INVU:

“I can’t think of a business that wouldn’t benefit from using Invu”
Edmund Wink, Marketing Director Peak Drink Dispense Ltd

“I estimate an instant saving of £300 per month on those printing and postage costs alone. I’m confident we’ll more than see a return on our investment”
Terry Smith IT Manager, Floyd Automatic Tooling

“In the relatively short time we have been using Invu, the school’s administrative department has already seen significant benefits”
Lorraine Baker, Business Manager,
Headlands School and Community Science College

“ I would recommend Invu as it’s the only EDM application I know that is so flexible regarding integration with other products. Invu is not just about document management / control. It allows the information to be integrated to all business processes and ensures the information is not only accessible but any appropriate actions are carried out and logged.”
Nottinghamshire Enterprises

“As a company we need to be focused on sales and front-of-house, driving new business and delivering a quality service to our customers. Now we know that Series 6 is answering our filing and retrieval needs so well, we have been able to devote more time to business development whilst reducing our billing time.
It’s an ideal situation!”
Kevin Tasker, Managing Director, Railbookers

INVU PLC

(FORMERLY INVU NO 1 LIMITED)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 JANUARY 2008

DIRECTORS AND ADVISORS
For the year ended 31 January 2008

Directors:	D Goldman (Non-executive chairman) D Morgan J C Agostini FCA J V Halestrap T P Maxfield (Non-executive) B Fisher (Non-executive)
Secretary:	J C Agostini FCA
Registered Office:	The Beren, Blisworth Hill Farm Stoke Road Blisworth NORTHANTS NN7 3DB
Auditors:	BDO Stoy Hayward LLP Registered auditors Chartered accountants 55 Baker Street LONDON W1U 7EU
Solicitors	(UK) Addleshaw Goddard LLP 150 Aldersgate Street LONDON EC1A 4EJ (USA) Hunton Williams LLP 1445 Ross Avenue Suite 3200 DALLAS TEXAS 75202
Bankers:	Bank of Scotland plc 55 Temple Row BIRMINGHAM B2 5LS

DIRECTORS AND ADVISORS
For the year ended 31 January 2008

Nominated advisor and broker:	Arburthnot Securities Limited Arburthnot House 20 Ropemaker Street LONDON EC2Y 9AR
Registrars:	(UK) Capita IRG Plc The Registry, 34 Beckenham Road, Beckenham KENT BR3 4TU (USA) Corporate Stock Transfer 3200 Cherry Creek Drive South/Suite 430, DENVER CO 80209
Public Relations:	Financial Dynamics Limited Holborn Gate, 26 Southampton Buildings LONDON WC2A 1PB

FINANCIAL STATEMENTS
For the year ended 31 January 2008

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CHAIRMAN'S STATEMENT

The past year has been crucial for the Group as it completed several important initiatives both at the corporate and operational level. Crucial to our future growth has been the consolidation of our corporate structure allowing much greater transparency to our shareholders, and enabling access to a wider base of potential investors. I am proud to consider this the completion of the process of "bringing the Group home" to Invu's management, employees, customers and shareholders.

In addition we have enhanced the middle and senior levels of management both within product development, product management and marketing. The Board has made these investments to ensure that the Group is ready for continuing future growth. All this has been achieved against the backdrop of the continuing growth in revenues and profit, and the previously announced teething problems with Series 6.

Revenue rose 38% year on year to £8.71m (2007: £6.32m). This growth, with continued high gross margins, enabled the Group to record a pre-tax profit of £1.72m. This figure includes £1m of one-off restructuring costs related to the corporate restructuring such that pre-tax profit before restructuring costs is £2.72m, an increase of 49%. I am very pleased to announce that the overall cost of the restructuring is currently 30% less than our initial expectations, including the amount applied in acquiring the outstanding Invu Inc shares from our former shareholders in the US and the direct costs.

Trading was affected during the early part of the year by issues relating to the Series 6 product line, released in March 2007. Despite this we have increased sales to existing and new customers and have spent most of the second half catching up on the demand that we could not originally fulfil. A key indicator that the Group has overcome the key product issues is the improvement in the InvuCare rates which have grown substantially from 46% at the half year to 77% by the year end. Whilst this is still below our historically high levels of 80%, the Board expects the trend to return to those levels during the coming year.

The Group is still engaged in active dialogue with our partners and users as we continue the transition from Series 5 to Series 6. This is an ongoing process, and although the bulk of the problem is behind us, we are continuing to catch up on delayed revenue opportunities.

