that the limitation of liability provisions contained in the Group's licence agreements may not be effective under the laws of some jurisdictions. A successful product liability claim brought against the Group could result in payment by the Group of substantial damages, which would harm its business, operating results and financial condition and cause the price of the Company's Ordinary Shares to fall.

The Group's products are complex and they have occasionally contained, and may in the future contain, undetected errors when first introduced or when new versions are released. For example, the Group recently experienced delays in the roll-out of its Series 6 product due to a number of technical problems that impeded integration and installation of the product with the Group's larger partners and their customers. If the Group's products do not perform as intended in specific company environments, the Group may incur warranty and repair costs, be subject to liability claims for damage and experience delays. Regardless of the source of the errors, the Group must divert the attention of engineering personnel from research and development efforts to address any errors. The Group may incur warranty or repair costs, be subject to liability claims for damages related to product errors or experience delays as a result of these errors in future. The Group's insurance policies may not provide sufficient protection should a claim be asserted. Moreover, the occurrence of errors, whether caused by the Group's products or the products of another vendor, may result in significant customer relation problems, damage to the Group's reputation and may impair the market acceptance of the Group's products and technology.

Management and staff

The Group is heavily reliant upon the skills of the executive Directors, senior management and key technical personnel and the loss of any of these key members of staff could reduce the Group's ability to achieve its planned development objectives as well as result in a loss of sales and a diversion of management resources. The Group has endeavoured to ensure that the principal members of its management team are suitably incentivised, but the retention of such staff cannot be guaranteed.

The Group will need to recruit additional senior management in order to develop its business. There can be no guarantee that such individuals will be recruited in the Group's preferred timetable or at the cost levels anticipated by the Group. Competition for staff is strong and hence the Group may find it difficult to retain key management and staff.

The Group competes intensely with other software development and distribution companies internationally to recruit and hire from a limited pool of qualified personnel. Some qualified candidates prefer to work for larger, better known companies. Failure to attract and maintain qualified personnel would impede the Group's development and maintenance of new and existing products.

Profit volatility

The Group, despite profitability in the last three years, may incur losses in the foreseeable future. If revenues do not reach the levels the Group anticipates, or if operating expenses exceed the Group's expectations, the Group may not be able to achieve or sustain profitability in the future. If the Group is unable to achieve and sustain profitability at satisfactory levels, its financial condition and the Company's share price could be materially adversely affected.

Capital requirements

The Group's capital requirements will vary greatly during each financial period, depending on, among other things, capital expenditures, fluctuations in its operating results, financing activities, and investments and cash management. The Group's future liquidity will depend on its ability to generate new system sales of its Series 6 product suite in the near term, which cannot be assured. Failure to generate sufficient system sales to meet the Group's cash flow needs can be expected to have a material adverse effect on the Group's business, results of operations and financial condition. The Directors believe that the Group's current cash and debtors, as well as additional cash that may be generated from operations, will be sufficient to meet its short-term working capital needs. However, the Group may not be able to obtain sufficient orders to enable the Group to achieve a sustained break-even level of cash flow, which would be desirable to maintain its growth in the absence of further financing.

Requirement for additional funds

There can be no assurance that the Group will be able to raise additional funds when needed or that such funds will be available on terms favourable to the Group. If additional funds should be raised by issuing equity securities, dilution of existing shareholders may result. Failure to obtain additional financing if and when needed on favourable terms, or at all, could have a material adverse affect on the Group's business, operating results and financial condition. Future debt financings could involve restrictive covenants. Moreover, the Company may not be able to attract equity or debt financing at all.

Controlling shareholders

As at Admission, the Company's Directors and certain connected entities described in paragraph 5(a) Note 2 of Part IV of this document, will own in aggregate approximately 18.7 per cent. of its issued share capital (assuming that (i) the Company receives duly completed and valid Forms of Representation from all Existing Invu Shareholders in accordance with the timetable set out on page 4 of this document and that no cash consideration is payable in accordance with the terms of the Merger Agreement and (ii) the EMI options with respect to 1,704,807 Common Shares which are exercisable prior to completion of the Reorganisation are exercised in full). As a result, they will be able to exert significant influence over the Company and will be able to exercise significant control over all matters requiring Shareholder approval, which could delay or prevent an outside party from acquiring or merging with the Company. The ability of such Shareholders to prevent or delay these transactions could cause the price of the Ordinary Shares to decline.

Operating results volatility

The Group's future operating results may vary from the Group's past operating results, are difficult to predict and may vary from year to year due to a number of factors. Many of these factors are beyond the Company's control. These factors include:

- the tendency to realise a substantial amount of revenue in the last weeks, or even days, of each financial period due to the tendency of some of the Group's resellers to wait until quarter or year end in the hope of obtaining more favourable terms from the Group;
- customer decisions to delay implementation of the Group's products;
- the size, timing and terms of sales of the Group's products and services;
- any seasonality of technology purchases;
- demand for the Group's products, which can fluctuate significantly;
- the timing of new product introductions and product enhancements by both the Group and its competitors;
- changes in the Group's pricing policy;
- the publication of opinions concerning the Group's products or technology by industry analysts;
- changes in foreign currency exchange rates;
- domestic and international economic and political conditions;
- unexpected delays in introducing new versions of the Group's existing products as well as any new future products and services;
- ability to successfully retain the Group's direct sales force and international sales organisation;
- ability to establish and maintain relationships with VARs and strategic partners;
- the fixed nature of expenses such as base compensation and rent; and
- transaction costs, including legal, investment banking and accounting fees, in connection with extraordinary activities, such as obtaining financing or pursuing strategic alternatives.

One or more of these factors may cause the Group's operating expenses to be disproportionately high or the Group's gross revenues to be disproportionately low during any given period, which could cause the Group's net revenue and operating results to fluctuate significantly. The Group's quarterly operating results have fluctuated significantly in the past. Potential investors should not rely on the Group's annual operating results to predict its future results because of the significant fluctuations to which the Group's results are subject.

As a result of these and other factors, operating results for any financial year are subject to significant variation, and the Directors believe that period-to-period comparisons of the Group's results of operations are not necessarily meaningful in terms of their relation to future performance. Potential investors should not rely upon these comparisons as indications of future performance. It is likely that the Company's future semi-annual and annual operating results from time to time will not meet the expectations of analysts or investors, which could cause a decline in the price of the Company's Shares.

Geography

The Group's principal executive and operating offices are based in the UK and the Netherlands. The Directors must devote resources to manage geographically diverse operations. In addition, conducting international operations subjects the Group to risks not otherwise faced in the United Kingdom. These include:

- currency exchange rate fluctuations;
- seasonal fluctuations in purchasing patterns;
- unexpected changes in regulatory requirements;
- longer accounts receivable payment cycles and difficulties in collecting accounts receivable;
- difficulties in managing and staffing international operations;
- potentially adverse tax consequences, including restrictions on the repatriation of earnings;
- the burdens of complying with a wide variety of foreign laws; and
- reduced protection for intellectual property rights in some countries.

Failure to manage the Group's geographically dispersed organisation could adversely affect its business.

Liquidity of the Ordinary Shares and the AIM market generally

It may be more difficult for an investor to realise his or her investment on AIM than to realise an investment in a company whose shares or other securities are quoted on the Official List. The AIM Rules are less demanding than those of the Official List. An investment in a share that is traded on AIM is likely to carry a higher risk than an investment in shares quoted on the Official List. AIM has been in existence since June 1995 but its future success and liquidity in the market for the Ordinary Shares cannot be guaranteed. The share price of publicly traded emerging companies can be highly volatile.

The price at which the Ordinary Shares will be traded and the price at which investors may realise their investment will be influenced by a large number of factors, some specific to the Group and its operations and some which may affect technology companies or quoted companies generally. Admission to AIM should not be taken as implying that there will be a liquid market for the Ordinary Shares. The market for shares in smaller public companies, including the Company's, is less liquid than for larger public companies. The Group is aiming to achieve capital growth and, therefore, Ordinary Shares may not be suitable as a short-term investment. Consequently, the share price may be subject to greater fluctuation on small volumes of shares, and thus the Ordinary Shares may be difficult to sell at a particular price. The market price of the Ordinary Shares may not reflect the underlying value of the Group's net assets.

In addition, the stock market has experienced significant price and volume fluctuations that have particularly affected the trading prices of equity securities of many technology companies. These price and volume fluctuations often have been unrelated to the operating performance of the affected companies.

Foreign currency fluctuations

The Group is subject to foreign currency fluctuations which may have a material adverse effect on the Group's business and financial results. Changes in foreign currency rates, the condition of local economies, and the general volatility of software markets may result in a higher or lower proportion of foreign revenues in the future. Although the Group's operating and pricing strategies take into account changes in exchange rates over time, future fluctuations in the value of foreign currencies may have a material adverse effect on the Group's business, operating results and financial condition.

PART III

SECTION A – PART A

HISTORICAL FINANCIAL INFORMATION OF THE COMPANY

1. Introduction

The Company has not yet completed its first accounting period and no statutory accounts have been prepared, audited or filed. The Company intends to adopt a year end of 31 January for financial accounting purposes.

On 1 November 2007 the Company prepared a balance sheet for the purposes of section 43(3)(c) of the Companies Act 1985, in relation to its re-registration as a public limited company. This balance sheet, which does not comprise statutory accounts, and a report from the Company's auditors will be delivered to the Registrar of Companies in England and Wales.

The financial information on the Company contained in this Part III A which has been prepared solely for the purpose of this AIM admission document dated 6 November 2007, does not constitute audited statutory accounts within the meaning of section 240 of the Companies Act 1985.

2. Basis of Preparation

The financial information set out below is based on the transactions of the Company from incorporation on 18 June 2007 to 1 November 2007.

This information has been prepared under the historic cost convention and in accordance with International Financial Reporting Standards as adopted for use in the European Union ("IFRS") and those parts of the Companies Act 1985 that remain applicable to companies reporting under IFRS.

3. Responsibility

The Directors of the Company are responsible for the financial information and the contents of the AIM admission document in which it is included.

4. Income statement for the period 18 June 2007 to 1 November 2007

As at 1 November 2007 the Company had not undertaken any trading activity and had not undertaken any transactions other than the issue of 2 ordinary shares. Therefore no income statement has been presented as there were no transactions to reflect during the period from incorporation to 1 November 2007.

5. Balance sheet

	As at 1 November 2007 *£*
Cash and cash equivalent	2
Share capital	2

6. Statement of changes in equity

On incorporation 1 ordinary share of £1 was issued at par, with one further ordinary share being issued at par on 1 November 2007, resulting in shareholders' equity of £2 at 1 November 2007. No further changes in equity occurred during the period between incorporation and 1 November 2007. As a result, no statement of change in equity has been presented.

7. Cash flow statement

	Period ended 1 November 2007 £
Financing – share issue proceeds	2
Increase in cash and cash equivalent	2

8. Notes to the financial information

8.1 *General information*

The Company was incorporated in England and Wales on 18 June 2007 as Inhoco 4202 Limited and changed its name to Invu No. 1 Limited on 30 October 2007. On 2 November 2007, the Company re-registered as a public limited company with the name Invu plc.

The principal activity of the Company is that of a holding company.

8.2 *Accounting policies*

Basis of accounting

The historical financial information has been prepared under the historical cost convention and in accordance with IFRS, being the accounting basis that the directors intend to adopt for the preparation of the Company's next set of published consolidated annual financial statements.

Significant accounting policies

The accounting policies to be adopted by the Company are the same as those of the Existing Group, as set out in note 5 to the Historical Consolidated Financial Information of the Existing Group which are included at Section A of Part III of this Admission Document.

8.3 *Share capital*

The Company was incorporated on 18 June 2007, with an authorised share capital of 1,000 ordinary shares of £1 each.

On incorporation the Company issued one £1 ordinary share.

On 1 November 2007:

- the Company issued one further £1 ordinary share;
- the authorised share capital of the Company was increased from £1,000 to £2,500,000 by the creation of an additional 2,499,000 Ordinary Shares of £1 each; and
- the ordinary share capital was re-designated as 250,000,000 Ordinary Shares of 1p each.

8.4 *Post balance sheet events*

On 2 November 2007, the Company entered into a share purchase agreement for the entire issued share capital of Montague Limited in consideration of which the Company issued 18,954,052 Ordinary Shares of 1p.

On 2 November 2007, shareholder resolutions were passed to approve the re-registration of the Company as a public limited company and to change its name to Invu plc.

On 2 November 2007 the one issued ordinary share of Invu 2007 Limited was transferred to the Company.

On 5 November 2007 Invu 2007 Limited entered into an agreement with Montague Limited to acquire the 18,954,252 common shares in Invu Inc held by Montague Limited, for consideration of £5,544,119 which was funded by an intra-group loan agreement between Montague Limited and Invu 2007 Limited.

ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION ON THE COMPANY

Grant Thornton Corporate Finance

Grant Thornton UK LLP
Chartered Accountants
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Grant Thornton International

The Directors
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Blisworth
Northamptonshire
NN7 3DB

6 November 2007

Dear Sirs

Invu plc

We report on the historical financial information of Invu plc set out in Part III, Section A, Part A. This financial information has been prepared for inclusion in the AIM Admission Document dated 6 November 2007 of Invu plc on the basis of the accounting policies set out in paragraph 8.2.

Responsibilities

This report is required by Paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that regulation and for no other purpose.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Paragraph (a) of Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the AIM Admission Document.

The Directors of Invu plc are responsible for preparing the financial information on the basis of preparation set out in paragraph 2 to the financial information.

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the AIM Admission Document, and to report our opinion to you.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

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Grant Thornton UK LLP is authorised and regulated by the Financial Services Authority for investment business.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the AIM Admission Document dated 6 November 2007, a true and fair view of the state of affairs of Invu plc as at the date stated and of its results, cash flows and recognised gains and losses for the period then ended in accordance with the basis of preparation set out in paragraph 2.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

GRANT THORNTON UK LLP

SECTION B – PART A

HISTORICAL CONSOLIDATED FINANCIAL INFORMATION ON INVU INC. AND ITS SUBSIDIARY UNDERTAKINGS FOR THE THREE YEARS ENDED 31 JANUARY 2007

1. Introduction

The historical consolidated financial information on Invu, Inc. and its subsidiary undertakings set out in this Part III B has been prepared solely for the purposes of this AIM admission document and does not constitute audited statutory accounts within the meaning of section 240 of the Companies Act 1985.

2. Basis of Preparation

The financial information for the three years ended 31 January 2007 is based on the audited consolidated financial information of the Existing Group.

The historic financial information has been prepared under the historical cost convention and in accordance with International Financial Reporting Standards as adopted for use in the European Union ("IFRS") and those parts of the Companies Act 1985 that remain applicable to companies reporting under IFRS.

The Existing Group consolidated financial statements were previously presented in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The figures for the years ended 31 January 2005, 2006 and 2007 have been restated to reflect changes in accounting policies as a result of adoption of IFRS. For the purposes of the historic financial information, the date of transition to IFRS was 1 February 2004.

As an AIM listed company, Invu, Inc. is not required to prepare its consolidated financial statements under IFRS as adopted by the EU, until the period commencing 1 February 2007, as such its transition date would be 1 February 2006. The Existing Group has not adopted IFRS early.

The financial information presented has been prepared based on the adoption of IFRS, as adopted by the EU, including IAS and interpretations issued by the IASB and its committees and as interpreted by regulatory bodies applicable to the Existing Group for the accounting period beginning 1 February 2007.

The Existing Group has treated the first day of the first accounting period, 1 February 2004, as the date of transition for the purposes of preparing this financial information. As noted above, this does not accord with the date of transition that will apply when the Company prepares its statutory accounts for the year ending 31 January 2008.

The directors note that in preparing this financial information, they have taken advantage of exemptions and transitional provisions permitted to first time adopters. This has been done by reference to the transition date of 1 February 2004.

The directors highlight the following area where the treatment differs as a result of the exemptions and transitional provisions being applied by reference to a transition date of 1 February 2004 for the purposes of preparing this information rather than the transition date of 1 February 2006 which will be used in preparing the statutory accounts for the year ending 31 January 2008: the cumulative translation difference was set to zero at 1 February 2004.

The Existing Group is required to determine its IFRS accounting policies and in general apply them retrospectively to its opening balance sheet under IFRS. However, IFRS 1: First-time adoption of International Financial Reporting Standards has a number of allowed exemptions on adoption of IFRS for the first time. The Existing Group has taken advantage of the following exemptions:

Cumulative translation differences

The recording of net exchange differences into the Exchange Reserve required by IAS 21 has been applied prospectively from 1 February 2004; all exchange differences arising prior to that date remain within retained earnings.

Share-based payments

The provisions of IFRS 2: Share-based payments have not been applied to share options granted on or before 7 November 2002 or to those granted after that date which had vested by 1 February 2004.

3. Responsibility

The Directors of the Company are responsible for the financial information and the contents of the AIM admission document in which it is included.

4. General Information

Invu, Inc. is a company incorporated in the United States. The Existing Group is principally engaged in the design and sale of computer software for the electronic management of information and documents.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Existing Group operates. Foreign operations are included in accordance with the policies set out in note 5.

5. Principal Accounting Policies

Basis of accounting

These financial statements have been prepared in accordance with the accounting policies set out below which are based on the recognition and measurement principles of IFRS in issue as adopted in the European Union and are effective, or are expected to be effective, at 31 January 2008, being the Group's first annual reporting date under IFRS.

The accounting policies have been applied consistently throughout for the purposes of the preparation of the historic financial information.

Basis of consolidation

The consolidated financial information incorporates the financial information of Invu, Inc. and entities controlled by Invu, Inc. (its subsidiaries). Control is achieved where Invu, Inc. has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Existing Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable in accordance with the Existing Group's principal activities, net of VAT and trade discounts.

Where software is sold as part of a package containing software support, the fee is allocated to the two separate components by reference to the price for software support where this is provided to customers on a stand-alone basis, the residual being allocated to software. Revenues from the sale of software to resellers are recognised upon product shipment when fees are fixed, collectability is probable and the Existing Group has no significant obligations remaining under the sale agreement.

In instances where a significant vendor obligation exists, revenue recognition is delayed until such obligation has been satisfied.

For those sale agreements to resellers which provide the resellers the right to multiple copies in exchange for guaranteed amounts, software revenues are recognised at delivery of the product master of the first copy as the reseller has not recourse to the Existing Group after this point. Per copy royalties on sales which exceed the guarantee are recognised as earned.

Resellers are charged an accreditation fee each year for training and consulting to be provided by the Existing Group to the resellers and this fee is recognised evenly over each accreditation period.