The Group has extended its sales and marketing reach this year in a number of different ways. First, we have continued to invest in our management and employees to increase the quantity and quality of the team. They form the cornerstone for our growth. Secondly, we have broadened our marketing approach which now adds both regional and vertical distribution agreements to our more traditional reseller approach, and, through the development and release of our new product Ergo™, potential major OEM channels. Thirdly, we are excited to have added IRIS Software Group Limited as a key partner within the accountancy vertical. This relationship started in January 2008 and has got off to a flying start.

In four years of being a public Company we have managed to quadruple the Group's revenues, whilst during the same period only doubling the number of employees. This is a testament to management's careful strategy of combining strong organic growth with a focus on increasing operational leverage and significantly enhanced profitability.

The Board maintains its focus on continuing to expand Invu's marketing and sales reach still further and enriching the product offering, expecting to demonstrate significant growth in all of the key areas of our business in the coming year.

On behalf of the Group, I would like once again to thank our employees, accredited partners, shareholders and advisors, without whom none of this success is possible. I look forward to yet another very exciting year.

Daniel Goldman

Non-Executive Chairman

14th July 2008

CHIEF EXECUTIVE'S STATEMENT

Introduction

Invu software has now been installed at 3,700 customers, representing approximately 72,000 licensed users, up from the previous year's 2,973 and 54,574, respectively. Although this reflects significant growth year on year, it still only represents less than one per cent of our addressable market within the UK SME sector. Within these figures we have created a strong position as a leading provider of document management software in certain key verticals, such as independent financial advisers and accountants.

There have been three areas of focus this year, namely: bedding Series 6 into the market, completing the much awaited corporate restructuring and continuing the development of new market opportunities, through the opening of new channels to market and the launch of our new and exciting Ergo™ product.

Finally we have introduced several new key members of senior management to the Group, some of whom have taken up newly created positions. This reflects our growth as a Group and the maturing of the middle and higher levels of management within the Group.

Financial Performance

This is the first year that the Group has reported under International Financial Reporting Standards ('IFRS'), and we are pleased to announce that it has had little effect on the reported figures for the year and the consolidated income statement is readily comparable to the previous year. The consolidated balance sheet, cashflow statement and notes are somewhat different, reflecting not only the new IFRS format, but also the Group restructuring completed in December 2007.

Revenue for the period was £8.71m (2007: £6.32m), an increase of 38% on the prior year. Recognised recurring revenues from InvuCare increased to £1.47m in the year ended 31 January 2008, compared to £1.19m in the previous year, with total deferred revenues at £2.51m (2007: £2.24m). Furthermore, an increase in the bad debt provision of £0.70m has been charged to the income statement.

Gross profit margin again increased to 96.6% (2007: 95.2%). This remains above our internal benchmark and is due to the mix of revenues arising from pure software sales with virtually no hardware or subcontracted services. Moreover, the Group has reduced its third party licence costs by embedding a cost free database within the Series 6 product.

Technical and support expenditure, which includes research and un-capitalised development, technical support and professional services, was £0.89m for the year (2007: £0.64m). The significant increase reflects the Group's commitment outlined in May 2007 to increase expenditure on this part of the business. The Group hired its first Chief Technical Officer, Head of Product Delivery and additional developers during the year to resolve the teething problems of Series 6 and to develop the new Ergo™ product. Development of Series 6 has continued unabated throughout the year and the improvement in quality is demonstrated by the increasing number of sites adopting the product. It remains the Group's policy to direct research and development according to the needs of the market and the Group's new search and collaboration product, Ergo™, was launched at the Consumer Electronics Show (CES) in Las Vegas in January 2007 with significant acclaim. As with all of Invu's products it adheres to our core brand values of ease of use, high quality and price performance.

Sales and marketing expenditure increased by 15% to £1.82m (2007: £1.58m), or 21% of turnover (2007: 25%). 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. Again as signalled in May 2007 additional investment was also provided for new product developments, like Ergo™, reflecting our determination to invest in sales and marketing in order to build both turnover and brand recognition in the UK and overseas.

CHIEF EXECUTIVE'S STATEMENT

General and administrative expenses, excluding corporate restructuring costs, were £3.03m (35% of turnover) compared with £2.03m (32% of turnover) for the previous year. This increase is mainly attributable to the inclusion of a potential bad debt provision of £0.70m, costs associated with additional office space at our head office and the regional demonstration centres, increased staff costs, depreciation and professional fees.

Profit before tax and restructuring costs for the year ended 31 January 2008 amounted to £2.72m (2007 : £1.82m), an increase of 49%. Exceptional costs associated with the Group restructuring amounted to £1.0m giving a profit before tax of £1.72m. A full tax charge has been incurred for the first time amounting to £0.73m resulting in a post tax profit of £0.99m and earnings per share of 1.07p (2007: 1.85p). Assuming a nil tax charge had been applied to this year and excluding the restructuring costs, then the like for like earnings per share would be 2.93p per share.

The Group's balance sheet has been strengthened by the net profit for the year, and the additional fundraising in June of £4m, the proceeds of which were applied for the restructuring costs and additional investment in product development, marketing and equipment.

Net cash flow on financing activities predominantly reflects the £4m fundraising completed in June. The Group expended £0.64m on capitalised development costs and £0.28m on computer equipment, mainly for its new training, testing and demonstration suites.

Following the earlier issues with Series 6, the final quarter saw a marked increase in sales and therefore debtors at year end. The delays in the deployment of Series 6 have also resulted in a net cash outflow from operating activities. Cash generation is expected to be much stronger in the year to 31 January 2009, but the Board has taken the prudent step of significantly increasing debt provisions to reflect the age and nature of certain debts. To date none of these provisions have been utilised.

The Group still remains relatively debt free at 31 January 2008. The Group intends to increase its investment in new product development and sales and marketing during the current financial year, in order to maximise the potential of Ergo™ and other exciting new products.

As a result of the levels of investment in the business, the Board will not be recommending the payment of a dividend this year. However, the completion of the Group restructuring has made future dividend policy much easier to administer than was possible with the former US parent Company.

Trading

During the past year we have seen further improvements in all areas of the business. Total sites grew to 3,700 and total seats deployed were almost 72,000 at 31 January 2008. During the period the Group sold software to 727 new sites (2007: 970) installing a total of 17,365 new seats (2007: 16,418). Encouragingly, repeat sales were made at 427 sites (2007: 324 sites). Since its release, 11,866 seats of Series 6 had been deployed at 691 sites by 31 January 2008, with 13% of these sites already placing repeat orders.

The Group has accredited 47 new resellers (2007: 40) during the year and at 31 January 2008 our reseller base stood at 166 (2007: 132). More significant, has been the introduction of major distributors such as Bell Micro in the Benelux countries and Centerprise in the UK.

InvuCare recurring revenue represents a significant proportion of invoiced sales, although the Group's revenue recognition policy means that a high percentage is deferred to the following year. At 31 January 2008 the value of deferred revenues had increased to £2.51m (2007: £2.24m). With the significant improvements to Series 6, we have managed to raise the InvuCare renewals rate from 46% at 31 July 2007 to 77% at the year end. Our historical levels have been over 80% which we expect to achieve again in the future, and in this respect the year has started well.

CHIEF EXECUTIVE'S STATEMENT

Sales and Marketing

This year we have invested in several areas within sales and marketing. These efforts have been focused in two key areas. Within the Group we have reviewed, and where necessary, refreshed some of our marketing messages and strategies. This includes the launch of our new website in the latter part of the year. We have been helped immensely by the work carried out for us on a part time basis by Shaun Orpen, Director of Marketing. Shaun's previous roles have included Head of Corporate Marketing at Microsoft UK and also Marketing Director for business solutions at Orange UK. His input has been invaluable, upgrading our marketing approach and developing, with other members of the management team, a revised approach to our marketing processes. This has been particularly useful following the launch of Series 6 which presents many new opportunities for the Group. We look forward to seeing the fruits of this work during the current year. In addition we have appointed a full time head of marketing, once again upgrading that role within the management structure.

During the first half of the year we opened four Invu Demo Centres located around the UK as a further support for our channel partners. The key benefit of the demo suites 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 laptop. The utilisation of the Demo Centres has increased and sales conversion rates have improved with double the number of orders being taken in the last five months of the financial year compared to the previous three and a half months. In particular, new resellers have the comfort of directing early opportunities towards highly professional and consistent presentations of the product whilst they are on their learning programs.

The second key area of investment has been to broaden our channels to market. Traditionally we have relied exclusively on a network of value added resellers. Whilst this has served the Group's growth very well over the years we have, where appropriate, added an additional layer of distribution. Examples of this are Centerprise which operates in the education and public sector markets, and Bell Micro covering the Benelux territories. In addition the Ergo™ product allows us access to additional channels including many new OEM possibilities.

Ergo™ has created a great deal of excitement since its launch at the Consumer Electronics Show (CES) in Las Vegas and the Group continues to pursue multiple business opportunities exploiting this innovative development.

The plan for Ergo™ is two-fold. It will be incorporated into the core product set over time, creating an alternative interface into the type of searching Invu has enabled, with the added features that Ergo™ offers. In addition there is a completely new market opportunity for the Group with Ergo™ through the OEM channel into various types of OEM partners, such as tablet PC manufacturers, lap-top and touch screen PC manufacturers. To that effect, we announced on 9th May 2008 an agreement with WACOM, the market leading manufacturer of pen tablets, whereby Ergo™ will be bundled with the high end range of pen tablets throughout Europe.