The Existing Group's resellers provide primary maintenance and ongoing support to the end users. The Existing Group provides secondary support to the end users via the resellers and charges the reseller an annual fee for this support. The fees charged by the Existing Group to the resellers are recognised over a twelve month period. Where the end user no longer has an accredited reseller, support fees are charged by the Existing Group to the end user and recognised over a twelve month period.

Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Existing Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognised at the date of acquisition.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses on an annual basis. Any impairment is recognised immediately in profit or loss and is not subsequently reversed.

For the purpose of impairment testing, goodwill is allocated to each of the Existing Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation of assets is calculated so as to allocate the cost or valuation to their residual values over their estimated useful lives, using the straight-line method, on the following bases:

Computer equipment	– 25% per annum
Motor vehicles	– 25% per annum
Fixtures, fittings & equipment	– 25% per annum

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in income.

Borrowing costs are recognised in the income statement in the period to which they relate.

Internally-generated intangible assets – research and development expenditure and software rights and licences

Expenditure on research activities is recognised as an expense in the period in which it incurred.

An internally generated intangible asset arising from the Existing Group's software development is recognised only if all of the following conditions are met:

- an asset is created that can be identified (such as software and new processes);
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably

Internally-generated intangible assets are considered to have finite lives and are amortised on a straight line basis over their useful economic lives, which are expected to be 4 years. Amortisation is recognised as an administration expense in the year.

Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an administration expense in the period in which it is incurred.

Intangible assets – computer software

Where computer software does not form an integral part of the machinery or computer hardware to which it relates, it is presented as an intangible asset.

Computer software costs are included at cost and are amortised on a straight line basis. Computer costs are considered to have finite lives and are amortised over their useful economic lives, which are expected to be four years. Amortisation is recognised as an administration expense in the year.

Impairment of tangible and intangible assets (excluding goodwill)

At each balance sheet date, the Existing Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such an indication of impairment is identified, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Existing Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount (higher of fair value less costs to sell and value in use of an asset) is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lease. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Existing Group at their fair value or, if lower, at the present value of minimum lease payments, each determined at the inception of the lease. The corresponding liability is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligations so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement.

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease.

Inventories

Inventories and work in progress are stated at the lower of cost and net realisable value, cost being determined on an first in, first out basis. The cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their location and condition at the balance sheet date. Provision for write-downs to net realisable value and losses of inventories are recognised as an expense in the period in which the write-down or loss occurs. Reversals are recognised as a reduction in the amount previously recognised as an expense in the period in which the reversal occurs.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and cash in hand and short-term deposits with an original maturity of three months or less. At present all notice periods are one day.

Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when the Existing Group becomes a party to the contractual provisions of the instrument.

– Trade Receivables

Trade receivables do not carry any interest and are stated at fair value on initial recognition net of transaction costs and subsequently at amortised cost using the effective interest method less provision for impairment.

– Trade Payables

Trade payables are not interest bearing and are stated at fair value on initial recognition and subsequently at amortised cost using the effective interest method.

– Bank Borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs are accounted for on an accrual basis to the profit and loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Financial asset impairment

The Existing Group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Existing Group uses to determine that there is objective evidence of an impairment loss include:

- Delinquency in contractual payments of principal or interest; and
- Initiation of bankruptcy proceedings;

The Existing Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Existing Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement.

Share-based payments

The Existing Group has applied the requirements of IFRS 2 Share-based payments. In accordance with the transitional provisions, IFRS 2 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 February 2004.

The Existing Group issues equity settled share based payments to certain employees. Equity settled share based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Existing Group best estimate of shares that will eventually vest.

Fair value is measured by use of a binomial model. The expected life used in the model has been adjusted based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioural considerations.

Retirement benefit costs

The Existing Group operates a contracted in money purchase pension scheme. Contributions are charged to the income statement as they become payable in accordance with the rules of the schemes. There were no outstanding contributions to the pension scheme at 31 January 2005, 2006 or 2007.

Taxation

The taxation ('tax') expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Existing Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Existing Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Foreign currencies

The financial information is presented in pound sterling which is the presentational currency of the Existing Group.

Monetary assets and liabilities denominated in foreign currencies in each company are translated at the rates of exchange prevailing at the accounting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date of fair value was determined.

On consolidation, revenues, costs and cash flows of subsidiaries with a functional currency other than Sterling are included in the consolidated income statement at average rates of exchange for the year. The assets and liabilities denominated in foreign currencies are translated into Sterling using rates of exchange ruling at the balance sheet date.

Exchange differences on the re-translation of opening net assets and results for the year of foreign subsidiary undertakings are dealt with through reserves net of differences on related foreign currency borrowings. Other gains and losses arising from foreign currency transactions, including trading, are included in the consolidated income statement.

Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing have been issued by the IASB that are not yet effective. The Existing Group has not adopted any of these standards, amendments or interpretations early.

International Financial Reporting Standards:

IFRS 8	Operating segments (effective 1 January 2009)
IAS 1	Presentation of Financial Statements (revised 2007) (effective 1 January 2009)
IAS 23	Borrowing costs (revised 2007) (effective 1 January 2009)

IFRIC interpretations:

IFRIC 12	Service concession arrangements (effective 1 January 2008)
IFRIC 13	Customer loyalty programmes (effective 1 July 2008)
IFRIC 14	IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction (effective 1 January 2008)

The standards, amendments and interpretations are not expected to have significant effect on the Existing Group's results or financial position.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Material estimates and assumptions are made in particular with regard to share based payments, the amortisation period for intangible assets and impairment reviews.

6. Consolidated Income Statement

For the years ended 31 January 2005, 2006 and 2007

	Note	*2005* *£'000*	*2006* *£'000*	*2007* *£'000*
Continuing operations				
Revenue	12	3,149	4,775	5,637
Cost of operations		(165)	(275)	(302)
Gross profit		2,984	4,500	5,335
Distribution costs		(223)	(279)	(336)
Administration expenses		(2,167)	(3,065)	(3,917)
Profit from operations		594	1,156	1,082
Investment income	15	22	29	54
Finance costs	16	(26)	(5)	(3)
Profit before taxation		590	1,180	1,133
Tax	17	6	13	(47)
Profit for the year		596	1,193	1,086
Attributable to:				
Equity holders		596	1,193	1,086
Earnings per share				
Basic (pence per share)	18	0.65	1.19	1.09
Diluted (pence per share)	18	0.62	1.18	1.07

7. Consolidated Statements of Recognised Income and Expense

For the years ended 31 January 2005, 2006 and 2007

	2005 *£'000*	*2006* *£'000*	*2007* *£'000*
Exchange differences arising on translation of foreign currency net investments	(257)	(14)	(6)
Tax on items taken directly to equity	7	—	—
Net income recognised directly in equity	(250)	(14)	(6)
Profit for the period	596	1,193	1,086
Total recognised income and expenses for the year	346	1,179	1,080
Attributable to:			
Equity holders	346	1,179	1,080

8. Consolidated Balance Sheets

As at 31 January 2005, 2006 and 2007

	Note	*2005* *£'000*	*2006* *£'000*	*2007* *£'000*
Non-current assets				
Other intangible assets	19	29	40	311
Property, plant and equipment	20	123	136	229
Deferred tax asset	27	13	26	59
		165	202	599
Current assets				
Inventories	23	151	138	220
Trade and other receivables	24	2,678	4,441	5,291
Cash and cash equivalents		894	830	2,168
		3,723	5,409	7,679
Total assets		3,888	5,611	8,278
Current liabilities				
Trade and other payables	25	1,631	2,088	3,439
Obligations under finance leases	26	4	4	20
		1,635	2,092	3,459
Net current assets		2,088	3,317	4,220
Non-current liabilities				
Long term financial liabilities	26	—	13	28
Deferred tax liability	27	—	—	80
		—	13	108
Total liabilities		1,635	2,105	3,567
Net assets		2,253	3,506	4,711
Equity				
Share capital	29	—	—	—
Share premium	30	6,269	6,275	6,289
Share option reserve	30	18	86	197
Retained earnings	30	(3,777)	(2,584)	(1,498)
Foreign currency translation reserve	30	(257)	(271)	(277)
Total equity		2,253	3,506	4,711
Attributable to:				
Equity holders		2,253	3,506	4,711

9. Consolidated Cash Flow Statement

For the years ended 31 January 2005, 2006 and 2007

	Note	*2005* *£'000*	*2006* *£'000*	*2007* *£'000*
Net cash from operating activities	32	(280)	(7)	1,710
Cash flows from investing activities				
Interest received		22	29	54
Purchases of property, plant and equipment		(68)	(68)	(109)
Payments for intangible assets		(15)	(13)	(306)
Proceeds from disposal of property, plant and equipment		—	5	—
Net cash used in investing activities		(61)	(47)	(361)
Cash flows from financing activities				
Proceeds from issue of shares		736	6	14
Payment of issue costs paid		(29)	—	—
Repayment of borrowings		(1,005)	(5)	—
Proceeds from borrowings		425	—	—
Repayment of obligations under finance leases		(14)	(11)	(25)
Net cash used in financing activities		113	(10)	(11)
Net (decrease)/increase in cash and cash equivalents		(228)	(64)	1,338
Cash and cash equivalents				
At the beginning of the year		1,122	894	830
At the end of the year		894	830	2,168

10. Financial risk management

The Existing Group's activities expose it to a variety of financial risks. The Existing Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Existing Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The main risks arising from the Existing Group's financial instruments are market risk (interest rate risk and currency exchange risk), liquidity risk and credit risk. Risk management is carried out by the directors who review and agree policies for managing each of these risks; as summarised below:

Market risk

(a) *Interest rate risk*

The Existing Group finances its operations through a mixture of equity, bank and other borrowings. The group exposure to interest rate fluctuations on its borrowings is managed by the use of fixed rate facilities.

The interest rate profile of the financial liabilities as at 31 January 2007, 31 January 2006 and 31 January 2005 was:

	2005 *£'000*	*2006* *£'000*	*2007* *£'000*
Sterling	9	17	48

The weighted average fixed interest rate for the year ended 31 January 2007 was 15 per cent. (2006: 13 per cent., 2005: 6 per cent.).

The interest rate profile of the financial assets as at 31 January 2007, 31 January 2006 and 31 January 2005 was:

	Floating rate financial assets		
	2005	*2006*	*2007*
	£'000	*£'000*	*£'000*
Sterling	838	829	1,697
Euro	56	1	471
	894	830	2,168

The floating rate assets bear interest at various rates linked to the bank base rate.

Cash flow sensitivity analysis for variable rate instruments:

An increase of 100 basis points on interest rates at the reporting date would have increased profit by the amounts shown below. This analysis assumes that all other variables remain constant.

	2005	*2006*	*2007*
	£'000	*£'000*	*£'000*
Net result for the year	8	8	17

If the interest rate decreased by 100 basis points, then there would be an equal and opposite effect on the net result for the year.

(b) *Currency exchange risk*

The Existing Group does not hedge its exposure to foreign currencies. The group has an overseas subsidiary operating in Europe, whose revenues and expenses are denominated in Euros; the Existing Group is therefore exposed to translation and transaction foreign exchange risk. The Existing Group's UK sales are to customers within the UK. These sales are priced and invoiced in sterling.

Foreign currency denominated financial assets and liabilities, translated into Sterling at the closing rate, are as follows.

	2005	*2006*	*2007*
	£'000	*£'000*	*£'000*
Financial assets	259	331	1,060
Financial liabilities	(16)	(45)	(1,085)
Gross balance sheet exposure	243	286	(25)

	2005	*2006*	*2007*
	£'000	*£'000*	*£'000*
Revenue	837	252	719
Purchases	(178)	(724)	(838)
Gross income statement exposure	659	(472)	(119)

The following table illustrates the sensitivity of the net result for the year and equity in regards to the Existing Group's financial assets and financial liabilities and the Sterling – Euro exchange rate.

If the Pound Sterling had strengthened against the Euro by 5 per cent. (2006: 5 per cent., 2005: 5 per cent.) then this would have had the following impact:

	2005	*2006*	*2007*
	£'000	*£'000*	*£'000*
Net result for the year	(48)	34	9
Equity	18	21	(2)

If the Pound Sterling had weakened against the Euro by 5 per cent. (2006: 5 per cent., 2005: 5 per cent.) then there would be an equal and opposite effect on the net result for the year and on the equity position.

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Existing Group's exposure to currency risk.

Liquidity risk

The Existing Group seeks to manage liquidity risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

The table below analyses the Existing Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year £'000	*Between 1 and 2 years £'000*	*Between 2 and 5 years £'000*
31 January 2007			
Obligations under finance lease	20	20	8
Trade and other payables	3,439	—	—
31 January 2006			
Obligations under finance lease	4	4	9
Trade and other payables	2,088	—	—
31 January 2005			
Obligations under finance lease	4	—	—
Trade and other payables	1,631	—	—

Credit risk

The Existing Group takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss for the Existing Group by failing to discharge an obligation. Credit risk is the most important risk for the group's business; management therefore carefully manages its exposure to credit risk.

In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party references. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt aging and collection history.

11. Capital risk management

The Existing Group's objectives when managing capital are to safeguard the Existing Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Existing Group monitors its capital structure; and in order to maintain or adjust the capital structure, the Existing Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

There were no changes in the Existing Group's approach to capital management in the year.

12. Segmental Analysis

Geographical segmental information

An analysis of revenue is given below:

	2005 £'000	2006 £'000	2007 £'000
United Kingdom	2,899	4,523	5,016
Europe	250	252	621
	3,149	4,775	5,637

There is no material difference between turnover by origin and destination.

All revenue is generated by sales to external customers.

An analysis of profit before tax is given below:

	2005 £'000	2006 £'000	2007 £'000
United Kingdom	528	1,148	752
Europe	62	32	381
	590	1,180	1,133

An analysis of assets is given below:

	2005 £'000	2006 £'000	2007 £'000
United Kingdom	3,623	5,276	7,214
Europe	265	335	1,064
	3,888	5,611	8,278

An analysis of liabilities is given below:

	2005 £'000	2006 £'000	2007 £'000
United Kingdom	1,550	2,000	2,380
Europe	85	105	1,187
	1,635	2,105	3,567

Other information:

	2005 £'000	2006 £'000	2007 £'000
Capital additions:			
United Kingdom	81	105	471
Europe	2	—	—
	83	105	471
Depreciation and amortisation:			
United Kingdom	86	76	105
Europe	3	—	1
	89	76	106

Business segmental information

Turnover, profit before taxation and net assets all relate to the Existing Group's principal activity, being the design and sale of computer software for the electronic management of information and documents.

13. Expenses by nature

	2005 *£'000*	*2006* *£'000*	*2007* *£'000*
Employee benefit expense	1,498	2,015	2,589
Research and development expenditure	457	436	177
Depreciation of property, plant and equipment	51	74	71
Amortisation of other intangible assets	38	2	35
Operating lease expenses	55	31	34
Auditors' remuneration:			
Audit services	24	24	27
Audit of subsidiary undertakings	11	13	14
Non audit services – interim review	13	8	8
Other expenses	408	1,016	1,600
Total cost of operation, distribution costs and administration expenses	2,555	3,619	4,555

14. Staff Costs

Staff costs during the year amounted to:

	2005 *£'000*	*2006* *£'000*	*2007* *£'000*
Wages and salaries	1,341	1,746	2,231
Social security	139	186	230
Other pension costs	—	15	17
Share option costs	18	68	111
	1,498	2,015	2,589

The average number of people employed by the Existing Group (including Directors) was: 2005 : 31; 2006 : 43; 2007 : 51.

Included within staff costs are directors' emoluments amounting to:

	2005 *£'000*	*2006* *£'000*	*2007* *£'000*
Total emoluments	399	504	513
Pension costs	—	5	5
Share option costs	10	43	75
	409	552	593

Throughout the three years ended 31 January 2007, 3 directors (2006: 3) accrued benefits under the money purchase pension scheme.

15. Investment Income

	2005 *£'000*	*2006* *£'000*	*2007* *£'000*
Interest on bank deposits	22	29	54

16. Finance Costs

	2005 *£'000*	*2006* *£'000*	*2007* *£'000*
Bank loans and overdrafts	25	4	—
Finance leases	1	1	3
	26	5	3

17. Taxation

	2005 *£'000*	*2006* *£'000*	*2007* *£'000*
Current taxation			
– Current year	—	—	—
	—	—	—
Deferred taxation			
– Current year (credit)/charge	(6)	(13)	47
Total tax (credit)/charge	(6)	(13)	47

The tax rate used for the reconciliations below is the corporate tax rate of 30 per cent. payable by corporate entities in the United Kingdom on taxable profits under tax law in that jurisdiction.

The charge for the year can be reconciled to the profit per the income statement as follows:

	2005 *£'000*	*2006* *£'000*	*2007* *£'000*
Profit before taxation	590	1,180	1,133
Profit multiplied by standard rate of corporation tax in the UK of 30% (2005: 30%)	177	354	340
Effect of:			
Expenses not deductible for tax purposes	8	6	295
Income not subject to tax	(113)	—	(63)
Utilisation of previously unrecognised losses	(119)	(356)	(538)
Tax losses for which no deferred tax asset was recognised	56	—	—
Tax on items taken directly to equity	7	—	—
Other timing differences	(22)	(17)	13
Total tax charge for the year	(6)	(13)	47

18. Earnings Per Share

	2005 *£'000*	*2006* *£'000*	*2007* *£'000*
Earnings			
Profit for the financial year	596	1,193	1,086

	2005 *Number*	*2006* *Number*	*2007* *Number*
Weighted average number of common shares in issue	92,228,582	100,009,123	100,078,968
Adjustments for:			
Share options	3,276,891	1,328,777	1,734,580
Diluted	95,505,473	101,337,900	101,813,548

19. Other Intangible Assets

	Research and development costs £'000	*Internally generated software rights and licences £'000*	*Computer software £'000*	*Total £'000*
Cost				
At 1 February 2004	—	100	74	174
Additions	—	—	15	15
At 31 January 2005	—	100	89	189
Additions	—	—	13	13
At 31 January 2006	—	100	102	202
Additions	281	—	25	306
At 31 January 2007	281	100	127	508
Amortisation				
At 1 February 2004	—	83	39	122
Charge for the year	—	17	21	38
At 31 January 2005	—	100	60	160
Charge for the year	—	—	2	2
At 31 January 2006	—	100	62	162
Charge for the year	15	—	20	35
At 31 January 2007	15	100	82	197
Carrying amount				
At 31 January 2007	266	—	45	311
At 31 January 2006	—	—	40	40
At 31 January 2005	—	—	29	29

20. Property, Plant and Equipment

	Computer equipment £'000	*Motor vehicles £'000*	*Fixtures, fittings & equipment £'000*	*Total £'000*
Cost				
At 1 February 2004	139	52	74	265
Additions	56	—	12	68
Disposals	—	—	—	—
At 31 January 2005	195	52	86	333
Additions	65	24	3	92
Disposals	—	(26)	(7)	(33)
At 31 January 2006	260	50	82	392
Additions	68	—	97	165
Disposals	(1)	—	—	(1)
At 31 January 2007	327	50	179	556
Depreciation				
At 1 February 2004	50	40	69	159
Charge for the year	35	12	4	51
At 31 January 2005	85	52	73	210
Charge for the year	65	4	5	74
Disposals	—	(26)	(2)	(28)
At 31 January 2006	150	30	76	256
Charge for the year	52	6	13	71
At 31 January 2007	202	36	89	327
Carrying amount				
At 31 January 2007	125	14	90	229
At 31 January 2006	110	20	6	136
At 31 January 2005	110	—	13	123

The figures stated above include assets held under finance leases and similar hire purchase contracts, as follows:

Property, plant and equipment includes assets held under finance leases with carrying amounts at 31 January 2005, 2006 and 2007 of £nil, £20,000 and £56,000 respectively. Depreciation amounting to £4,000, £4,000 and £12,000 was charged to the income statement in the years ended 31 January 2005, 2006 and 2007 respectively.

21. Subsidiaries

Name of subsidiary	*Country of registration or incorporation*	*Shares held and voting power held by parent company*	*Shares held and voting power held by the Existing Group*	*Principal activity*
Invu plc	England & Wales	100% ordinary shares	—	Holding company
Invu Services Limited	England & Wales	—	100% ordinary shares	Software and related services, design and sales
Invu International Holdings Limited	England & Wales	—	100% ordinary shares	Holds intellectual property rights
Invu Netherlands B.V.	The Netherlands	—	100% ordinary shares	Software and related services and sales

All principal subsidiary undertakings operate in their country of incorporation.

The Existing Group consolidates its subsidiary activities. The accounting year-ends of the subsidiary undertakings consolidated in these financial statements are on 31 January 2007.

There are no significant restrictions on the ability of subsidiary undertakings to transfer funds to the parent, other than those imposed by the Companies Act 1985.

22. Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

31 January 2007	*Loans and receivables £'000*	*Total £'000*
Assets as per balance sheet		
Trade receivables	6,002	6,002
Cash and cash equivalents	2,168	2,168
	8,170	8,170

31 January 2007	*Other financial liabilities £'000*	*Total £'000*
Liabilities as per balance sheet		
Obligations under finance lease	48	48
	48	48

31 January 2006	*Loans and receivables £'000*	*Total £'000*
Assets as per balance sheet		
Trade receivables	4,320	4,320
Cash and cash equivalents	830	830
	5,150	5,150

31 January 2006	*Other financial liabilities £'000*	*Total £'000*
Liabilities as per balance sheet		
Obligations under finance lease	17	17
	17	17

31 January 2005	*Loans and receivables £'000*	*Total £'000*
Assets as per balance sheet		
Trade receivables	2,558	2,558
Cash and cash equivalents	894	894
	3,452	3,452

31 January 2005	*Other financial liabilities £'000*	*Total £'000*
Liabilities as per balance sheet		
Obligations under finance lease	4	4
	4	4

23. Inventories

	2005 £'000	*2006 £'000*	*2007 £'000*
Finished goods	—	34	180
Supplies	151	104	40
	151	138	220

24. Trade and Other Receivables

	2005 £'000	*2006 £'000*	*2007 £'000*
Trade receivables	2,558	4,320	5,152
Prepayments and accrued income	120	121	139
	2,678	4,441	5,291

There is no concentration of credit risk. The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

All of the Existing Group's trade and other receivables have been reviewed for indicators of impairment, no indicators were identified.

Some of the unimpaired trade receivables are past due as at the reporting date. The age of financial assets past due but not impaired is as follows:

	2005 £'000	*2006 £'000*	*2007 £'000*
Not more than 3 months	119	190	36
More than 3 months but not more than 6 months	25	235	26
More than 6 months but not more than 1 year	6	336	208
More than one year	—	21	49
	150	782	319

25. Trade and Other Payables

Current	2005 £'000	2006 £'000	2007 £'000
Trade payables	350	381	450
Other payables	5	—	933
Other taxation and social security	461	619	736
Accruals and deferred income	815	1,088	1,320
Obligations under finance leases	4	4	20
	1,635	2,092	3,459

The Directors consider that the carrying amount of trade payables approximates to their fair value. All amounts included in trade and other payables are non-interest bearing and are not secured on the assets of the Existing Group.

26. Obligations Under Finance Leases

	Minimum lease payments			*Present value of minimum lease payments*		
	2005 £'000	*2006 £'000*	*2007 £'000*	*2005 £'000*	*2006 £'000*	*2007 £'000*
Amounts payable under finance leases:						
Within one year	5	5	23	4	4	20
Between one and five years	—	16	32	—	13	28
	—	21	55	4	17	48
Less future finance charges	(1)	(4)	(7)			
Present value of lease obligations	4	17	48			
Analysed as:						
Current finance lease liabilities				4	4	20
Non-current finance lease liabilities				—	13	28

Amounts due under finance lease are secured on the assets to which they relate.

The present value of lease obligations is considered to be a reasonable approximation of fair value.

27. Deferred Taxation

The following are the major deferred tax liabilities and assets recognised by the Existing Group and movements thereon during the current and prior reporting year.

	Share options	*Research and development*	*Total*
At 1 February 2004			
Deferred tax on share options:	—	—	—
Credited to income statement	6	—	6
Credited to equity	7	—	7
At 31 January 2005	13	—	13
Deferred tax on share options:			
Credited to income statement	13	—	13
At 31 January 2006	26	—	26
Deferred tax on share options:			
Credited to income statement	33	—	33
Accelerated amortisation of intangible assets for tax purposes	—	(80)	(80)
At 31 January 2007	59	(80)	(21)

	2005 £	2006 £	2007 £
Presented as:			
Deferred tax asset	13	26	59
Deferred tax liability	—	—	(80)
	13	26	(21)

At the balance sheet date, the Existing Group has unused tax losses as below available for offset against future profits in the respective countries. No deferred tax asset has been recognised in respect of these due to the unpredictability of future profit streams.

Country	*Unrelieved tax losses 2005 £'000*	*Unrelieved tax losses 2006 £'000*	*Unrelieved tax losses 2007 £'000*
UK	2,893	1,524	43
US	885	1,040	1,270
Netherlands	1,934	923	—

28. Operating Lease Commitments

The future minimum lease payments under non-cancellable operating leases are as follows:

	Land & buildings 2005 £'000	*Other 2005 £'000*	*Land & buildings 2006 £'000*	*Other 2006 £'000*	*Land & buildings 2007 £'000*	*Other 2007 £'000*
Within one year	30	1	32	1	139	10
Between one and two years	—	—	—	1	162	10
Between two and five years	—	—	—	—	—	—
Total minimum lease payments	30	1	32	2	301	20

The Existing Group's main operating lease commitment is in relation to its UK office premises. The Existing Group typically enters into agreements for a period of three years, with the rental payments being fixed for that period.

29. Called Up Share Capital

	2005 Number	*2005 £'000*	*2006 Number*	*2006 £'000*	*2007 Number*	*2007 £'000*
Authorised:						
Preferred shares no par value	20,000,000	—	20,000,000	—	20,000,000	—
Common shares no par value	100,000,000	—	250,000,000	—	250,000,000	—
	120,000,000	—	270,000,000	—	270,000,000	—
Allotted and fully paid:						
Common shares no par value	99,999,999	—	100,054,742	—	100,187,090	—

Reconciliation in the movement of allotted and fully paid common shares	*Number*	*£'000*
At 1 February 2004	93,994,595	
Issue of common shares	6,005,404	—
At 31 January 2005	99,999,999	—
Exercise of share options	54,743	—
At 31 January 2006	100,054,742	—
Exercise of share options	132,348	—
At 31 January 2007	100,187,090	—

30. Statement of Changes in Equity

	Share premium £'000	*Share option reserve £'000*	*Retained earnings £'000*	*Foreign currency translation reserve £'000*	*Total £'000*
At 1 February 2004	5,562	—	(4,380)	—	1,182
Deferred tax on share options taken directly to equity	—	—	7	—	7
Currency translation adjustment	—	—	—	(257)	(257)
Profit for the year	—	—	596	—	596
Total recognised income and expense	—	—	603	(257)	346
Premium arising on issue of equity shares	736	—	—	—	736
Share options costs	—	18	—	—	18
Issue costs	(29)	—	—	—	(29)
At 31 January 2005	6,269	18	(3,777)	(257)	2,253
Total recognised income and expense	—	—	1,193	(14)	1,179
Premium arising on issue of equity shares	6	—	—	—	6
Share options costs	—	68	—	—	68
At 31 January 2006	6,275	86	(2,584)	(271)	3,506
Total recognised income and expense	—	—	1,086	(6)	1,080
Premium arising on issue of equity shares	14	—	—	—	14
Share options costs	—	111	—	—	111
At 31 January 2007	6,289	197	(1,498)	(277)	4,711

31. Share-Based Payments

The following share options were outstanding over common shares of no par value at 31 January 2007:

Scheme	*Date of grant*	*Number of common shares granted*	*Exercise price per share*	*Expiry date*
Executive Stock Incentive Option Scheme	14 September 2005	1,271,084	£0.259	14 September 2015
Enterprise Management Incentive Share Option Scheme	14 September 2005	1,242,416	£0.259	14 September 2015
Enterprise Management Share Option Scheme (Group A)	12 March 2004	1,377,205	£0.104	12 March 2014
Enterprise Management Share Option Scheme (Group B)	12 March 2004	531,461	£0.104	12 March 2014
Enterprise Management Share Option Scheme (Group B)	14 September 2001	97,995	£0.28 ($0.50)	14 September 2011
Executive Share Option Scheme	27 December 2001	230,000	£0.28 ($0.50)	27 December 2011

Executive Stock Incentive Option Scheme

The share options under this scheme relate specifically to the executive directors and contain significantly more demanding performance targets which are related to market expectations for earnings per share. These options are scheduled to vest annually over a 6 year period. If the performance targets are not met, the options would vest to the individuals on the sixth anniversary of the date of grant.

Enterprise Management Incentive Share Option Scheme

These share options are divided into two different option agreements. All employees, excluding the executive directors, are subject to performance targets over the first 3 to 4 years after the date of grant which accelerate the vesting of the options. If the performance targets are not met, the options would vest to employees on the sixth anniversary of the date of grant. All executive directors are subject to the same performance targets and vesting periods as contained in the Executive Stock Incentive Option scheme (see above).

Enterprise Management Share Option Scheme (Group A and B)

The share options under these schemes contain performance targets over the first 3 to 4 years after the date of grant which accelerate the vesting of the options. If the performance targets are not met, the options would vest to the individuals on the sixth anniversary of the date of grant.

Executive Share Option Scheme

The share options under this scheme vest to the individuals at each anniversary from the date of the grant in four annual instalments.

Other information

The share options issued on the 14 September 2001 and the 27 December 2001 are denominated in US dollars and have been translated into sterling at the year end exchange rate.

Expense arising from share options

The estimated fair value at the date of grant of each share option was calculated by applying a binomial probability option pricing model. The model inputs were the exercise price, expected volatility of 30 per cent., expected dividend yield of 0 per cent., contractual life dependant on the type and date of the option granted (as per detail given above) and a risk-free interest rate of 4.48 per cent. for the options granted March 2004, and 4.1 per cent. for the options granted in September 2005. Early exercise is not considered likely in material amounts and therefore no adjustments have been made in this respect. The directors have determined volatility using their knowledge of the business and by reviewing the rates of comparative companies.

The Existing Group roup recognised total expenses of £111,000 and £68,000 related to equity-settled share-based payment transactions in 2007 and 2006 respectively.

	2005		*2006*		*2007*	
Scheme	*Number of Share options*	*Weighted average exercise price £*	*Number of Share options*	*Weighted average exercise price £*	*Number of Share options*	*Weighted average exercise price £*
Outstanding at beginning of year	2,782,484	0.210	3,640,752	0.128	6,126,509	0.184
Granted during the year	2,230,382	0.104	2,560,500	0.259	—	—
Forfeited during the year	1,372,114	0.256	20,000	0.104	44,000	0.259
Expired during the year	—	—	—	—	1,200,000	0.130
Exercised during the year	—	—	54,743	0.104	132,348	0.108
Outstanding at the end of the year	3,640,752	0.128	6,126,509	0.184	4,750,161	0.199
Exercisable at the end of the year	1,898,877	0.149	927,995	0.163	2,224,974	0.153

The options outstanding at 31 January 2006 and 2007 had weighted average remaining contractual lives of 7.0 and 7.8 years respectively.

Options were granted on 12 March 2004 and 15 September 2005. The aggregate of the estimated fair values of the options granted on those dates is £52,000 and £279,000.

32. Notes to the Cash Flow Statement

	2005 *£'000*	*2006* *£'000*	*2007* *£'000*
Profit for the year	596	1,193	1,086
Income tax credit/(expense) recognised in profit	(6)	(13)	47
Finance costs recognised in profit	26	5	3
Investment income recognised in profit	(22)	(29)	(54)
Exchange rate movements	(257)	(14)	(7)
Depreciation of property, plant and equipment	51	74	71
Amortisation of intangibles	38	2	35
Share option schemes	18	68	111
Operating cash flows before movements in working capital	444	1,286	1,292
(Increase) / decrease in inventories	31	13	(82)
(Increase) in receivables	(1,382)	(1,763)	(850)
Increase in payables	653	462	1,353
Cash generated by operations	(254)	(2)	1,713
Income taxes paid	—	—	—
Interest paid	(26)	(5)	(3)
Net cash flow from operating activities	(280)	(7)	1,710

33. Related Party Transactions

Key management personnel

The Existing Group's key management personnel are the directors of Invu Inc. Their remuneration is disclosed in note 14.

Deposits from related parties

The Existing Group entered into the following transactions with shareholders.

Shareholder	*Transaction*	*2005* *£'000*	*2006* *£'000*	*2007* *£'000*
P Fraser	Loan to Exsting Group	5	—	—

The loan was repaid to P Fraser during 2006.

34. Contingent liabilities

There is a guarantee outstanding to the Bank of Scotland in respect of banking facilities offered to the Existing Group. The guarantee is for the payment or discharge of the secured liabilities held by the Bank. The Bank has a lien on all securities or other property deeds and documents of the Existing Group which it holds.

35. Explanation of Transition To IFRS

The Existing Group previously published its financial statements under UK GAAP. The following disclosures reconcile the amounts previously published to IFRS financial information in the Admission Document. The date of transition to IFRS for the purposes of this financial information was 1 February 2004.

Reconciliation of equity at 1 February 2004 (date of transition to IFRS)

There is no impact on the equity of the Existing Group at the date of transition as a result of the adoption of IFRS.

Reconciliation of equity at 31 January 2005

		Effect of transition to IFRS			
	UK GAAP £'000	*Intangible assets Note (a) £'000*	*Foreign exchange reserve Note (b) £'000*	*Deferred tax Note (c) £'000*	*IFRS £'000*
Non-current assets					
Other intangible assets	—	29	—	—	29
Property, plant and equipment	152	(29)	—	—	123
Deferred tax assets	—	—	—	13	13
	152	—	—	13	165
Current assets					
Inventories	151	—	—	—	151
Trade and other receivables	2,678	—	—	—	2,678
Cash and cash equivalents	894	—	—	—	894
	3,723	—	—	—	3,723
Total assets	3,875	—	—	13	3,888
Current liabilities					
Trade and other payables	1,631	—	—	—	1,631
Obligations under finance leases	4	—	—	—	4
	1,635	—	—	—	1,635
Net current assets	2,088	—	—	—	2,088
Total liabilities	1,635	—	—	—	1,635
Net assets	2,240	—	—	13	2,253
Equity					
Share capital	—	—	—	—	—
Share premium	6,269	—	—	—	6,269
Share option reserve	18	—	—	—	18
Retained earnings	(4,047)	—	257	13	(3,777)
Foreign currency translation reserve	—	—	(257)	—	(257)
Total equity	2,240	—	—	13	2,253

Reconciliation of equity at 31 January 2006

	UK GAAP £'000	*Effect of transition to IFRS* Intangible assets Note (a) £'000	Foreign exchange reserve Note (b) £'000	Deferred tax Note (c) £'000	IFRS £'000
Non-current assets					
Other intangible assets	—	40	—	—	40
Property, plant and equipment	176	(40)	—	—	136
Deferred tax assets	—	—	—	26	26
	176	—	—	26	202
Current assets					
Inventories	138	—	—	—	138
Trade and other receivables	4,467	—	—	(26)	4,441
Cash and cash equivalents	830	—	—	—	830
	5,435	—	—	(26)	5,409
Total assets	5,611	—	—	—	5,611
Current liabilities					
Trade and other payables	2,088	—	—	—	2,088
Obligations under finance leases	4	—	—	—	4
	2,092	—	—	—	2,092
Net current assets	3,343	—	—	(26)	3,317
Non-current liabilities					
Obligations under finance leases	13	—	—	—	13
	13	—	—	—	13
Total liabilities	2,105	—	—	—	2,105
Net assets	3,506	—	—	—	3,506
Equity					
Share capital	—	—	—	—	—
Share premium	6,275	—	—	—	6,275
Share option reserve	86	—	—	—	86
Retained earnings					
Brought forward	(4,047)	—	257	13	(3,777)
Recognised income and expense	1,192	—	14	(13)	1,193
Foreign currency translation reserve	—	—	(271)	—	(271)
Total equity	3,506	—	—	—	3,506

Reconciliation of equity at 31 January 2007

		Effect of transition to IFRS				
		Intangible assets	*Foreign exchange reserve*	*Deferred tax*	*Provision*	
	UK GAAP	*Note (a)*	*Note (b)*	*Note (c)*	*Note (e)*	*IFRS*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*	*£'000*
Non-current assets						
Other intangible assets	266	45	—	—	—	311
Property, plant and equipment	274	(45)	—	—	—	229
Deferred tax assets	—	—	—	59	—	59
	540	—	—	59	—	599
Current assets						
Inventories	220	—	—	—	—	220
Trade and other receivables	6,200	—	—	(59)	(850)	5,291
Cash and cash equivalents	2,168	—	—	—	—	2,168
	8,588	—	—	(59)	(850)	7,679
Total assets	9,128	—	—	—	(850)	8,278
Current liabilities						
Trade and other payables	3,439	—	—	—	—	3,439
Obligations under finance leases	20	—	—	—	—	20
	3,459	—	—	—	—	3,459
Net current assets	5,129	—	—	(59)	(850)	4,220
Non-current liabilities						
Obligations under finance leases	28	—	—	—	—	28
Deferred tax liability	—	—	—	80	—	80
	28	—	—	80	—	108
Total liabilities	3,487	—	—	80	—	3,567
Net assets	5,641	—	—	(80)	(850)	4,711
Equity						
Share capital	—	—	—	—	—	—
Share premium	6,289	—	—	—	—	6,289
Share option reserve	197	—	—	—	—	197
Retained earnings	(845)	—	277	(80)	(850)	(1,498)
Foreign currency translation reserve	—	—	(277)	—	—	(277)
Total equity	5,641	—	—	(80)	(850)	4,711

Reconciliation of profit at 31 January 2005

	UK GAAP £'000	Effect of transition to IFRS: Deferred tax Note (c) £'000	IFRS £'000
Revenue	3,149	—	3,149
Cost of operations	(165)	—	(165)
Gross profit	2,984	—	2,984
Distribution costs	(223)	—	(223)
Administration expenses	(2,167)	—	(2,167)
Operating profit	594	—	594
Investment income	22	—	22
Finance costs	(26)	—	(26)
Profit before taxation	590	—	590
Tax	—	6	6
Profit for the year	590	6	596

Reconciliation of profit at 31 January 2006

	UK GAAP £'000	Effect of transition to IFRS: Deferred tax Note (c) £'000	IFRS £'000
Revenue	4,775	—	4,775
Cost of operations	(275)	—	(275)
Gross profit	4,500	—	4,500
Distribution costs	(279)	—	(279)
Administration expenses	(3,065)	—	(3,065)
Operating profit	1,156	—	1,156
Investment income	29	—	29
Finance costs	(5)	—	(5)
Profit before taxation	1,180	—	1,180
Tax	26	(13)	13
Profit for the year	1,206	(13)	1,193

Reconciliation of profit at 31 January 2007

	UK GAAP £'000	*Effect of transition to IFRS* Deferred tax Note (c) £'000	Provision Note (e) £'000	IFRS £'000
Revenue	6,487	—	(850)	5,637
Cost of operations	(302)	—	—	(302)
Gross profit	6,185	—	(850)	5,335
Distribution costs	(336)	—	—	(336)
Administration expenses	(3,917)	—	—	(3,917)
Operating profit	1,932	—	(850)	1,082
Investment income	54	—	—	54
Finance costs	(3)	—	—	(3)
Profit before taxation	1,983	—	(850)	1,133
Tax	33	(80)	—	(47)
Profit for the year	2,016	(80)	(850)	1,086

Impact on the cash flow statement

There was no impact on the cash flows of the Existing Group for the years ended 31 January 2005, 2006 and 2007 as a result of the adoption of IFRS.