With the advent of multi-touch screens, the possibilities for applications like Ergo™ become very exciting as the human interface to computing becomes a much more instinctive experience when compared to existing mouse or single touch offerings.

Partnerships

The partnership agreement signed with IRIS Software in January 2008 has already benefited the Group. Through two of our existing partners, Scan Worx and Linden House we have already sold systems to about 200 IRIS accountancy practice management customers. With other specific joint marketing activities planned over the next couple of months, we expect that this will continue to accelerate and grow. Along with the initial OEM agreement with Sage, this supports Invu's market leading position selling document management systems to accountancy firms.

CHIEF EXECUTIVE'S STATEMENT

We also announced a partnership with Topaz whereby they would start marketing Invu's document management solutions alongside their payroll and financial management solutions.

We continue to work with Sage through our OEM arrangements with them, although sales progress continues to be slow in this area.

Overseas Markets

Our main overseas market is still the Benelux region where we have added Bell Micro as the senior distributor during the second half of 2007. Bell Micro has signed a number of resellers and sales have been recorded.

Product Development

This year has been very busy for the research and development team. During the past year we have carried out a major overhaul of the development department, with the key change coming in the form of a first time appointment for the Group of a Chief Technical Officer. Stuart Evans joined as CTO from Sage where he was Principal Architect, working to design and develop online and desktop offerings. He served in this capacity from July 2003, prior to which he was a consultant for Instant Consulting. In 2002 he helped form a mobile applications company in the USA focusing on product innovation, design, product strategy and supporting the sales team.

Stuart has brought significant value to development, both in terms of resolving some of the immediate issues relating to Series 6 and creating a long term technology and product road map for the Group. In addition to the CTO we have appointed a Chief Architect and a Head of Product Delivery.

On the development side there have been two major efforts. As previously announced, we had some early problems with the Series 6 release. This has been a key focus. The particular area of difficulty was the integration of our product with other complimentary applications at our clients that had historically worked with version 5.4. This and other problems have now been resolved, resulting in a much higher level of customer satisfaction, which is also reflected by a much increased renewal rate for InvuCare, our maintenance and upgrade contract, during the second half of 2007.

The other key development has been the creation of Ergo™. Ergo™ is Invu's next generation search, visualization and collaboration tool, which works both within Microsoft's XP environment, but really comes into its own with the Vista operating system.

Outlook

With Series 6 approaching maturity, a loyal and talented reseller channel, and Ergo™ opening up new global opportunities, the coming year will be exciting. We have prepared the Group for growth with an injection of expert management and an investment in recruitment and selection best practice. I am confident that we have the structure, products and people to take the Group from a small entrepreneurial company to a world class software vendor.

David Morgan

Chief Executive Officer

14th July 2008

FINANCIAL REVIEW

The financial statements have been prepared, for the first time, in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and cover the results for the Group for the year to 31 January 2008.

The main accounting policies affected by the transition to IFRS are set out in note 21 of the consolidated financial statements. This note also contains reconciliations to the previously presented financial statements for 2007 under UK GAAP.

Group restructuring

On 6 December 2007 the Group completed a reverse acquisition, whereby Invu Plc was inserted as the legal parent company of the Group. The Group was previously headed by Invu Inc. The benefits of the corporate restructuring include a simplified share structure, the potential to pay dividends free of any US withholding tax, and the avoidance of costly reporting to the Securities and Exchange Commission (SEC) and being subject to Sarbanes-Oxley legislation. Furthermore, this complex transaction was achieved at 30% below budgeted cost, this transaction is referred to in more detail within note 2 of the accounting policies.

Trading

Invu recorded another year of strong growth. Revenues increased by 38% to £8.71m (2007: £6.32m). Profit before tax and restructuring costs increased to £2.72m (2007: £1.82m) – an increase of 49%. After the deduction of “one-off” restructuring costs, profit before taxation amounted to £1.72m (2007: £1.82m). A more expansive review of Group performance can be found in the Chairman’s and the Chief Executive’s statements.

Taxation

Based on the Group’s profit before tax, the current year charge is £0.73m (2007: credit of £0.01m) representing an effective rate of 42% (2007: 0%). In 2007, the Group was able to utilise accumulated tax losses to offset any tax charge. The disproportionate rate in the current year reflects costs associated with the restructuring which were disallowed for tax purposes, and restrictions on the use of tax losses due to the timing of the corporate restructuring. The Group still possesses some tax losses, which will be available for offset next year.