Explanations of reconciliations between UK GAAP and IFRS

(a) Computer Software (IAS 38)

It has been necessary to reanalyse software originally included in computer equipment to intangible assets. When an intangible asset is contained in or on a physical substance, such as computer software on a compact disc or a motion picture on film, management must assess which element is more significant. For example, software that controls machinery would normally be considered an integral part of the machinery and therefore would be treated as property, plant and equipment rather than as an intangible asset. The same would normally be true for the operating system of a computer. Where the software does not form an integral part of the machinery or computer hardware to which it relates, it is separately accounted for under IAS 38.

(b) Foreign exchange reserve (IAS 21)

The foreign exchange reserve has been shown separately from retained earnings and has been re-set to zero at the date of transition.

(c) Deferred tax (IAS12)

Under IAS 12 we are required to show deferred tax as non-current, the balance as reported under UK GAAP has therefore been reallocated.

A deferred tax liability has been recognized on the temporary difference created as a result of the capitalized development costs.

36. Explanation of Transition from IFRS as previously published to IFRS as currently shown

The Existing Group previously published interim financial statements for the six months ended 31 July 2007 under IFRS showing comparative figures at 31 January 2007. The following disclosures are reconciling the amounts as previously published to the IFRS as currently shown.

Reconciliation of equity at 31 January 2007

		Effects of amendments		
	IFRS as previously published	*Foreign currency translation reserve Note (d)*	*Provision Note (e)*	*IFRS as currently shown*
	£'000	*£'000*	*£'000*	*£'000*
Non-current assets				
Other intangible assets	311	—	—	311
Property, plant and equipment	229	—	—	229
Deferred tax assets	59	—	—	59
	599	—	—	599
Current assets				
Inventories	220	—	—	220
Trade and other receivables	6,141	—	(850)	5,291
Cash and cash equivalents	2,168	—	—	2,168
	8,529	—	(850)	7,679
Total assets	9,128	—	(850)	8,278
Current liabilities				
Trade and other payables	3,439	—	—	3,439
Obligations under finance leases	20	—	—	20
	3,459	—	—	3,459
Net current assets	5,070	—	—	4,220
Non-current liabilities				
Obligations under finance leases	28	—	—	28
Deferred tax liability	80	—	—	80
	108	—	—	108
Total liabilities	3,567	—	—	3,567
Net assets	5,561	—	(850)	4,711
Equity				
Share capital	—	—	—	—
Share premium	6,289	—	—	6,289
Share option reserve	197	—	—	197
Retained earnings	(919)	271	(850)	(1,498)
Foreign currency translation reserve	(6)	(271)	—	(277)
Total equity	5,561	—	(850)	4,711

Explanations of reconciliations from IFRS as previously published to IFRS as currently shown

(d) *Foreign exchange reserve*

The foreign exchange reserve has been re-set to zero at the date of transition. Adjustment is to reflect movements in foreign exchange for the year ended 31 January 2005 and 31 January 2006.

(e) *Provisions*

It has been necessary to adjust revenue in the year to 31 January 2007 and trade receivables at that date in order to reflect post balance sheet events, as required by the Annexure to SIR 2000 (Investment Reporting Standard applicable to public reporting engagements on historical financial information) issued by the UK Auditing Practices Board.

After signing the 2007 Existing Group accounts, the directors became aware of technical issues with certain recently released components of the series 6 product. In maintaining the goodwill and commitment of partners and their end users, payment terms were extended whilst the problems were resolved and a provision of £850,000 was made in the July 2007 interim accounts in relation to revenue recognised before 31 January 2007. As a result of the directors not being permitted to use hindsight on transition to IFRS, this was reflected in the July 2007 IFRS interim results by way of sales provision. In preparing the financial information for the purposes of the Admission Document, the directors are required to consider all information available to them at the date of this document. As a result of this the directors have included the sales provision in the financial information for the year ended 31 January 2007.

This amendment would not be reflected in the comparative information for the year ended 31 January 2007 in the annual consolidated financial statements to be prepared for the year ended 31 January 2008.

SECTION B – PART B

ACCOUNTANT'S REPORT ON THE HISTORICAL CONSOLIDATED FINANCIAL INFORMATION ON INVU, INC. AND ITS SUBSIDIARY UNDERTAKINGS

Grant Thornton Corporate Finance

Grant Thornton UK LLP
Chartered Accountants
UK member of
Grant Thornton International

The Directors
Invu plc
The Beren
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Northamptonshire
NN7 3DB

6 November 2007

Dear Sirs

Invu, Inc. and its Subsidiary Undertakings

We report on the historical financial information of Invu, Inc and its subsidiary undertakings set out in Part III, section B, part A. This financial information has been prepared for inclusion in the AIM Admission Document dated 6 November 2007 of Invu plc on the basis of the accounting policies set out in paragraph 5.

Responsibilities

This report is required by Paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that regulation and for no other purpose.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Paragraph (a) of Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the AIM Admission Document.

The Directors of Invu plc are responsible for preparing the financial information on the basis of preparation set out in paragraph 2 to the financial information.

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the AIM Admission Document, and to report our opinion to you.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant

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estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the AIM Admission Document dated 6 November 2007, a true and fair view of the state of affairs of Invu Inc and its subsidiary undertakings as at the dates stated and of its results, cash flows and recognised gains and losses for the periods then ended in accordance with the basis of preparation set out in paragraph 2.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

GRANT THORNTON UK LLP

SECTION C

UNAUDITED CONSOLIDATED INTERIM FINANCIAL INFORMATION ON INVU, INC. FOR THE SIX MONTH PERIOD ENDED 31 JULY 2007

The financial information on Invu Inc. in this Section C has been extracted from Invu, Inc's consolidated interim results for the period ended 31 July 2007. The information covers the period from 1 February 2007 to 31 July 2007, is unaudited and does not constitute statutory financial statements. The financial information has been prepared in accordance with IFRS as adopted by the EU.

Unaudited comparative information for the six months to 31 July 2006 is presented as required by paragraph (a) of Schedule Two of the AIM Rules for Companies.

Set out below is the interim results statement of Invu Inc which was released on 24 September 2007:

"Invu, Inc., the document management software provider, announces its interim results for the six month period ended 31 July 2007.

Financial Highlights

- Revenues up 19 per cent. on H1 2006
- Adjusted profit before tax* in line with expectation
- Raised £4m (before costs) to fund group reorganisation, marketing and product development
- Deferred revenues and sales provisions up 66 per cent. to £2.07m (H1 2006: £1.25m)
- Recurring revenues from INVUCare increased 8 per cent. to £0.67m (H1 2006: £0.62m)

	6 months ended 31 July 2007	*6 months ended 31 July 2006*
Turnover	£2.46m	£2.07m
(Loss)/profit for the period	£(0.19)m	£0.01m
Adjusted (loss)/profit*	£(0.02)m	£0.01m
(Loss)/earnings per share	(0.18)p	0.015p
Adjusted (loss)/earnings per share*	(0.02)p	0.015p

*Adjusted for corporate reorganisation costs of £173,000

Operational Highlights

- 311 new customer sites, including Galliford Try, Marshalls Amplification, JAC Strattons, Tag Worldwide, Bath Spa University and ESD Ltd
- 104 per cent. increase in repeat sites up to 263 (H1 2006: 129) including Iron Mountain, Diocese of Winchester, Kraft Foods, Thorntons PLC and London South Bank University
- 8,128 new end users, up 24 per cent. compared to H1 2006
- 17 new accredited partners recruited
- Largest order backlog ever

Post period end

- Completed integration to SIMS, the prevalent software in the education market
- Signed an agreement with a major software vendor, whereby the vendor recommends combined Invu integration into it's accountancy and professional services customer base

Daniel Goldman, Non Executive Chairman of Invu, commented:

"I am proud of the Company's performance during the first half. We have continued to grow revenues in spite of the previously announced technical difficulties. Crucially, management's response has allowed the Company to overcome these challenges allowing us to grow both in terms of revenues and also in terms of hugely increased demand for the Series 6 product line. As we enter the second half of the year

the entire Company is focused on converting this pipeline and backlog. Invu continues to reinforce its market position with a broadening range of channel and strategic partnerships underpinning our leadership as a provider of document management solutions to the SME market. The Company remains uniquely positioned to leverage this platform for further significant and profitable growth."

David Morgan, Chief Executive, added:

"Activity levels in H1 have been at an all time high, with new product bedding into the market and the commencement of the group reorganisation project. This has presented a number of challenges which have been met and handled with hard work, commitment and skill by Invu's management and staff. We continue to lead the way in the document management market and remain the brand of choice in the SME sector. Series 6 will go from strength to strength in H2 and beyond."

Enquiries:

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Daniel Goldman, *Non Executive Chairman*
David Morgan, *CEO*
John Agostini, *CFO*

Financial Dynamics **020 7831 3113**
Juliet Clarke
Hannah Sloane

About Invu

Invu [LSE, AIM, Symbol; NVUK] develops, markets and sells software (under the brand name of Invu) for the electronic management of all types of information and documents, such as forms, correspondence, literature, faxes, e-mail, technical drawings, electronic files and web pages. Invu targets the small-to-medium size enterprise ('SME') market and individual departments of larger organisations with a range of products which the Directors believe strongly adhere to Invu's brand values of ease of use, high quality and price performance. Founded in 1997 and based in Northampton, Invu has 61 employees and operates in the UK, Ireland, The Netherlands, South East Asia, Australia, the United States of America and Nigeria. Invu's products have been sold to nearly 3,300 customers, representing approximately 63,000 licensed users. Invu has a proven reseller business model and has established a network of more than 130 Value Added Resellers, 10 of which are in Benelux.

Invu is a Microsoft Gold Certified Partner and a member of the Business Application Software Developers Association (BASDA). Its version 5.4 and Series 6 software have been accredited by the Institute of Chartered Accountants in England & Wales (ICAEW). In January 2006 Invu became the first EDM ISV to join SAP's portfolio and is certified for integration with SAP Business One. In September 2006, the Invu Series 6 product was selected by Sage to be marketed by them into the Professional Adviser market in the UK.

For more information on Invu see http://www.invu.net

Chairman's Statement

During the first half of the year the Group has continued to grow its revenues and customer base. We have added over 300 new customers and have been especially successful in reinforcing our relationship with over 250 of our existing clients. Series 6 presented some challenging technical issues during the first half resulting in a considerable number of new installations being delayed. I am pleased to announce that all issues have now been resolved without the loss of a single reseller or end user site. In fact the Company now has the largest sales pipeline in its history and is working hard with its resellers to meet the current demand for new installations and upgrades.

The other major challenge has been the initiation of our corporate restructuring. As expected this has been an arduous process and is of course ongoing. Once completed, it will see the Company with a hugely simplified corporate structure allowing the Board to drive shareholder value more directly and transparently to all of our shareholders.

The Company successfully raised £4m in June of this year. Approximately half of this has been allocated for the re-organisation, which will mainly be used to "cash out" US resident shareholders. The remaining funds will be invested in sales and marketing and product development, taking advantage of the extra opportunity brought by the new Series 6 product range.

Both the technical and corporate sides of the business have demanded considerable management attention during the first six months and it is a testament to the Company that this, along with the careful communication of these issues to our partners and customers have been conducted in a way that has caused only a minimal effect on the frontline sales and marketing efforts.

Invu continues to extend and strengthen its standing within the SME market and, on the back of the release of the Series 6 product suite, it has created several new partnerships allowing the Company to attack a growing number of market opportunities. We will continue to develop the business along these lines which we firmly believe will translate into further long-term growth in both revenues and profits and also an ever strengthening brand. I remain confident about the business and look forward to a very strong performance in the second half.

I would like to thank all of the employees for their efforts during the first half and congratulate them on their achievements, turning adversity into opportunity. Thanks also to our partners, advisors and shareholders for their continued support and understanding.

Daniel Goldman
Non Executive Chairman

Chief Executive's Statement

Introduction

Trading during the first half has been steady, continuing to demonstrate the growing awareness of the Invu brand and recognition of its leading position in the market. During the first half 8,128 (H1 2006: 6,551) seats were deployed at 574 customer sites, of which 263 were existing customers. As at 31 July 2007 Invu's customer base numbered 3,284 end user sites representing 62,702 end users, as compared to 2,322 and 44,707 respectively, a year ago.

The Group now has 139 resellers (H1 2006: 132), who continue to consolidate our position within the SME channel, selling into key vertical markets, both established and emerging. Many of the partners accredited during 2006 have started to mature into successful partners for Invu. This has resulted in a larger number of more significant partners, with no single partner representing more than 14 per cent. of turnover. This is part of our ongoing strategy to develop a successful and sustainable channel for our products. As usual, the Group has taken an objective stance regarding non-performing partners, resulting in the termination of agreements so that our sales team can concentrate on those that are more successful.

Demand for our products remains strong and on average the number of sites buying software has grown 28 per cent. over H1 2006 to an average of 96 per month.

Financial Performance

This period is the first time that the Group is required to report under IFRS, and we are pleased to announce that the impact of IFRS has had little effect on the reported figures.

Turnover for the period was £2.46m (H1 2006: £2.07m), an increase of 19 per cent. on the prior year. Recognised recurring revenues from InvuCare increased to £0.67m during the first half, compared to £0.62m in the half-year ended 31 July 2006. The lower growth rates in both the headline figure and InvuCare have been significantly influenced by the delays in upgrading existing sites to Series 6 and installing Series 6 at certain new customer sites. We have already seen an improvement following the resolution of the technical issues. We expect this to gather pace all the way through the second half.

Gross profit margin during the first half was 96.3 per cent. (H1 2006: 92.5 per cent.). This is higher than our internal benchmark (93 per cent.) and is due to the mix of revenues arising from pure software sales with virtually no hardware or subcontracted services. We would expect the gross margin to revert back to more normal levels in the second half.

Technical and support expenditure, which includes research and development, technical support and professional services, was £0.39m in the first half (H1 2006: £0.40m). However, for comparative purposes the current half year's figure before capitalisation of development costs is £0.54m. The overall increase reflects the cost of additional developers hired during the first half as part of the effort to resolve the teething problems of the new product range. This also includes the cost of an external review of the entire department in response to these problems, and the hiring of an interim CTO to implement its findings, as well as an experienced Head of Product Delivery.

Sales and marketing expenditure increased by 28 per cent. to £0.96m (H1 2006: £0.75m), or 39 per cent. of turnover (H1 2006: 37 per cent.). Much of this increase related to the marketing of Series 6, our investment in regional demonstration centres and the recruitment of key sales managers to attack the further market opportunities that Series 6 provides. This investment continues to reflect our determination to invest in sales and marketing in order to build both turnover and brand recognition in the UK and overseas.

General and administrative expenses, excluding reorganisation costs, were £1.02m during the first half compared with £0.72m for the first half last year. This now represents 41 per cent. of turnover (H1 2006: 35 per cent.). This increase is mainly attributable to costs associated with our new premises, increased staff costs and depreciation.

Operating profit before reorganisation costs for the 6 month period ended 31 July 2007 amounted to a breakeven position (H1 2006: breakeven). Loss before reorganisation costs for the first half amounted to £0.02m (H1 2006: profit £0.01m). The reported loss for the period is £0.19m (H1 2006: profit £0.01m) and is in line with internal forecasts despite revenues being slightly lower than expected. As usual, our second half performance will have a disproportionately positive effect on profits.

The cashflow statement at 31 July 2007 includes £0.96m for the repayment of erroneous Dutch tax refunds held in the balance sheet at 31 January 2007. Similarly the comparative cashflow statement for 31 July 2006 includes an £0.86m erroneous receipt from the Dutch tax authorities. By adjusting for these items, cashflows used in operating activities in the six months to 31 July 2007 amounted to £0.77m compared to cash from operating activities of £0.29m for the six months ended 31 July 2006. The issues associated with Series 6 have had a consequent effect on both cash collections and debtors for both our partners and Invu during the first half. In maintaining the goodwill and commitment of our partners and their end users, payment terms were extended whilst the problems were resolved. Although we now fully expect to collect most debts, we prudently provided an extra £850,000 of provisions at 31 July 2007 and in so doing have reduced both sales and profits by this same figure.

Creditors (excluding accruals, deferred revenue, and erroneous tax refunds) of £0.95m (H1 2006: £0.87m) were covered 11 times by current assets (H1 2006: 5.7 times covered). The Group remains virtually debt free and therefore effectively ungeared as at 31 July 2007.

Taking into account the ongoing investment in the business and accumulated losses to date, the Board is not proposing the payment of an interim dividend.

Operations

Trading

During the first half we have focused on several areas of the business: addressing the technical problems; continuing to grow the channel; building the pipeline and adding further partnerships to our existing ones.

As previously announced, following the initial launch of the Series 6 product several technical problems arose that impeded integration and installation of the product with our larger partners and their customers. These issues arose during the first half and as a result we took steps, not only to fix the immediate problems, but also used the opportunity to review the whole development team and processes. We engaged with outside consultants for the review and then appointed an interim CTO to oversee the implementation of the findings. We have identified a permanent CTO to take the development forward.

Naturally this delay on the product created some stresses across other parts of the business, and in particular sales and technical support. In these situations it is typical for those departments to take the frontline in managing the communications and expectations of our partners and customers, and whilst it was a challenging period, I am proud of the response of the team.

As a result, and in spite of the delays, the Company has successfully grown the business in the first half and of particular note is the size of the current pipeline, the largest in the Company's history. The focus now for everyone in the business is to convert the backlog and pipeline during the second half.

Sales & Marketing

The main effort during the first half was the continued introduction of the full Series 6 product range, including the integration tool and workflow whilst maintaining maximum energy within the channel during the period of delay. The sales team have successfully grown revenues during the first half and we fully expect that this growth will accelerate throughout the second half of the year.

During the first half we opened several Invu Demo Centres located around the UK as a further support for our channel partners. Since they opened, we have already seen an uplift in the quality of the lead generation and our ability to project the value of Invu's products to SME customers. The key benefit of

the demo suite is the ability for potential customers to take part in an interactive live demonstration of the product. This is in a networked environment which much more closely mimics a working office, as opposed to a stand-alone demo, typically from a lap top. It is our intention to continue investing in innovative ways to support all our channel partners, reinforcing our position as the document management vendor with the strongest and best supported channel in the UK.

It has been our stated strategy to grow existing vertical niches at the same time as adding new verticals based on market demand. Our traditional markets continue to perform well for us, and other verticals continue to grow. Of particular note is the accountancy vertical which has experienced rapid growth since our announcement in September 2006 of the OEM deal with The Sage Group plc. Further confirmation of this growing market acceptance, is the recent agreement signed with the market leading vendor of specialist software for accountants. We have also integrated Invu with SIMS, the dominant student information system in over 18,000 schools in the UK. This is being sold through a major partner working in that sector.

Overseas Markets

Our main overseas market is still the Netherlands where we have added Sharp as a partner during the first half. Alongside Panasonic this now gives us a very strong platform for further growth in the Netherlands and I am very happy with trading there. Sharp have also demonstrated their desire to work with Invu in Australia and USA, and we have facilitated this requirement by introducing them to accredited partners in those regions.

Although we have seen some initial sales from the Far East and the US they still represent a very small part of the Group's revenues. We continue to invest cautiously in these and other overseas market opportunities and expect them to become long-term drivers for growth.

Product Development

As discussed above the main challenges for the development group were the follow on releases of additional elements of the Series 6 product range. These gave rise to several teething problems which created the need for intervention. The resulting review made several recommendations and of course accelerated the urgent fixes required by our channel partners.

As a result of the external review several changes have been made within the development department including some personnel changes, and the addition of a CTO for the first time. Initially this has been achieved through the appointment of an interim CTO, who has implemented many of the recommendations. In addition we have appointed a Head of Product Delivery with particular responsibility for quality assurance and testing prior to any new releases.

We are currently in the process of appointing a permanent CTO, which will be announced once successfully completed, and have also added some extra resource to the development team. The CTO will combine direct management responsibility for the development team, and also strategic planning of our technology roadmap, including for example, any buy or build technology decisions that he might recommend to the board. We have appointed a Chief Architect, who is responsible and accountable for design and architecture.

I am now confident that we are moving back towards a position of reliability of performance, not just from all of our software products, but also the timing and expectations of further new releases.

The key focus for the development group is now to have a period of consolidation so that all of our partners and customers can have confidence in this core part of our business. Notwithstanding, given that the software market is continually changing, we are currently considering concepts for broader market applications in the future.

Group Reorganisation

As previously announced we have commenced the long awaited group reorganisation process. There is a crucial difference between the initial and later stages of the process. The timetable for the completion of the second and final stage is broadly under our control, whereas the first few months have been

subject to the relative uncertainties of U.S. legal and financial processes. Of the £4m raised through a placing in May 2007, approximately half the proceeds will be used to finance the reorganization, of which the majority is allocated to "cash out" US resident shareholders.

The initial tasks of research, feasibility and planning have been somewhat arduous as we and our advisors, both UK and US, endeavoured to prepare the Company for the critical implementation phase. We are delighted to announce that all potential impediments have been favourably resolved and we have embarked on the implementation of the reorganisation plan.

Our UK lawyers have commenced the due diligence and drafting process required for the admission of a new UK "top company"; the US lawyers are drafting merger agreements and shareholder proxy materials; our financial advisors are preparing the necessary short form and long form elements of their report; our UK and US tax advisors are reviewing all documents to ensure strict adherence to the plan as required by their respective tax jurisdictions; specialist US valuation consultants have also drafted their opinion as to the fair value of Invu's US share price in relation to the shares that will be "cashed out" as part of the reorganisation.

Notwithstanding the time taken over the initial work, we still expect the transaction to be successfully completed over the next few months. As stated previously the completion of this process will dramatically enhance our corporate structure allowing all of our investors to enjoy the value the business is creating in a more transparent and immediate fashion.

I would like to give thanks on behalf of all the shareholders to John Agostini, the Group's CFO who is working tirelessly to make this process successful, at the same time as carrying out his "day job".

Outlook

With the challenges of the first half behind us we can now concentrate fully on fulfilling the demand for our software. At the same time we will complete the restructuring in order to create a more transparent and simple corporate structure.

We continue to build a strong position both in brand and market share, alongside the dual tasks of continued revenues and profits growth, at the same time as building future growth engines for the Company.

I would like to personally thank all of the employees for their effort during the first half which has been particularly challenging. Thanks also to our partners and shareholders for their continued support.

The Company is in a strong position, with an order pipeline at record levels. I am very excited about the prospects of the Group and look forward to rapid growth in the second half of the year. We remain confident that our year end results will reflect market expectations.

David Morgan
Chief Executive Officer

Consolidated profit and loss account
for the six months ended 31 July 2007

	Notes	*For the six months ended* July 31, 2007 £'000 (unaudited)	July 31, 2006 £'000 (unaudited)
Sales	3	2,464	2,065
Cost of sales		(90)	(155)
Gross profit		2,374	1,910
Sales and marketing costs		(956)	(747)
Administrative expenses		(1,545)	(1,117)
Share option expense		(39)	(64)
Operating loss		(166)	(18)
Finance costs		(8)	—
Finance income		37	15
Loss before income tax	3	(137)	(3)
Income tax expense		(54)	18
(Loss)/profit for the period	3	(191)	15
Attributable to:			
Equity holders of the Company		(191)	15
(Loss)/earnings per share			
Basic	7	(0.183)p	0.015p
Diluted	7	(0.183)p	0.015p

Consolidated balance sheet at 31 July 2007

	Notes	*July 31, 2007 £'000 (unaudited)*	*January 31, 2007 £'000 (unaudited)*	*July 31, 2006 £'000 (unaudited)*
Non-current assets				
Property, plant and equipment	4	385	229	225
Other intangible assets	5	519	311	55
Deferred income tax assets		98	59	44
		1,002	599	324
Current assets				
Inventories		298	220	95
Trade and other receivables		6,664	6,141	4,063
Cash and cash equivalents		3,648	2,168	1,863
		10,610	8,529	6,021
Total assets		11,612	9,128	6,345
Equity				
Capital and reserves attributable to the Company's equity shareholders				
Share capital	6	—	—	—
Share premium		9,903	6,289	6,275
Share option reserve		236	197	150
Retained earnings		(1,083)	(919)	(2,840)
Foreign currency translation reserve		263	(6)	(5)
Total equity		9,319	5,561	3,580
Non-current liabilities				
Borrowings		53	28	25
Deferred income tax liability		146	80	—
		199	108	25
Current liabilities				
Trade and other payables		2,058	3,439	2,727
Obligations under finance leases		36	20	13
		2,094	3,459	2,740
Total liabilities		2,293	3,567	2,765
Total equity and liabilities		11,612	9,128	6,345

Consolidated cashflow statement

for the six months ended 31 July 2007

	Notes	*For the six months ended* *July 31, 2007 £'000 (unaudited)*	*July 31, 2006 £'000 (unaudited)*
Cash flows (used in)/from operating activities	8	(1,733)	1,145
Cash flows used in investing activities			
Interest received		30	15
Purchases of property, plant and equipment		(290)	(123)
Purchase of intangible assets		(146)	—
Net cash used in investing activities		(406)	(108)
Cash flows from/(used in) financing activities			
Proceeds from issue of shares		3,614	—
Repayment of obligations under finance leases		(2)	(4)
Net cash from/(used in) financing activities		3,612	(4)
Effects of exchange rate changes on cash and cash equivalents		7	—
Net increase in cash and cash equivalents		1,480	1,033
Cash and bank overdrafts at the beginning of the period		2,168	830
Cash and bank overdrafts at the end of the period		3,648	1,863

Notes to the financial statements
for the six months ended 31 July 2007

1. General Information

INVU Inc is a Company incorporated in the United States. The group is principally engaged in the design and sale of computer software for the electronic management of information and documents.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the group operates. Foreign operations are included in accordance with the policies set out in note 2.

These unaudited interim financial statements do not constitute statutory accounts within the meaning of s240 of the Companies Act 1985. The statutory accounts for the year ended 31 January 2007, on which the auditors have an unqualified audit report, have been filed with the registrar of Companies.

2. Summary of Significant Accounting Policies

Basis of preparation

These interim condensed consolidated financial statements are for the six months ended 31 July 2007. They have been prepared in accordance with IAS 34 "Interim Financial Reporting" and the requirements of IFRS 1 "First-time Adoption of International Financial Reporting Standards" relevant to interim reports, because they are part of the period covered by the Group's first IFRS financial statements for the year ended 31 January 2008. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 January 2007.

These financial statements have been prepared under the historical cost convention.

These condensed consolidated interim financial statements (the interim financial statements) have been prepared in accordance with the accounting policies set out below which are based on the recognition and measurement principles of IFRS in issue as adopted by the European Union (EU) and are effective at 31 January 2008 or are expected to be adopted and effective at 31 January 2008, our first annual reporting date at which we are required to use IFRS accounting standards adopted by the EU.

Invu Inc.'s consolidated financial statements were prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) until 31 January 2007. The date of transition to IFRS was 1 February 2006. The comparative figures in respect of 2006 have been restated to reflect changes in accounting policies as a result of adoption of IFRS. The disclosures required by IFRS 1 concerning the transition from UK GAAP to IFRS are given in the reconciliation schedules, presented and explained the appendix to these financial statements.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these condensed consolidated interim financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable in accordance with the Group's principal activities, net of VAT and trade discounts.

Where software is sold as part of a package containing software support, the fee is allocated to the two separate components by reference to the price for software support where this is provided to customers on a stand- alone basis, the residual being allocated to software. Revenues from the sale of software to resellers are recognised upon product shipment when fees are fixed, collectability is probable and the group has no significant obligations remaining under the sale agreement. In instances where a significant vendor obligation exists, revenue recognition is delayed until such obligation has been satisfied.

For those sale agreements to resellers which provide the resellers the right to multiple copies in exchange for guaranteed amounts, software revenues are recognised at delivery of the product master of the first copy as the reseller has not recourse to the Group after this point. Per copy royalties on sales which exceed the guarantee are recognised as earned.

Resellers are charged an accreditation fee each year for training and consulting to be provided by the Group to the resellers and this fee is recognised evenly over each accreditation period.

The Group's resellers provide primary maintenance and ongoing support to the end users. The Group provides secondary support to the end users via the resellers and charges the reseller an annual fee for this support. The fees charged by the Group to the resellers are recognised over a twelve month period. Where the end user no longer has an accredited reseller, support fees are charged by the Group to the end user and recognised over a twelve month period.

Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognised at the date of acquisition.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses on an annual basis. Any impairment is recognised immediately in profit or loss and is not subsequently reversed.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Goodwill arising on acquisitions before the date transition to IFRSs has been retained at the previous UK GAAP amounts, subject to being tested for impairment at that date.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method. Estimated useful lives of all assets is four years.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in income.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it incurred.

An internally generated intangible asset arising from the Group's software development is recognised only if all of the following conditions are met:

– an asset is created that can be identified (such as software and new processes);

– it is probable that the asset created will generate future economic benefits; and

– the development cost of the asset can be measured reliably

Internally-generated intangible assets are amortised on a straight line basis over their useful lives, which is expected to be four years. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

Intangible assets

Where computer software does not form an integral part of the machinery or computer hardware to which it relates, it is presented as an intangible asset. Computer software costs are included at cost and amortized on a straight line basis over their expected useful economic life, which are expected to be four years.

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such an indication of impairment is identified, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount (higher of fair value less costs to sell and value in use of an asset) is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lease. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Company at their fair value or, if lower, at the present value of minimum lease payments, each determined at the inception of the lease. The corresponding liability is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligations so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement.

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease.

Inventories

Inventories and work in progress are stated at the lower of cost and net realisable value, cost being determined on a first in first out (FIFO) basis. The cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their location and condition at the balance sheet date. Provision for write-downs to net realisable value and losses of inventories are recognised as an expense in the period in which the write-down or loss occurs. Reversals are recognised as a reduction in the amount previously recognised as an expense in the period in which the reversal occurs.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and cash in hand and short-term deposits with an original maturity of three months or less. At present all notice periods are one day.

Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

– Trade Receivables

Trade receivables do not carry any interest and are stated at fair value or initial recognition net of transaction costs and subsequently at amortised cast using the effective interest method, less provision for impairment.

– Trade Payables

Trade payables are not interest bearing and are stated at fair value on initial recognition and subsequently at amortised cost using the effective interest method

– Bank Borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs are accounted for on an accrual basis to the income statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Share-based payments

The Group has applied the requirements of IFRS2 Share-based payments. In accordance with the transitional provisions, IFRS2 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 February 2006.

The Group issues equity settled share based payments to certain employees. Equity settled share based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Group best estimate of shares that will eventually vest.

Fair value is measured by use of a binomial model. The expected life used in the model has been adjusted based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioural considerations.

Retirement benefit costs

The Group operates a contracted in money purchase pension scheme. Contributions are charged to the income statement as they become payable in accordance with the rules of the schemes. At 31 July 2006 there were no outstanding contributions (2006: £nil).

The Company provided no post-retirement benefits to its employees.

Taxation

The taxation ('tax') expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax is calculated at the tax rates that are enacted or substantively enacted at the balance sheet date which are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Foreign currencies

The financial information is presented in pound sterling which is the presentational currency of the group.

Monetary assets and liabilities denominated in foreign currencies in each company are translated at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are translated at the rate prevailing at the date of transaction.

On consolidation, revenues, costs and cash flows of subsidiaries with a functional currency other that sterling are included in the group income statement at average rates of exchange for the year. The assets and liabilities denominated in foreign currencies are translated into sterling using rates of exchange ruling at the balance sheet date.

Exchange differences on the re-translation of opening net assets and results for the year of foreign subsidiary undertakings with a functional currency other than sterling are dealt with through reserves net of differences on related foreign currency borrowings. Other gains and losses arising from foreign currency transactions, including trading, are included in the consolidated income statement.

Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing have been issued by the IASB that are not yet effective. The Group has not adopted any of these standards, amendments or interpretations early.

International Financial Reporting Standards:

IFRS 8 Operating segments (effective 1 January 2007)

IAS 1 Presentation of financial statement (revised 2007) (effective 1 January 2009)

IAS 23 Borrowing costs (revised 2007) (effective 1 January 2009)

IFRIC interpretations:

IFRIC 11 Group and treasury share transactions (effective 1 March 2007)

IFRIC 12 Service concession arrangements (effective 1 January 2008)

IFRIC 13 Customer loyalty programmes (effective 1 July 2008)

The other standards, amendments and interpretations are not expected to have a significant effect on the Group results or its financial position.

Critical accounting judgments and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Material estimates and assumptions are made in particular with regard to share based payments, the amortisation period for intangible assets and impairment reviews.

3. Segment Information

Primary reporting format- geographical segments

The segment results for the 6 months ended 31 July 2007 are as follows:

	United Kingdom £'000	*Europe £'000*	*Total £'000*
Sales	2,190	274	2,464
(Loss)/profit before income tax	(274)	137	(137)
(Loss)/profit for the period	(328)	137	(191)

The segment results for the 6 months ended 31 July 2006 are as follows:

	United Kingdom £'000	*Europe £'000*	*Total £'000*
Sales	1,838	227	2,065
(Loss)/profit before income tax	(135)	132	(3)
(Loss)/profit for the period	(117)	132	15

4. Property, Plant and Equipment

	Computer equipment £'000	*Motor vehicles £'000*	*Fixtures, fittings & equipment £'000*	*Total £'000*
Cost				
At 1 February 2007	327	50	179	556
Additions	105	25	74	204
	432	75	253	760
Depreciation				
At 1 February 2007	202	36	89	327
Charge for the period	28	3	17	48
	230	39	106	375
Carrying amount				
At 31 July 2007	202	36	147	385
At 31 January 2007	125	14	90	229

5. Intangible Assets

	Research and development costs £'000	*Computer software £'000*	*Total £'000*
Cost			
At 1 February 2007	281	127	408
Additions	272	2	274
	553	129	682
Depreciation			
At 1 February 2007	15	82	97
Charge for the period	53	13	66
	68	95	163
Carrying amount			
At 31 July 2007	485	34	519
At 31 January 2007	266	45	311

6. Share Capital

The total authorised preference shares and common shares are 20,000,000 and 250,000,000 respectively with no par value and have been unchanged from 1 February 2006.

All issued shares are common shares and have no par value.

	Number of shares (thousands)
At February 1, 2006 and July 31, 2006	100,055
Exercise of options	132
At January 31, 2007	100,187
Issue of share	13,333
Exercise of options	142
At July 31, 2007	113,662

7. (Loss)/Earnings Per Share

	For the six months ended	
	July 31, 2007 £'000	*July 31, 2006 £'000*
(Loss)/profit for the period	(191)	15
Basic (loss)/earnings per share	(0.183)p	0.015p
Diluted (loss)/earnings per share	(0.183)p	0.015p
Weighted average number of common share outstanding	104,297,826	100,009,123
Diluted weighted average number of common share outstanding	104,596,365	101,337,900

The diluted weighted average number of common shares outstanding results from share options. The effect of the share options has not been included in the calculation of the diluted earnings per share because of their antidilutive effect.