Earnings and dividends

Group profit before tax was £1.72m (2007: £1.82m). Following a placing of 13,333,333 shares in June 2007, the exercise of 1,846,644 share options by members of staff and the Group restructuring, the weighted average number of shares in issue at the year end was 92,937,782 (2007: 98,893,128). Basic earnings per share fell to 1.07pence from 1.85pence per share in 2007. It should be noted that the tax charge increased from £nil in 2007 to £0.73m in 2008 and that the Group incurred £1m in “one-off” restructuring costs. After these adjustments the basic earnings per share for the year would be 2.93pence (2007: 1.85pence) on a like for like basis.

As a result of the levels of investment in the business, the Board will not be recommending the payment of a dividend this year. However, the completion of the Group restructuring has made future dividend policy much easier to administer than was possible with the former US parent company. In determining the Group’s future dividend policy, current earnings, future prospects and future cashflows will be considered.

FINANCIAL REVIEW

Earnings and dividends

Cash flow

Net cash outflow from operating activities was £2.36m (2007: £1.71m inflow), mainly due to the restructuring costs and delays in the deployment of Series 6, which resulted in a marked increase in sales and therefore debtors in the final quarter of the year. Net cash flow on financing activities predominantly reflects the £4m fundraising completed in June. Cash generation is expected to be much stronger in the year to 31 January 2009, but the Board has taken the prudent step of significantly increasing debt provisions to reflect the age and nature of certain debts.

Balance sheet

The Group's balance sheet has been strengthened by the net profit for the year, and the additional fundraising in June of £4m, the proceeds of which were applied for the restructuring costs and additional investment in product development, marketing and equipment.

The Group expended £0.64m on capitalised development costs and £0.28m on computer equipment mainly for its new training, testing and demonstration suites.

Net assets have increased by £4.16m to £8.69m (2007: £4.53m). This increase is predominantly due to the increase in trade debtors at the year end.

For a more detailed analysis of the effect of the re-structuring on the balance sheet please refer to note 20 of the financial statements.

Research and development

The Group continues to increase its ongoing investment in research and development, which is seen as critical to its future success and profitability. The Group continually strives to enhance its product offerings to meet the needs of its target markets. Further, the Group is investing in new products for new market segments such as its newly launched Ergo search software. The Group invested £0.83m (2007: £0.46m) on research and development of which £0.64m (2007: £0.28m) related to capitalised development costs.

Financial instruments

The Group's financial instruments comprise cash and cash equivalents, trade receivables and trade payables. The main risks arising from these financial instruments are interest rate risk, liquidity risk, credit risk and foreign currency exchange rate risk. The policies for managing each of these risks are detailed in note 3 of the consolidated financial statements.

Shareholder information

The Group's website at www.invu.net contains a wide variety of information about our activities and visitors can download copies of the report and accounts as well as other materials and items of interest.

John Agostini

Group Finance Director

DIRECTORS

EXECUTIVE DIRECTORS

David Morgan, Chief Executive Officer

David Morgan founded Invu's business in 1997 and is the Group's Chief Executive Officer. Between 1995 and founding Invu, David was Managing Director of Orchid Limited, a UK computer software reseller. In 1992, he was appointed Managing Director of Network Imaging UK Holdings Limited, an international software and systems house. In 1990, he was appointed Managing Director of Hunsbury Computer Services Limited, a systems integrator and subsidiary of Blackwood Hodge plc. David began his career with Rolls Royce plc and progressed to assistant to the director of the industrial and marine division. He graduated from Warwick University in 1982 with a Bachelor of Law degree.

John Charles Agostini FCA, Chief Finance Officer

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 plc as Finance and Operations Director. In 1996, he was employed as an interim European Financial Controller for Sunbeam Europe Limited, a domestic appliance distributor. John trained as a chartered accountant with Grant Thornton and qualified in 1984.

Jonathan Victor Halestrap, 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. Jonathan graduated from Coventry Polytechnic in 1984 with a Bachelor of Science degree in engineering.

NON-EXECUTIVE DIRECTORS

Daniel Goldman, Non-Executive Chairman

Daniel joined the Board in May 1999 and replaced David Morgan as Chairman in 2002. He has significant experience with emerging technology companies, raising private equity finance and providing bespoke corporate finance advice. Daniel is currently Managing Director of DG Goldman Investments Limited, a provider of strategic advice and investment banking services and a director of several emerging technology companies. He is also a director of the Puma II Fund, a fund managed by the Shore Capital Group with a bias towards technology. Daniel holds a degree in Engineering and Business Administration and studied corporate finance at the London Business School.

Thomas Patrick Maxfield, Non-Executive Director

Tom joined the Board of Invu in May 1999. Between 1989 and 1997 he was a main board 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, Tom 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. The businesses were sold in March 2008 to von Essen Hotels and Tom is now developing an urban day spa concept, Serenity in the City. Tom holds a Bachelor of Honours degree in Modern Languages.