8. Cash Generated From Operations

	For the six months ended	
	July 31, 2007 £'000	*July 31, 2006 £'000*
(Loss)/profit for the period	(191)	15
Adjustments for:		
Tax	93	(18)
Depreciation	48	29
Amortisation	66	10
Foreign currency translation	262	64
Interest income	(30)	(15)
Interest expense	2	—
Changes in working capital:		
Inventories	(78)	43
Trade and other receivables	(523)	322
Trade and other payables	(1,382)	695
Net cash (used in) / from operating activities	(1,733)	1,145

9. Share-Based Payments

During the six months ended 31 July 2007, 141,837 share options with a weighted average exercise price of £0.104 were exercised. The share options were granted as part of the Enterprise Management Share Option Scheme (Group A)."

PART IV

ADDITIONAL INFORMATION

1. Responsibility

The Company and the Directors, whose names appear on page 3 of this document, accept responsibility for the information contained in this document, including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and this document makes no omission likely to affect the import of such information.

2. Incorporation

(a) The Company was incorporated and registered in England and Wales on 18 June 2007 under the Companies Act 1985 as a private company limited by shares with the name Inhoco 4202 Limited and with registered number 6283181. The name of the Company was changed to Invu No. 1 Limited by a written resolution passed on 30 October 2007. On 2 November 2007, the Company re-registered as a public limited company with the name Invu plc.

(b) The Company's registered office is The Beren, Blisworth Farm, Stoke Road, Blisworth, Northampton, Northamptonshire NN7 3DB, United Kingdom, telephone number 01604 859 893.

(c) The Company operates under the Companies Acts and the liability of its members is limited.

(d) As at the date of this document the Company has the following significant subsidiaries:

Name	*Holding (%)*	*Country of incorporation*
Invu 2007 Limited	100	England
Montague Limited	100	Isle of Man
Invu Merger, Inc.	100	State of Colorado, USA

(e) On completion of the Reorganisation the Company will be the ultimate holding company of the Group, with the following significant subsidiaries:

Name	*Holding (%)*	*Country of incorporation*
Invu 2007 Limited	100	England
Montague Limited	100	Isle of Man
Invu, Inc.	100	State of Colorado, USA
Invu (UK) plc	100	England
Invu Services Limited	100	England
Invu International Holdings Limited	100	England
Invu Netherlands BV	100	Netherlands

3. Share Capital

(a) The authorised and issued fully paid share capital of the Company as at the date of this document is:

	Authorised number	*£*	*Issued (fully paid) number*	*£*
Ordinary Shares	250,000,000	2,500,000	18,954,252	189,543

(b) The authorised and issued fully paid share capital of the Company as at Admission will be[4]:

	Authorised number	*£*	*Issued (fully paid) number*	*£*
Ordinary Shares	250,000,000	2,500,000	115,508,904	1,155,089

[4] Assuming the Company receives duly completed and valid Forms of Representation from all Existing Invu Shareholders on or before 4.15 p.m. on 3 December 2007 and that no cash consideration is payable in accordance with the terms of the Merger Agreement. Also assumes that the EMI options with respect to 1,704,807 Common Shares which are exercisable prior to completion of the Reorganisation are exercised in full.

(c) The following changes have been made to the Company's share capital since incorporation:

(i) on incorporation, the authorised share capital of the Company was £1,000 divided into 1,000 Ordinary Shares of £1 each, of which 1 Ordinary Share of £1 was in issue;

(ii) on 1 November 2007, 1 ordinary share of £1 was issued;

(iii) on 1 November 2007, the authorised share capital of the Company was increased from £1,000 to £2,500,000 by the creation of an additional 2,499,000 Ordinary Shares of £1 each. On the same date the ordinary share capital was re-designated as 250,000,000 Ordinary Shares of 1p each; and

(iv) on 2 November 2007, 18,954,052 Ordinary Shares of 1p each were issued;

(d) On 1 November 2007, shareholder resolutions were passed:

(i) to increase the authorised share capital of the Company from £1,000 to £2,500,000 by the creation of 2,499,000 Ordinary Shares of £1 each;

(ii) to redesignate each issued Ordinary Share of £1 each as 100 Ordinary Shares of 1p each and to re-designate each authorised but unissued Ordinary Share of £1 each as 100 Ordinary Shares of 1p each; and

(iii) to authorise the Directors in accordance with section 80 of the Companies Act to allot Ordinary Shares up to an aggregate nominal amount of £2,499,998 until 31 October 2012 on a non-pre-emptive basis.

(e) On 2 November 2007, shareholder resolutions were passed to approve the re-registration of the Company as a public limited company and to amend the memorandum of association of the Company to reflect its re-registration as a public limited company.

(f) Prior to Admission, shareholder resolutions will be passed conditionally on Admission:

(i) to adopt new articles of association of the Company in a form appropriate for a public company with shares traded on AIM to include the provisions described in paragraph 9(b) of Part IV of this document;

(ii) to authorise the Directors in accordance with sections 80 and 95 of the Companies Acts to: (a) allot Ordinary Shares pursuant to the Merger up to an aggregate nominal amount of £965,547 until 30 April 2008 on a non-pre-emptive basis; and (b) allot up to one third of the aggregate nominal amount of all Ordinary Shares in issue immediately following Admission until the conclusion of the annual general meeting of the Company in 2008 or, if earlier, the date fifteen months from the passing of the resolution (unless previously revoked, varied or renewed by the Company in general meeting), and to empower the Directors to allot Ordinary Shares for cash on a non-pre-emptive basis, provided that the power is limited to (a) the allotment of shares in connection with a rights issue, open offer or other pre-emptive offer but subject to such exclusions or arrangements as the Directors may consider necessary to deal with any legal or practical problems under any law or regulation or in connection with any fractional entitlements and (b) the allotment of shares equal to ten per cent. of the aggregate nominal amount of all Ordinary Shares in issue immediately following Admission; and

(iii) to adopt the Share Plan;

(g) Follwing Admission the Company will grant options over an aggregate of 4,402,802 Ordinary Shares on the terms of the Share Plan, the rules of which are summarised in paragraph 10 below.

4. Directors

(a) The Directors are or have been directors or partners of the following companies or partnerships (other than the Company and other members of the Group) in the five years immediately preceding the date of this document:

Director	*Current directorships/partnerships*	*Past directorships/partnerships in the last five years*
Daniel Goldman	Boomerang Software Inc DG Goldman Investments Limited Invu 2007 Limited Invu, Inc. Montague Limited PNM Soft Limited (Israel) Prefix IT Limited	BATM Advanced Communications Limited Cadent Limited (Israel) Nomad Access Inc Prime Layer Inc Tevet Process Control Limited Puma II Fund Veritech Filtration UK Limited Veritech Filtration Limited Web2P Inc Veritech Filtration Limited (registered in Eire) Veritech Filtration Technologies Limited
David Morgan	Invu 2007 Limited Invu, Inc. Invu, International Holdings Limited Invu Netherlands BV Invu Services Limited Invu (UK) plc Montague Limited	—
John Agostini	Invu 2007 Limited Invu, Inc. Invu, International Holdings Limited Invu Services Limited Invu (UK) plc Montague Limited	—
Jonathan Halestrap	Invu 2007 Limited Invu, Inc. Invu, International Holdings Limited Invu Services Limited	—
Thomas Maxfield	Coolmore Estates Limited Fishermans Lodge Limited Invu 2007 Limited Invu, Inc. Seaham Hall Limited The Amazing Group Limited The Entrepreneurs Forum Limited The Samling Limited The Serenity Spa Limited The Tom Group of Companies Limited	Belmont House UK Limited D.G.M. (Investments) Limited Grace House North East Grace House Sunderland South Wraxall Manor Limited The Seaham Spa Limited The Alchemists (Northern) Limited

Director	*Current directorships/partnerships*	*Past directorships/partnerships in the last five years*
Bernard Fisher	@UK PLC Chemistry Communications Group PLC Invu 2007 Limited Invu, Inc. ITIM Limited Mushashi Partners Trinity Horne Limited Select Software Tools plc (in administration)	Advancefirst Technologies Limited Analysoft Development Limited Adaytum Inc. BIBC Holdings PLC Camwood Limited Contemplus Limited Home Portal, Inc. Knowledge Technology Systems plc Multinet Broadcasting Company Limited Newfield IT Limited Popkin Software and Services, Inc.

(b) Except as disclosed in paragraphs 4 (c) to (f) below, as at the date of this document, none of the Directors has:

(i) had any unspent convictions in relation to indictable offences;

(ii) been adjudged bankrupt or entered into an individual voluntary arrangement;

(iii) been a director of any company at the time of, or within 12 months preceding, any receivership, compulsory liquidation, creditors' voluntary liquidation, administration or company voluntary arrangement of that company or any composition or arrangement with that company's creditors generally or with any class of its creditors;

(iv) been a partner in any partnership at the time of, or within 12 months preceding, any compulsory liquidation, administration or partnership voluntary arrangement of any such partnership;

(v) had his assets the subject of any receivership or has been a partner of a partnership at the time of, or within the twelve months preceding, any assets of that partnership being the subject of a receivership; or

(vi) been subject to any public criticism by any statutory or regulatory authority, including any recognised professional body, or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

(c) John Agostini was a director of Sherlock Brothers Limited when a receiver was appointed on 22 June 1992 following the collapse of its major debtor. The company was subsequently dissolved on 10 August 1998.

(d) Daniel Goldman was a director of Veritech Filtration Limited when there was a creditors' winding up petition, heard and granted on 9 September 2003, pursuant to a statutory demand served in August 2003. Daniel Goldman was also a director of BBV Digital Limited when it went into voluntary liquidation in 1999.

(e) David Morgan was a director of Network Imaging CAD Technologies Limited, Network Imaging Solutions Limited, Network Imaging Alison Limited and Network Imaging Limited at the time each company went into liquidation between August and September 1999

(f) David Morgan and Jonathan Halestrap were directors of Orchid Limited when the company went into liquidation in September 1996.

(g) Bernard Fisher is a director of Select Software Tools plc, which is currently under an administration order.

5. Directors' interests in shares

(a) As at the date of this document and immediately following Admission, the holdings of the Directors and their families (as defined in the AIM Rules for Companies), all of which (unless otherwise stated) are beneficial, in the issued share capital of the Company (excluding their interests in options set out below), which have been notified by each Director to the Company are, and will be, as follows:

Director	*Number of Ordinary Shares as at the date of this document*	*Percentage of current issued share capital at the date of this document (%)*	*Number of Ordinary Shares as at Admission*	*Percentage of issued share capital as at Admission [1](%)*
Daniel Goldman	nil	nil	5,000	0.004
David Morgan[2,3,4]	nil	nil	457,982	0.40
John Agostini[4]	nil	nil	272,588	0.24
Jonathan Halestrap[5]	nil	nil	371,338	0.32
Thomas Maxfield	nil	nil	1,551,483	1.34
Bernard Fisher	nil	nil	nil	nil
Total	nil	nil	2,658,391	2.304

Notes

(1) Assuming the Company receives duly completed and valid Forms of Representation from all Existing Invu Shareholders on or before 4.15 p.m. on 3 December 2007 and that no cash consideration is payable in accordance with the terms of the Merger Agreement. Includes Ordinary Shares arising as a result of the exercise of options under the EMI option scheme as more particularly described in paragraph 16 of Part I of this document.

(2) David Morgan is among the potential beneficiaries of an Isle of Man discretionary trust. The trustee of the discretionary trust is Cayman National Bank and Trust Company (Isle of Man) Limited whose nominee, Cayman National Nominees Limited, is the registered holder of 18,954,252 Ordinary Shares, being the entire issued share capital of the Company at the date of this document. The percentage of David Morgan's beneficial interest in the assets of the discretionary trust has not been determined.

(3) Includes 500,000 Ordinary Shares arising as a result of the exercise of options under the EMI option scheme as more particularly described in paragraph 16 of Part I of this document.

(4) Includes 350,000 Ordinary Shares arising as a result of the exercise of options under the EMI option scheme as more particularly described in paragraph 16 of Part I of this document.

(5) Includes 350,000 Ordinary Shares arising as a result of the exercise of options under the EMI option scheme as more particularly described in part 16 of Part I of this document.

(b) At the date of this document the Directors have no options over the Company's share capital. Following Admission the following Directors will be granted the following options over the Company's ordinary share capital:

Director	*Number of Ordinary Shares under option*	*Exercise price (pence)*	*Exercise period*
Daniel Goldman	150,000	28.5	10 years
David Morgan	932,018	28.5	10 years
John Agostini	727,412	28.5	10 years
Jonathan Halestrap	727,412	28.5	10 years
Thomas Maxfield	50,000	28.5	10 years
Bernard Fisher	50,000	28.5	10 years
Total	2,636,842		

6. Directors' service agreements and letters of appointment

(a) The following service agreements have been entered into between the executive Directors and the Group:

Director	*Agreement date*	*Appointment date*	*Notice period from either party*	*Salary (£)*
David Morgan	December 2003	1 March 1997	12 months either way	101,890
John Agostini	December 2003	1 February 1999	6 months either way	79,979
Jonathan Halestrap	December 2003	10 July 2000	6 months either way	92,507

(b) Each executive Director is entitled to benefits comprising private health insurance and a company car allowance. The Company contributes monthly at the rate applicable under his pension policy into the executive Director's defined contribution personal pension scheme. The Company may, at the discretion of the Board, pay to each executive Director a performance related bonus based on profit achievements and other variable objectives and any such bonus is determined by the Company's Remuneration Committee.

(c) Each executive Director's service agreement is subject to annual review, contains confidentiality provisions and restrictive covenants given by the executive Director. The restrictive covenants are applicable on termination of his employment and apply for a period of 6 months thereafter.

(d) After a notice of termination has been validly given by either party, each executive Director's employment can be terminated by making a payment equal to the salary and pension contributions and the value of other contractual benefits due to the executive Director in lieu of any unexpired notice period.

(e) The following Directors have entered into letters of appointment with the Company in respect of their services as non-executive Directors (and conditional upon Admission):

Director	*Date*	*Notice period*	*Fees per annum (£)*
Daniel Goldman	5 November 2007	1 month	30,000
Thomas Maxfield	5 November 2007	1 month	15,000
Bernard Fisher	5 November 2007	1 month	15,000

7. Employees

The number of employees of the Group at the end of each of the three financial periods ended 31 January 2007 were:

Financial period ended	*Number of employees*
31 January 2007	56
31 January 2006	43
31 January 2005	31

8. Major shareholders

(a) As at the date of this document, the Company is controlled by Cayman National Nominees Limited, which is interested in 18,954,252 Ordinary Shares representing 100 per cent. of the Company's current issued share capital. Cayman National Nominees Limited is the nominee for Cayman National Bank and Trust Company (Isle of Man) Limited, trustee of an Isle of Man discretionary trust. David Morgan and Peter Fraser (an early investor in the Group) are among the potential beneficiaries of the discretionary trust. The percentage of their beneficial interest in the assets of the trust has not been determined.

(b) As at Admission and in so far as is known to the Company, the following persons (other than the Directors) will be, directly or indirectly, interested in three per cent. or more of the Company's issued share capital:

Shareholder	*Number of Ordinary Shares held*[(1)]	*Percentage of current issued ordinary share capital*[(2)] *(%)*
Tyne and Wear Holdings Limited [(3)]	19,389,189	17
Cayman National Nominees Limited [(4)]	18,954,252	16.7
Cynthia Goldman	7,290,012	6.4
BNY (OCS) Nominees Limited	5,350,000	4.7

Notes

(1) These figures are based on shareholdings of record in Invu, Inc. as at close of business on 5 November 2007 and assume that such shareholder does not acquire or dispose of any Common Shares before Admission and that such shareholder returns a duly completed and valid Form of Representation on or before 4.15 p.m. on 3 December 2007.

(2) Assuming the Company receives duly completed and valid Forms of Representation from all Existing Invu Shareholders on or before 4.15 p.m. on 3 December 2007 and that no cash consideration is payable in accordance with the terms of the Merger Agreement. Includes Ordinary Shares arising as a result of the exercise of options under the EMI option scheme as more particularly described in paragraph 16 of Part I of this document.

(3) Tyne and Wear Holdings Limited is ultimately wholly owned by a discretionary trust, the potential beneficiaries of which include a number of specified charities and Cynthia Goldman, the mother of Daniel Goldman.

(4) Cayman National Nominees Limited is the nominee for Cayman National Bank and Trust Company (Isle of Man) Limited, the trustee of an Isle of Man discretionary trust. David Morgan and Peter Fraser (an early investor in the Group) are among the potential beneficiaries of the discretionary trust. The percentage of their beneficial interest in the assets of the trust has not been determined.

(c) None of the persons referred to in paragraph 8(b) above (or their nominees) has or will have different voting rights in relation to their shareholdings in the Company.

9. Memorandum and articles of association

(a) ***Memorandum of association***

The principal objects of the Company are set out in full in clause 3 of its memorandum of association and include the carrying on of business as a general commercial company and acting as a holding company.

(b) ***Articles of association***

The Company's articles of association at Admission ("the Articles") will include provisions to the following effect:

(i) *Voting*

On a show of hands, every member present in person and every proxy present has one vote and on a poll every member who is present in person or by proxy shall have one vote for every share of which such member is the holder, subject to disenfranchisement in the event of non-payment of calls or other monies due and payable in respect of such share or non-compliance with a statutory notice requiring disclosure as to the ownership of shares, in either case as provided in the Articles.

A resolution put to the vote at a general meeting will be determined on a show of hands unless a poll is demanded before or upon the declaration of the result of such show of hands. A poll may be demanded by (i) the chairman of the meeting, (ii) at least three members present in person or by proxy and entitled to vote, (iii) one or more members present in person or by proxy and representing in aggregate not less than one-tenth of the total voting rights of all of the members entitled to vote at the meeting, or (iv) one or more members present in person or by proxy and holding shares conferring a right to vote at the meeting on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid on all shares conferring such right.

(ii) *Dividends*

The Company may, by ordinary resolution, declare a dividend to be paid to the members. The declared dividend may be no larger than is recommended by the Board. Unless the rights attaching to any share provide otherwise, no dividend shall carry any right to interest.