Bernard Fisher, Non-Executive Director

Bernard Fisher joined the Board of Invu in June 2005. He has over 30 years' experience in the IT sector, including roles within the industry and as an external advisor. Bernard is currently Chairman of Chemistry Communications the UK's largest independent Customer Relationship Marketing and Direct Marketing company. Bernard is also Chairman of ITIM Limited a leading supplier of software solutions to retailers. 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 on the board of The Sage Group plc between 1989 and 1996 and representing 3i on the board of Adaytum, sold to Cognos for $160m in 2002.

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.

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements for the year ended 31 January 2008.

Principal activity

The Group is principally engaged in the design and sale of computer software for the electronic management of information and documents.

Business review

A more detailed review of the Group's activities is contained within the Chairman's statement, Chief Executive's statement and the Financial review.

On 7 December 2007, following the Group restructuring, the 1p ordinary shares of Invu PLC were admitted to trading on AIM.

The year ended 31 January 2008 has witnessed a number of successful commercial activities, new product development, and recruitment of key personnel. With Series 6 approaching maturity, a loyal and talented reseller channel, and Ergo™ opening up new global opportunities, the Group's prospects are exciting. The directors are confident that the Group has the structure, products and people to take the Group from a small entrepreneurial company to a world class software vendor. The Group's financial risk management objectives and policies are set out in note 3 of the financial statements. Other non-financial risks considered regularly by the board concern issues surrounding competition, recruitment and retention of key staff and reliance on third party software.

Currently the Group rarely encounters competition from other document management companies, but the board are mindful that at some point there may be entrants into our target market space. The board believes that its dominant market position and high degree of brand awareness provides significant barriers to entry to potential competitors into our target market, but closely reviews any likely threats to the Groups current position.

The directors understand the Group's dependence on its people who represent its most valuable asset. The Group has therefore adopted policies to ensure best practice in recruitment and retention of staff exemplified by its commitment to provide an excellent working environment, a culture of openness and the provision of a significant benefits package which includes share options for all members of staff.

Finally, the Group is aware of its reliance on a limited number of third party software providers. Group policy is to bulk purchase prepaid licences from all such providers. The directors are satisfied that they can further mitigate this risk as there are alternative software providers capable of supplying product which could be rapidly integrated into the Group current software offerings.

Share issues

On 6 December 2007 the Group completed a reverse acquisition, whereby Invu Plc was inserted as the legal parent company of the Group as detailed in note 2 of the financial statements. The Group was previously headed by Invu Inc. Details of the shares issued during the year are detailed in note 19 to the financial statements.

Directors and directors' interests

The present membership of the board is set out below. All of the directors served throughout the year on the board of the former parent company Invu Inc until 6 December 2007, and thereafter on the board of the new parent company Invu Plc.

The interests of the directors in the shares of the Company as at 31 January 2008 and 1 February 2007 were as follows:

		Ordinary shares of 1p each	
		Invu Plc	Invu Inc
		31 January 2008	1 February 2007
D Goldman	(appointed 1 November 2007)	**5,000**	5,000
D Morgan *	(appointed 1 November 2007)	**640,000**	140,000
J C Agostini	(appointed 1 November 2007)	**400,000**	50,000
J Halestrap	(appointed 1 November 2007)	**498,750**	148,750
T P Maxfield	(appointed 1 November 2007)	**1,551,483**	1,551,483
B Fisher	(appointed 1 November 2007)	**-**	-

Inhoco Formations Limited served as a director of the Company from 18 June 2007 and resigned as director on the 1 November 2007.

* D Morgan is a potential beneficiary of an Isle of Man discretionary trust administered by Cayman National Bank Limited. The Trust holds 18,754,252 (2006: 19,113,092) 1p ordinary shares of Invu Plc. The percentage of D Morgan's beneficial interest in the assets of the discretionary trust has not been determined.

Details of share options held by the directors are included within the remuneration report.

REPORT OF THE DIRECTORS

Directors' responsibilities for the financial statements

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company, for safeguarding the assets of the company, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a Directors' Report which complies with the requirements of the Companies Act 1985.

The directors are responsible for preparing the annual report and the financial statements in accordance with the Companies Act 1985. The directors are also required to prepare financial statements for the group in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market. The directors have chosen to prepare financial statements for the company in accordance with IFRSs, as adopted by the EU.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. A fair presentation also requires the directors to:

- consistently select and apply appropriate accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Employees

The Group operates recruitment and selection procedures to attract, motivate and retain the best staff regardless of race, religion, sexual orientation, age or disability. To that end it is committed to offering equal employment opportunities. The Group encourages share ownership through a number of share option schemes.

The Group maintains a policy of keeping all employees fully informed about its plans and progress through regular meetings, formal presentations and electronic communication. Participation by employees in the progress and profitability of the Group is encouraged, where appropriate, through bonus schemes and the Group share option schemes. Employee development is encouraged with formal staff appraisals and training programmes.

REPORT OF THE DIRECTORS

Substantial shareholders

As far as the directors are aware, as at 7th July 2008 the only shareholdings of 3% or more of Invu Plc's issued share capital were as follows:

	Ordinary shares of 1p each	
Name	**Shareholding**	**%**
Cayman National Bank and Trust Company	18,754,252	16.7
Tyne & Wear Limited	13,071,216	11.6
Cynthia Goldman	7,215,012	6.4
GRL Partners, LP	6,317,973	5.6
Herald Investment Management Limited	5,350,000	4.8
Hargreave Hale Limited	5,166,667	4.6

Supplier payment policy and practice

It is the Group's policy to agree terms and conditions with suppliers and to pay in accordance with them, provided the goods or services concerned have been supplied in accordance with those terms and conditions. Normal terms of payment are between 30 and 60 days. Trade creditors at the period end amounted to 65 days (2007 – 50 days) of average supplies for the year ended 31 January 2008.

Auditors

The directors who held office at 31 January 2008 confirm that, so far as they are each aware, there is no relevant audit information of which the Group's Auditors are unaware and each director has taken all the steps he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Group's Auditors are aware of that information.

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re appoint them will be proposed at the Annual General Meeting.

Post Balance Sheet Event

There have been no post balance sheet event that have materially effected the Group or the Company

Annual General Meeting

The Annual General Meeting will be held at The Beren, Blisworth Hill Farm, Stoke Road, Blisworth Northants, NN7 3DB on Friday 14 August 2008 at 10.30 am. The notice of the Annual General Meeting accompanies these financial statements.

ON BEHALF OF THE BOARD

J C Agostini

Secretary

14th July 2008

CORPORATE GOVERNANCE REPORT

Statement by the directors on compliance with the Combined Code

The Company is listed on the Alternative Investment Market (AIM) and is therefore not required to comply with the provisions of the 2006 Financial Reporting Council's revised Combined Code. Nevertheless the Board is committed to ensuring that proper standards of corporate governance operate throughout the Group and has followed the principles of the Code in so far as is practicable and appropriate for the nature and size of the Group.

A statement of directors' responsibilities in respect of the financial statements is set out on page 16.

The Board

The Board, comprising three Executive directors, a Non-Executive Chairman and two further Non-Executive directors, are responsible to shareholders for the overall strategy of the Group as well as considering a formal schedule of matters reserved to it. The Board meets regularly during the year, reviewing trading performance, setting and monitoring strategy and examining major capital expenditure and acquisition opportunities. The Board is supplied in a timely manner with information in a form suitable to enable it to discharge its duties. Professional advice from independent sources is available if required. All directors are subject to election by the shareholders at the first Annual General Meeting following their appointment, and to re-election thereafter at intervals of no more than three years.

Audit Committee

The Audit Committee comprises all of the Non-Executive directors, Daniel Goldman, Tom Maxfield and Bernard Fisher, and the Chief Finance Officer John Agostini. Executive directors are invited to attend meetings when considered appropriate. The Committee is 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 also ensures the independence and objectivity of the external auditors and also review their remuneration and the provision of non-audit services by external auditors. Taxation and legal advice are provided to the Group by independent advisors with experience in the relevant jurisdictions.

Remuneration Committee

The Remuneration Committee is chaired by Daniel Goldman and comprises all three of the Non-Executive directors. When appropriate the Committee also invites the views of the Chief Executive. The Committee makes recommendations to the Board, within agreed terms of reference, on the Group's framework of executive remuneration and cost. It also determines the remuneration and benefits packages for the Executive directors and any changes to their service contracts. The committee also reviews and approves the Company's share option schemes.

Nominations Committee

The Nominations Committee comprises the Chief Executive and the Non-Executive directors. It is responsible for making recommendations to the Board on all new appointments to the Board and considering and making recommendations as to the Board's composition and balance.

Internal control

The Board has overall responsibility for the Group's system of internal control and for reviewing its effectiveness. These systems of internal control can only provide reasonable, not absolute, assurance that no material loss or misstatement has occurred.

CORPORATE GOVERNANCE REPORT

Assessment of business risk

The Group has an ongoing process for identifying, evaluating and managing business risk. Strategic risks are regularly reviewed by the Board. Risks relating to the key activities of the Group are assessed continuously and, where necessary, mitigation strategies implemented.