Subject to the provisions of the Companies Acts, the Board may declare and pay interim dividends as appears to the Board to be justified by the profits of the Company available for distribution. If at any time the Company's share capital is divided into shares of different classes, the Board may pay such interim dividends on shares which rank after shares conferring preferential rights with regard to dividend as well as on shares conferring preferential rights, unless at the time of payment any preferential dividend is in arrear. Provided that the Board acts in good faith, it shall not be liable for any loss that any preferred shareholder may suffer because a lawful payment of any interim dividend has been paid on other shares which rank equally with or behind their shares.

Dividends will be divided and paid on the amount paid up on the shares in question during the period to which the dividend relates, save in the case of any share the rights attaching to which provide otherwise. The Board may deduct from any dividend or other money payable in respect of any shares held by a member all such sums of money (if any) as are owed by a member in relation to such member's shares in the Company.

The Company can stop sending a member dividends if two consecutive payments are returned undelivered or the payment remains uncashed or if one dividend has been returned undelivered or remains uncashed and reasonable enquiries have failed to establish any new address or account of the member until the member notifies the Company of an address or relevant account details.

All unclaimed dividends may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. The Company shall not be a trustee in respect of any unclaimed dividend and any dividend remaining unclaimed after a period of 12 years from the date of declaration shall (if the Board so resolves) be forfeited and shall revert to the Company.

The Board may, with the authority of an ordinary resolution of the Company, direct that payment of any declared dividend may be satisfied either wholly or in part by the distribution of assets, including the distribution of paid up shares or debentures of any other company.

(iii) *Variation of rights*

If at any time the Company's share capital is divided into shares of different classes, any rights attached to any class of share may be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of that class.

The quorum at any such general meeting is two persons holding or representing by proxy at least one-third in nominal value of the issued shares of that class and at an adjourned meeting the quorum is one holder present in person or by proxy, whatever the amount of such holder's shareholding. Any holder of shares of the class in question present in person or by proxy may demand a poll. Every holder of shares of the class shall be entitled, on a poll, to one vote for every share of the class held by him.

(iv) *Transfer of shares*

Subject to the restrictions as set out below any member may transfer all or any of their shares by an instrument of transfer. Instruments of transfer must be signed by or on behalf of the transferor and (except in the case of a fully paid share) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered into the Company's register in respect of the shares. The Board may, in its absolute discretion and without giving any reason, refuse to register any transfer of a share unless:

(1) it is in respect of a share which is fully paid up;

(2) it is in respect of only one class of share;

(3) it is in favour of a single transferee or not more than four joint transferees;

(4) it is duly stamped (is required); and

(5) it is delivered for registration to the registered office of the Company or such other place as the Board may determine, and it is accompanied by the share certificate and such other evidence, if any, as the Board may reasonably require to prove the title of the intending transferor or their right to transfer the shares.

However, if any of the shares have been admitted to AIM or admitted to the Official List, the Directors may not refuse to register a transfer on the grounds that they are partly paid shares in circumstances where such refusal would prevent dealings in such shares from taking place on an open and proper basis.

(v) *Disclosure of interests in shares*

If the Company gives written notice under section 793 of the Companies Act 2006 ("a section 793 notice") to any member or other person appearing to be interested in the Company's shares and the recipient fails to give the Company the information required within the prescribed period of time (as set out in the section 793 notice) from the service of the section 793 notice, such member is not entitled (unless the Board otherwise decides) to attend or vote at a general meeting or exercise any other right in respect of any such share in relation to a general meeting or a poll. Where such shares represent at least 0.25 per cent. in nominal value of the issued shares or (if applicable) the issued shares of their class, the Company may:

(1) withhold any dividend on such shares without interest being payable on the dividend, the holder will not be entitled to elect to receive shares instead of such dividend; and

(2) the Board may refuse to register the transfer of any such shares unless:

(a) the holder is not himself in default in supplying the information required by the section 793 notice; and

(b) proves to the satisfaction of the Board that no person in default of supplying such information is interested in any of the shares which are the subject of the transfer.

The sanctions referred to immediately above cease to have effect:

(1) if the transfer is made pursuant to acceptance of a takeover offer (as defined in section 974 of the Companies Act 2006) for the Company or in relation to any of its shares or in consequence of a sale made through a recognised investment exchange or through a stock exchange outside the United Kingdom on which the Company's shares are normally traded or is shown to the Board's satisfaction to be made in consequence of a bona fide sale of the whole of the beneficial interest in the shares to a person who is unconnected with the holder and with any other person appearing to be interested in the shares; or

(2) at the end of a seven day period (or such shorter period as the Board may determine) following receipt by the Company of the information required by the section 793 notice and the Board being fully satisfied that such information is full and complete.

(vi) *Directors*

(1) Interests in contracts and other arrangements

A Director may not vote on, or be counted in the quorum in relation to, any resolution of the Board or Board committee concerning any proposal to which the Company is or is to be a party and in which they have a material interest (otherwise than by virtue of their interests in shares or debentures or other securities of, or otherwise in or through, the Company), other than a resolution:

(a) relating to the giving of any security, guarantee or indemnity to them in respect of money lent or obligations incurred by them or by any other person at the request of or for the benefit of a member of the Company and its subsidiary undertakings;

(b) relating to the giving of any security, guarantee or indemnity in respect of a debt or obligation of a member of the Company or any of its subsidiary undertakings for which they themselves have assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

(c) the giving of any other indemnity where all the other Directors are also being offered indemnities on substantially the same terms;

(d) relating to any proposal concerning an offer of shares and debentures of or by the Company or any of its subsidiary undertakings in which they are or may be entitled to participate as a holder of securities or in the underwriting or sub underwriting of which they are to participate;

(e) relating to any proposal concerning any other body corporate in which they do not have to their knowledge an interest in shares representing one per cent. or more of either any class of the issued equity share capital, or the voting rights in such body corporate;

(f) relating to an arrangement for the benefit of employees of any member of the Group which does not award them any privilege or benefit not generally awarded to the employees to whom such arrangement relates;

(g) any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of directors or for the benefit of persons including directors; or

(h) any proposal concerning the funding of expenditure by one or more Directors on defending proceedings him or them, or doing anything to enable such Director or Directors to avoid incurring such expenditure.

The interest of a person who is for the purposes of the Companies Act 2006 connected (within the meaning of section 252 of the Companies Act 2006) with a director shall be (if known by the director to be an interest of any such connected person) treated as the interest of the director.

(2) Remuneration, pensions and other benefits

The maximum aggregate annual fees payable to the non-executive Directors for their service in holding the office of director of the Company is £270,000 (or such larger amount as the Company may by ordinary resolution decide). Such amount is to be divided among the directors in such proportion as the Board decides or, if no such decision is made, equally. A Director may also be paid all expenses properly incurred by them in connection with the performance of their duties.

If by arrangement with the Board any Director performs or renders any special duties or services outside his ordinary duties as a Director and not in his capacity as a holder of employment or executive office, he may be paid such reasonable additional remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine.

The Board may exercise all the Company's powers to provide pensions or other benefits to any person who is or has at any time been a director of any member of the Group or any other company otherwise associated with or allied to the Company and to any member of such person's family.

(3) Borrowing powers

The Board may exercise all the Company's powers to borrow money and to mortgage or charge all or part of the undertaking, property and assets (present or future) and uncalled capital of the Company and, subject to the Companies Acts, to create and issue debentures and other securities, whether outright or as collateral security for a debt, liability or obligation of the Company or of a third party.

(vii) *Shareholders' meetings*

The Company must hold a general meeting as its annual general meeting in each period of six months beginning with the day following the Company's accounting reference date. The Board shall determine when and where the annual general meetings are held and the Board can also convene other general meetings whenever they see fit. A general meeting can also be called by requisition by shareholding not less than one tenth of the Company's paid-up voting capital at the time the requisition is made.

An annual general meeting must be convened by not less than 21 clear days' notice. All other general meetings shall be convened by not less than 14 clear days' notice. Notice must be given to all members and the Directors specifying the date, time and location of the meeting and the general nature of the business to be discussed at the meeting.

(viii) *Changes in share capital*

The Company may by ordinary resolution increase its share capital, consolidate and divide all or any of its shares into shares of a larger amount, cancel any shares not taken or agreed to be taken by any person and sub-divide its shares into shares of a smaller amount.

The Company may by special resolution reduce its share capital or any capital redemption reserve, share premium account or other undistributable reserve subject to any authority required by law or any rights from time to time attached to any shares of the Company. Subject to applicable law, and to the rights attaching to existing shares, the Company may purchase its own shares.

Subject to the provisions of the Companies Acts and to any special rights for the time being attached to any existing shares, any share may be issued which is, or at the option of the Company or of the holder of such share is liable, to be redeemed on such terms and in such manner as the Articles may provide.

(ix) Distribution of assets on a winding-up

If the Company is wound up, the liquidator can, with the authority of an special resolution of the Company and otherwise as required by law, divide amongst the members the whole or any part of the assets of the Company. The liquidator may set such value as he considers fair on any property and decide how any property is divided between members or between different classes of members. The liquidator, with the like sanction, can transfer assets of the Company to trustees to be held on trust for the benefit of the members. No member can be required to accept any assets on which there is a liability.

10. Share Plan

The Share Plan will allow the grant of both EMI share options and unapproved share options. EMI share options are limited to £100,000 of unexercised options per Director/employee, such that any share options granted over this amount will be unapproved options. Certain beneficiaries of the Share Plan will not qualify for EMI share options, e.g. ex-employees and overseas employees, and they will receive unapproved share options only.

The Share Plan will replace all share options granted under the Existing Schemes operated by Invu, Inc., other than those EMI share options exercised prior to the Reorganisation, and will be used to grant further share options as outlined in paragraph 16 of Part I of this document. The replacement share options and the new tranche of share options will be granted immediately following the Reorganisation. Further options may be granted in the future at the Board's discretion.

The Company plans to issue new share options to members of staff who joined since the last grant in September 2005, at a price of 28.5p per share. The Company also plans to make merit awards to other existing staff members who already have options. The allocation of options is broadly based on salary and length of service, except where certain levels were promised in order to attract certain employees to join the Group. All of these options will vest evenly over 4 years. In addition, EMI option holders who are required to exercise prior to the Reorganisation to meet the exercise price will be compensated for the loss of future growth in those shares sold, through the grant of options over the number of shares sold at an exercise price of 28.5p.

Eligibility

In general, the option holder must first be an employee or director (including non-executive directors) of the Company or any subsidiary of the Group. In order to qualify for EMI share options, the option holder must be employed within the Group for at least 25 hours per week or, if less, at least 75 per cent. of their working time, where working time would include employment outside of the Group.

Once eligibility is established, participation is at the discretion of the Board.

Grant price (the exercise price or strike price)

All options awarded immediately following the Reorganisation will be granted at an exercise price of 28.5p. The exercise price of 28.5p per Ordinary Share is based upon an estimate of the market value of Common Shares immediately prior to the Reorganisation. The price of 28.5p is above the exercise price of the share options in Invu, Inc. they are replacing and, whilst the option holder is marginally disadvantaged, it will help avoid potentially significant income tax and NIC charges for both the option holder and the Group when those share options are exercised.

Grant of options

The Board has discretion as to who will participate in the Share Plan, and under what terms, e.g. number of options, exercise price and performance conditions. The Board will however, take account of length of service and salary level before making the award. The options may only be exercised by the option holder, or their representatives in the case of death.

Performance conditions

Replacement share options: share options will be put in the position the "old" share options were in prior to the Reorganisation, i.e. any options that have currently vested will vest immediately on grant of the replacement share options. Similarly, any time based/performance based criteria for options that are yet to be met will be adjusted appropriately.

New share options: share options will be issued under performance conditions similar to those imposed under the Existing Schemes. Hence, share options for directors/executives will vest annually over a 6 year period and appropriate Earnings Per Share ("EPS") targets will apply at each vesting point. For staff below the executive, options will vest evenly over a 4 year period from grant, with appropriately lower EPS targets. All options vest on the 6th anniversary from grant. "Compensation" share options will vest immediately, as these options compensate the option holder for capital growth in share options that had already vested.

The Board reserves the right to vary or remove the performance conditions, where events mean those conditions are no longer appropriate.

Exercise of the share options

Options shall lapse after 10 years or, if earlier: where an employee leaves the Group; where there is a change of control (group reorganisation); immediately following a sale of the Company; on commencement of winding up; and, bankruptcy of the option holder. The exceptions to this are where options may be rolled-over on a group reorganisation or where the option holder is deemed a "good leaver".

Options may be exercised once they have vested. Vesting is based on two criteria, the holding of the option, or part of the option, for a defined period and on the Company meeting the EPS target attached to that portion of the option. Options shall vest in full immediately prior to a sale of the Company, on voluntary liquidation of the Company and within 12 months following death of the option holder. Where an employee is a "good leaver" (due to ill health, injury, disability), or is employed in a subsidiary/business transferred out of the Group, options may be exercised within 6 months to the extent that those options have vested and also to the extent that the Board waives any remaining vesting conditions. For all other leavers, the options lapse unless the Board uses its discretion to permit exercise.

Obligations of the option holder

The option holder is liable to any withholding tax liability falling within the Group, including Employee's NIC on the exercise of options under the Share Plan. An EMI option holder is further liable to any Employer's NIC that may arise on exercise of the options. The Company has the right to sell sufficient shares to cover such tax liabilities, together with any exercise price due from the option holder to the Company.

Variation of capital

In the event of a variation of capital, by way of capitalisation, rights issue, sub-division, consolidation or reduction, the Board may make such adjustments to the share options as is appropriate, e.g. adjustments to the number of shares under issue and exercise price.

Alterations to the rules

The Board may make any alteration to the Share Plan rules which it feels fit, so long as those changes do not increase the vale of those options to option holders and/or would mean that a qualification under EMI would be lost. Alterations will only take affect with prior approval of the Company in general meeting, unless the changes are both minor and affect only the running of the Share Plan.

11. Material Contracts

The following material contracts (not being contracts entered into in the ordinary course of business) have been entered into by a Group member in the two years preceding the date of this document:

(a) ***Merger Agreement***

The Merger Agreement between (1) the Company, (2) Invu 2007 Limited, (3) Invu, Inc. and (4) Invu Merger, Inc. dated on 6 November 2007 ("Merger Agreement") to merge Invu Merger, Inc. with and into Invu, Inc. The Merger, which constitutes a related party transaction, will become effective upon Admission and satisfaction of certain conditions, including without limitation no more than 5 per cent. of Existing Invu Shareholders exercising their dissenters' rights and Invu, Inc. not having received Forms of Representation from, or the directors of Invu, Inc. not having determined that it is reasonably likely that there exists such number of US persons as would be entitled to receive cash Merger consideration exceeding £1.5 million.

The outstanding shares of Invu, Inc., other than Class C Shares, will be cancelled in exchange for which:

(i) holders of Class A Shares will be entitled to receive one Ordinary Share for each Class A Share;

(ii) holders of Class B Shares will be entitled to receive a cash payment from the Company of $0.532 per Class B Share; and

(iii) holders of Class D Shares will receive the same consideration as for holders of Class A Shares or Class B Shares upon determination of their status as a U.S. person or a non-U.S. person on or before 31 March 2008 (as appropriate). Holders of Class D Shares who fail to return a duly completed and valid Form of Representation on or before 31 March 2008 will thereafter only be entitled to receive a cash payment from the Company.

Invu 2007 Limited, being the only holder of Class C Shares, will have the same shareholder rights in the Company as it had in Invu, Inc. prior to the Merger.

Further details of the Merger Agreement are included in the Circular.

(b) ***Loan Agreement***

The loan agreement dated 6 November 2007 between (1) the Company (as borrower) and (2) Invu, Inc. (as lender) for a facility of up to £1,500,000 in respect of the Merger. The loan has been provided to finance the cash Merger consideration, if necessary, to be paid out to Existing Invu US Shareholders under the terms of the Merger Agreement. Interest will be charged to the Company at 6 per cent. per annum. The loan is repayable on demand after 6 November 2012 and constitutes a related party transaction.

(c) ***Introduction Agreement***

The introduction agreement made between (1) the Company, (2) Invu, Inc., (3) the Directors and (4) Arbuthnot dated 6 November 2007 ("Introduction Agreement"), pursuant to which Arbuthnot agreed as agent on behalf of the Company to assist the Company obtain Admission and submit to the London Stock Exchange an application for Admission, and to act as the Company's nominated adviser and broker in respect of such application.

Under the Introduction Agreement and conditional upon Admission, the Company shall pay to Arbuthnot a corporate finance fee for its services and the Company shall reimburse Arbuthnot for all costs and expenses in connection with the application.

The obligations of the parties under the Introduction Agreement are conditional upon certain conditions having been fulfilled (or waived by Arbuthnot).

The Introduction Agreement contains certain warranties given by the Company and certain of the Directors to Arbuthnot as to accuracy of information in the Admission Document and other matters relating to the Group and its business. Each of the Directors has given Arbuthnot certain warranties relating to himself. In addition, the Company and Invu, Inc. have provided an indemnity to Arbuthnot. Arbuthnot is entitled to terminate the Introduction Agreement in certain specified circumstances prior to Admission including in the event of a material breach of the Introduction Agreement and force majeure.

(d) ***Nomad and Broker Agreement***

The letter dated 6 November 2007, pursuant to which the Company appointed Arbuthnot to act as its nominated adviser and broker following Admission for the purposes of the AIM Rules for Companies. The Company agreed to pay Arbuthnot an annual fee for its services. The letter sets out certain ongoing obligations of the Company including, *inter alia*, compliance with all applicable laws and regulations. The agreement may be terminated by Arbuthnot if the Company is at any time in material breach of the terms of the letter or by the Company or by Arbuthnot at any time following 12 months from the date of the letter on giving 30 days' written notice.

(e) ***Montague Loan Agreement***

The intra-group loan agreement between (1) Invu 2007 Limited (as borrower) and (2) Montague Limited (as lender) dated 5 November 2007 in relation to Invu 2007 Limited's purchase of 18,954,252 Common Shares from Montague Limited. The loan is interest free and is repayable on demand.

(f) ***Invu Share Purchase Agreement***

The intra-group off-market share purchase agreement dated 5 November 2007 between (1) Montague Limited as seller and Invu 2007 Limited ("Invu SPA") for the sale of Montague Limited's holding of 18,954,252 Common Shares ("Invu Shares"). The purchase price paid on completion was £5,544,119 which was left outstanding on an inter-company loan account on the terms of the Montague Loan agreement.

(g) ***Montague Share Purchase Agreement***

The share purchase agreement ("Montague SPA") dated 2 November 2007 between (1) the Company and (2) Cayman National Nominees Limited ("CNNL") for the sale of the entire issued share capital of Montague Limited ("Montague Shares") in consideration for the issue by the Company of 18,954,052 Ordinary Shares. The Montague Shares were sold with full title guarantee and free from encumbrances. CNNL provided the Company with the normal warranties.

CNNL is the nominee for Cayman National Bank and Trust Company (Isle of Man) Limited, the trustee of an Isle of Man discretionary trust, one of the potential beneficiaries of which is David Morgan, Chief Executive of the Company.

(h) ***Placing Agreement***

On 31 May 2007 Invu, Inc. entered into a placing agreement with Arbuthnot (the "Placing Agreement"), whereby Arbuthnot agreed, subject to certain conditions (i) to act as agent for Invu, Inc. to use reasonable endeavours to procure subscribers for 13,333,333 new Common Shares (the "Placing Shares") pursuant to a placing (the "Placing") (ii) to raise approximately £4.0 million for Invu, Inc. (before expenses) in so doing; and (iii) on behalf of Invu, Inc., to submit to AIM an application for admission of 6,666,666 new common shares to be placed with certain venture

capital trusts ("First Admission Shares"); and (iv) on behalf of Invu, Inc., to submit to AIM a second application for the admission of the Second Admission Shares (being the Placing Shares other than the First Admission Shares) to trading on AIM.

The Placing Agreement provided, *inter alia*, that Invu, Inc. would pay Arbuthnot (i) the costs and expenses of and incidental to the Placing and the transactions connected with it (ii) if the First Admission Shares were admitted, broking commission of the total value at the aggregate value of the First Admission Shares at the Placing price (plus VAT if applicable) (iii) if the Second Admission Shares were admitted, broking commission of the total value at the aggregate value of the Second Admission Shares at the Placing price (plus VAT if applicable); and (iv) an amount so as to reimburse Arbuthnot for all costs and expenses in connection with the Placing (including non-recoverable VAT paid by Arbuthnot on services or disbursements).

Invu, Inc. gave certain warranties in favour of Arbuthnot with regards, amongst other things, to the Existing Group and also agreed to indemnify Arbuthnot, its associated companies and all employees and directors of it and such companies, against all losses, costs, charges and expenses which Arbuthnot or such person may suffer or incur in connection with the carrying out of Arbuthnot's duties under the Placing Agreement.In aggregate, 13,333,333 new Common Shares were issued under the first admission and second admission at a price of £0.30 per share.

12. United Kingdom Taxation

The following comments are intended as a general guide only and are based on current UK legislation and H.M. Revenue & Customs practice as at the date of this document. Except where the position of non-UK resident shareholders is expressly referred to, these comments deal only with the position of shareholders who are resident, or in the case of individuals, resident or ordinarily resident, in (and only in) the UK for tax purposes, who are the absolute beneficial owners of their shares and who hold their shares as an investment. They do not deal with the position of certain classes of shareholders, such as dealers in securities, clearing houses, collective investment schemes, financial institutions, shareholders who have (or are deemed to have) acquired their shares by virtue of an office or employment, shareholders who own more than 10 per cent. or more of the voting stock of the company or shareholders who hold shares in connection with a trade, profession or vocation carried on in the UK (whether through a branch or agency or, in the case of a corporate shareholder, through a permanent establishment or otherwise).

Shareholders who are in any doubt as to their tax position or who are resident in or subject to tax in a jurisdiction other than the UK, should consult an appropriate professional adviser immediately.

(a) ***Disposal of Invu, Inc. shares***

Paragraph 4 of Part I of this document contains a summary of the important UK tax consequences of the Reorganisation for certain Existing Invu Shareholders.

(b) ***Dividends***

Under current UK tax legislation, the Company is not required to withhold UK tax at source from dividend payments that it makes.

Where the Company pays a dividend, a Shareholder who is an individual resident (for tax purposes) in the UK and who receives that dividend will be entitled to a tax credit equal to one-ninth of the dividend. The individual will be taxable on the aggregate of the dividend received and the related tax credit (the "gross dividend"), which will be regarded as the top slice of the individual's income. The tax credit will, however, be treated as discharging the individual's liability to income tax in respect of the dividend, unless and except to the extent that the gross dividend falls above the threshold for the higher rate of income tax, in which case the individual will, to that extent, pay tax on the gross dividend at the higher rate on dividends, which is 32.5 per cent., deducting the tax credit from that sum. So, for example, a dividend of £80 will carry a tax credit of £8.89 (one-ninth of £80) and to the extent that the dividend and the related tax credit fall above the threshold for the higher rate of income tax, the income tax payable on the dividend by an individual liable to income tax at the higher rate will be 32.5 per cent. of £88.89 (i.e. dividend of £80 plus tax credit of £8.89), namely £28.89, less the tax credit of £8.89, leaving a net tax charge of £20.

There will be no repayment of the tax credit or any part of it to an individual who is resident in the UK but who is not liable to UK income tax on dividends including individuals holding shares through a personal equity plan or individual savings accounts.

Subject to certain exceptions, a corporate Shareholder that is resident for tax purposes in the UK and that receives a dividend paid by the Company will not normally be subject to corporation tax on the receipt of the dividend. Such corporate shareholders will not be entitled to the repayment of the tax credit relating to the dividend.

Whether a shareholder who is not resident for tax purposes in the UK is entitled to a tax credit in respect of dividends received from the Company and to claim payment of any part of that tax credit will depend on the provisions of any double taxation convention or agreement which may exist between that Shareholder's country of residence and the UK. Shareholders who are not solely resident in the UK should consult their own tax adviser concerning their tax liabilities on dividends received, whether they are entitled to claim any part of the tax credit and, if so, the procedure for doing so.

(c) ***Chargeable gains on disposal of shares in the Company***

For the purposes of UK taxation on chargeable gains, a disposal of shares in the Company by a Shareholder resident (or, in the case of an individual, resident or ordinarily resident) for tax purposes in the UK or a Shareholder who is not resident in the UK for tax purposes but who carries on a trade, profession or vocation in the UK through a permanent establishment (where the Shareholder is a company) or through a branch or agency (where the Shareholder is not a company) and has used, held or acquired shares for the purposes of such trade, profession or vocation or such permanent establishment, branch or agency (as appropriate) may, depending on the Shareholder's circumstances and subject to any available exemption or relief, give rise to a chargeable gain or allowable loss.

(d) ***Stamp duty and stamp duty reserve tax ("SDRT")***

Any transfer on sale of shares will usually be subject to ad valorem stamp duty on the instrument of transfer, normally at the rate of 0.5 per cent., (rounded up to the nearest multiple of £5) of the amount or value of the consideration paid. Stamp duty is normally paid by the purchaser. A charge to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration paid for the shares will arise in relation to an unconditional agreement to transfer shares. However, if within six years of the date of the agreement (or, if the agreement was conditional, the date on which the agreement became unconditional) an instrument of transfer is executed pursuant to the agreement and is duly stamped, the stamping of the instrument will normally cancel, or give rise to a repayment in respect of, any SDRT payable or paid as appropriate. SDRT is the liability of the purchaser.

There will be no stamp duty or SDRT on a transfer of shares into CREST where such a transfer is made for no consideration. A transfer of shares effected on a paperless basis through CREST will generally be subject to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the system.

Where shares are issued or transferred to a depositary or a provider of clearance services (or their nominees or agents) stamp duty or SDRT (as appropriate) may be payable (in the case of stamp duty) at the higher rate of 1.5 per cent., rounded up if necessary to the nearest multiple of £5, of the amount or value of the consideration provided or (in the case of SDRT) at the higher rate of 1.5 per cent. of the amount or value of the consideration payable (if in money or money's worth) or the value of the shares (otherwise). Clearance services may opt, under certain conditions, for the normal rates of SDRT to apply to a transfer of shares into, and to transactions within, the service instead of the higher rate applying to an issue or transfer of shares into the clearance service.

No liability to stamp duty will generally arise on the allotment and issue of new shares for cash by the Company. No liability to SDRT will generally arise on the allotment and issue of new shares for cash by the Company unless these shares are issued into a depositary or a clearance service.

The above statements are intended as a general guide to the current stamp duty and SDRT position. Certain categories of person are not liable to stamp duty or SDRT and others may be liable at a higher rate as mentioned above or may, although not primarily liable for the tax, be required to notify and account for it.

Special rules apply to agreements made by market intermediaries and to certain sale and repurchase and stock borrowing arrangements. Agreements to transfer shares to charities will not give rise to SDRT or stamp duty.

13. Working Capital

The Directors are of the opinion, having made due and careful enquiry, that following Admission the Group has sufficient working capital available to it for its present requirements, that is for at least the next 12 months from Admission.

14. Litigation

No member of the Group is or has been involved in any governmental, legal or arbitration proceedings during the twelve months preceding the date of this document, which may have, or have had, a significant effect on the Group's financial position or profitability and, so far as the Directors are aware, there are no such proceedings pending or threatened against any member of the Group.

15. Significant change

Other than as disclosed in Part III C of this document, there has been no significant change in the financial or trading position of the Group since 31 January 2007, being the end of the last financial period for which audited financial information has been produced, as set out in Part III of this document.

16. Mandatory bids, squeeze-out and sell-out rules relating to the Ordinary Shares

Mandatory bids

The Takeover Code applies to the Company. Under the Takeover Code, if an acquisition of shares were to increase the aggregate holding of the acquirer and its concert parties to shares carrying 30 per cent. of more of the voting rights in the Company, the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for the shares by the acquirer or its concert parties during the previous 12 months. This requirement would also be triggered by any acquisition of shares by a person holding (together with its concert parties) shares carrying between 30 and 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the voting rights.

Squeeze-out

Under the Companies Act, if an offeror were to acquire 90 per cent. of the shares within four months of making its offer, it could then compulsorily acquire the remaining 10 per cent. It would do so by sending a notice to outstanding shareholders telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding shareholders. The consideration offered to the shareholders whose shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

Sell-out

The Companies Act also gives minority shareholders in the Company a right to be bought out in certain circumstances by an offeror who had made a takeover offer. If a takeover offer related to all the shares and at any time before the end of the period within which the offer could be accepted the offeror held or had agreed to acquire not less than 90 per cent. of the shares, any holder of the shares to which the offer relates who has not accepted the offer can by a written communication to the offeror require it to acquire those shares.

The offeror would be required to give any shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a shareholder exercises its rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

17. General

(a) The estimated amount of the expenses of Admission, including registration and London Stock Exchange fees, printing, advertising and distribution costs, legal and accounting fees and expenses, which are all payable by the Company is expected to be approximately £0.8 million (excluding VAT).

(b) The Ordinary Shares are not currently admitted to dealings on a recognised investment exchange and, other than the Company's application for Admission, no applications for such admission have been made.

(c) There are no specified dates on which entitlements to dividends or interest payable by the Company arise.

(d) Grant Thornton UK LLP has given and has not withdrawn its written consent to the inclusion in this document of its name and the reports set out in Part III in the form and context in which they appear.

(e) Grant Thornton UK LLP (Chartered Accountants, a member of, and registered to carry out audit work by, the Institute of Chartered Accountants in England and Wales), of Byron House, Cambridge Business Park, Cambridge CB4 0WZ are the auditors of the Company and were appointed as the first auditors of the Company on 2 November 2007.

(f) The financial information relating to the Company and the Existing Group set out in this document does not comprise statutory accounts as referred to in section 240 of the Companies Act 1985. The Existing Group's statutory accounts for the years ended 31 January 2005, 2006 and 2007 were audited without qualification by Grant Thornton UK LLP of Byron House, Cambridge Business Park, Cambridge CB4 0WZ.

(g) Arbuthnot has given and has not withdrawn its written consent to the inclusion in this document of its name and the references to it in the form and context in which they appear.

(h) The Directors are unaware of any exceptional factors that have influenced the Company's recent activities.

(i) Save as disclosed in this document, the Company is not dependent on any patents or other intellectual property rights, licences or particular contracts that are of fundamental importance to the Company.

(j) Save as disclosed in this document, no other person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has received, directly or indirectly, from any member of the Group within the twelve months preceding the date of application for Admission, or entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from any Group member on or after Admission:

  (i) fees totalling £10,000 or more;

  (ii) securities in the Company with a value of £10,000 or more by reference to the expected share price of the Ordinary Shares upon Admission; or

  (iii) any other benefit with a value of £10,000 or more as at the date of Admission.

(k) Copies of this document will be available to the public free of charge at the offices of Arbuthnot, Arbuthnot House, 20 Ropemaker Street, London EC2Y 9AR, and at the registered office of the Company, from the date of this document until one month after Admission.

Dated 6 November 2007

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

"Act" or "Companies Acts"	the Companies Act 1985 and the Companies Act 2006 (as applicable)
"Admission"	the admission of all the Ordinary Shares to trading on AIM and such admission becoming effective in accordance with the AIM Rules
"AIM"	the market of that name operated by the London Stock Exchange
"AIM Rules"	the rules governing the operation of AIM and issued by the London Stock Exchange from time to time, in relation to AIM traded securities comprising of the AIM Rules for Companies and the AIM Rules for Nominated Advisers
"AIM Rules for Companies"	the AIM Rules for Companies and guidance notes as published by the London Stock Exchange from time to time
"AIM Rules for Nominated Advisers"	the AIM Rules for Nominated Advisers and guidance notes as published by the London Stock Exchange from time to time
"Arbuthnot"	Arbuthnot Securities Limited, the Company's nominated adviser and broker
"Articles" or "Articles of Association"	the articles of association of the Company at Admission (to be adopted prior to Admission), a summary of which is set out in paragraph 12 of Part IV of this document
"Board"	the board of Directors of the Company
"Circular"	the proxy statement to shareholders of Invu, Inc. in respect of the Reorganisation and convening the Special Meeting accompanying this document
"Class A Shares"	shares of Class A stock of Invu, Inc. to be created pursuant to the Reorganisation
"Class B Shares"	shares of Class B stock of Invu, Inc. to be created pursuant to the Reorganisation
"Class C Shares"	shares of Class C stock of Invu, Inc. to be created pursuant to the Reorganisation
"Class D Shares"	shares of Class D stock of Invu, Inc. to be created pursuant to the Reorganisation
"Combined Code"	the principles of good governance and code of best practice published in June 2006 by the Financial Reporting Council
"Company"	Invu plc, a company incorporated under the laws of England and Wales (registered number 6283181)
"Common Shares"	common shares in the capital of Invu, Inc.
"CREST"	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear UK & Ireland Limited (formerly CRESTCo) which facilitates the transfer of title to shares in uncertificated form
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755)

"Directors"	the directors of the Company, whose names are set out on page 3 of this document
"Effective Time of the Merger"	4.31 p.m. on 5 December 2007
"Existing Group"	Invu, Inc. and its subsidiary undertakings
"Existing Invu Shareholders"	holders of Common Shares before and as at the Effective Time of the Merger
"Existing Invu US Shareholders"	Existing Invu Shareholders who are US persons
"Existing Schemes"	the Executive Share Option Scheme, the Enterprise Management Incentives Share Option Scheme (Group A and Group B), the Enterprise Management Incentives Share Option Scheme, and the Executive Stock Incentive Option Scheme, operated by Invu, Inc.
"Form of Representation"	the form of representation accompanying the Circular to be completed by shareholders of Invu, Inc. with respect to the consideration to be received by them pursuant to the Merger
"FSA"	the Financial Services Authority
"FSMA"	the Financial Services and Markets Act 2000
"Group"	in relation to references to the Group prior to the Reorganisation "Group" means the Existing Group, and in relation to references to the Group immediately following completion of the Reorganisation means the Company and its subsidiary undertakings (as the context requires)
"Invu BV"	Invu Netherlands B.V, a company incorporated under the laws of The Netherlands and having its statutory seat in Amsterdam (registered under file number 33137753) and a wholly owned subsidiary of Invu Holdings
"Invu Holdings"	Invu International Holdings Limited, a company incorporated under the laws of England and Wales (registered number 3340939) and a wholly owned subsidiary of Invu (UK) plc
"Invu, Inc."	Invu, Inc. a company incorporated under the laws of the State of Colorado, USA (charter number 19971027787)
"Invu Merger, Inc."	Invu Merger, Inc. a company incorporated under the laws of the State of Colorado, USA (charter number 20071501528)
"Invu Services"	Invu Services Limited, a company incorporated under the laws of England and Wales (registered number 3319922) and a wholly owned subsidiary of Invu plc
"Invu 2007 Limited"	Invu 2007 Limited, a company incorporated under the laws of England and Wales (registered number 6283287) and a wholly owned subsidiary of the Company
"Invu (UK) plc"	Invu (UK) plc, a company incorporated under the laws of England and Wales (registered number 3375359) and a wholly owned subsidiary of Invu, Inc.
"London Stock Exchange"	London Stock Exchange plc
"Merger"	the merger of Invu, Merger Inc. with and into Invu, Inc. under Colorado law

“Merger Agreement”	the conditional agreement between the Company, Invu, Inc., Invu 2007 Limited and Invu Merger, Inc. relating to the Merger, further details of which are set out in paragraph 11 of Part IV of this document
“Official List”	the Official List of the UKLA
“Ordinary Shares”	ordinary shares of 1p each in the capital of the Company
“OTC Bulletin Board”	the Over the Counter Bulletin Board being a real time quotation medium that NASD broker-dealer firms may use to enter, update and retrieve quotation information for existing securities trading over-the-counter that are neither listed on NASDAQ nor on a primary national securities exchange
“NASD”	the National Association of Securities Dealers Inc.
“NASDAQ”	the National Association of Securities Dealers Automated Quotation System
“Panel”	the Panel on Takeovers and Mergers
“Prospectus Rules”	the prospectus rules published by the Financial Services Authority
“Regulation S”	Regulation S promulgated under the Securities Act
“Reorganisation”	the reorganisation of the Group as more particularly described in Part I of this document
“Securities Act”	the United States Securities Act of 1933, as amended
“Shareholders”	holders of Ordinary Shares in the Company
“Share Plan”	the Invu plc 2007 Share Option Plan (Incorporating Enterprise Management Incentives) which will be adopted prior to Admission
“Special Meeting”	the special meeting of Invu, Inc. to be held at 4.15 p.m. on 5 December 2007
“Takeover Code” or “Code”	the UK City Code on Takeovers and Mergers
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UKLA”	the competent authority as that expression is defined in FSMA
“United States”, “US” or “USA”	United States of America, its territories and possessions, any state in the US and the District of Columbia and all other areas subject to its jurisdiction
“US person”	has the meaning set out in the Circular.

GLOSSARY OF TERMS

csv file	comma separated value file
Internet	a global network of computer systems
Network	a collection of computer systems that are interconnected and share resources
Server	a system which operates in the background providing a service to computer users
SME	small-to-medium size enterprise, being a business with staff numbers of up to two hundred and fifty individuals
VAR	value added reseller, being a company that takes an existing product, adds its own "value", usually in the form of services and/or a specific application for the product, and resells it as a new package
Windows™	an operating system developed by Microsoft, Inc