Control environment

The Group's operating procedures encompass a comprehensive system for providing information, both financial and non-financial, to the Board including:

- Established organisational structure with clearly defined levels of responsibility and delegation of authority;
- Clearly defined operating guidelines and procedures with authorisation limits set at appropriate limits;
- Formal accounting policies and procedures applicable to all areas of the Group;
- Annual review of internal controls;
- Comprehensive budgeting and financial reporting systems involving review and approval of budgets by the Board, monthly monitoring of performance against these budgets and full variance analysis;
- Detailed operational procedures, that incorporate key controls, have been developed within the Group. These procedures take account of the implications of changes in law and regulations.

Shareholder relations

Invu is committed to open communication with all its shareholders and recognises the importance of maintaining a regular dialogue with shareholders to ensure that the Group's strategy and performance is understood. As an AIM quoted company, the directors continue to hold regular meetings with institutional shareholders to discuss and review the Group's activities, objectives and performance.

Communication with private shareholders is principally through the Annual General Meeting, where participation is encouraged and where the Board is available to answer questions. Shareholders are also encouraged to contact the Company directly and the directors undertake to reply to all such contacts either by telephone or e-mail with information that is within the public domain. To this end, the Group's website has a specific investor relations area with access to annual reports and other information. The website also affords the opportunity for investors and potential investors to contact the Group with any queries they may have. The Group will always use its best endeavours to respond to these requests.

Every shareholder will receive by post a full annual report each year and an interim report at the half year. Care is taken that price sensitive information is released to all shareholders, institutional and private, at the same time in accordance with London Stock Exchange requirements. The report of the Remuneration Committee has been approved by the Board of Directors for submission to shareholders for approval at the Annual General Meeting.

REMUNERATION REPORT

The Remuneration Committee operates within defined terms of reference and comprises the Non-Executive Chairman, Daniel Goldman and the other Non-Executive directors, Tom Maxfield and Bernard Fisher. When appropriate the Committee consults with the Chief Executive in respect of its proposals. The Committee is chaired by Daniel Goldman and meets as and when remuneration issues arise

Remuneration policy

The policy of the Group is to ensure that Executive directors are fairly rewarded for their individual contributions to the Group's overall performance and is designed to attract, motivate and retain Executive directors and key staff of the right calibre. The Committee is responsible for recommendations on all elements of directors' remuneration including, in particular, basic salary, annual bonus, share options, benefits and any other incentive awards. In setting Executive salaries, the Remuneration Committee considers a number of factors, such as market conditions, salaries in comparable companies in similar industries and affordability, also taking into account performance and market comparisons.

COMPONENTS OF EXECUTIVE DIRECTORS' REMUNERATION

Salary

Salaries are reviewed annually with effect from 1st February and adjustments made, if required, to reflect competitive pay levels, changes in responsibility and Group performance.

Bonuses

Executive directors are eligible to participate in an annual bonus programme, which is calculated by reference to appropriate targets. The bonus elements are on a sliding scale dependent upon the Executive directors achieving performance criteria set out by the Remuneration Committee. The criteria include targets for turnover, and net profit in line with market expectations. In addition to the formal bonus scheme, the Committee has the discretion to recommend the payment of ad hoc awards to reflect exceptional performance.

Share options

Following the completion of the Group restructuring in December 2007, new share option schemes were approved, with options being granted to all directors and staff. The Company's share option schemes are set out in note 22 of the financial statements. The directors believe it is important to incentivise key management and employees generally by granting them options over shares in the Company to allow them to participate over time in any increase in value of the Group.

Pensions

Executives contribute to a defined contribution group personal pension scheme. As with all other employees, the Group will match executives' contributions up to a level of 2% of salary. The assets of this scheme are administered by trustees in a fund independent from those of the Group.

Other Benefits

The Committee aims to provide an objective and independent assessment of all benefits granted to directors.

Service Contracts

The service agreement of David Morgan can be terminated by himself or the Group provided at least twelve months notice has been given. The service agreements of all other Executive directors can be terminated by the director or the Group provided at least six months notice has been given.

REMUNERATION REPORT

Non-Executive Directors' Remuneration

The Board, based on a recommendation by the Non-Executive Chairman determines the remuneration of the Non-Executive directors. The Non-Executive directors do not currently participate in the various benefit schemes operated by the Group apart from share option schemes. All Non-Executive directors are engaged on letters of appointment, which set out their duties and responsibilities. Both the Company and the Non-Executive directors are required to give one months notice of termination.

Directors' remuneration

The remuneration of the directors is as follows:

	Salaries and fees	Bonuses	Benefits in kind	TOTAL 2008	TOTAL 2007	PENSIONS 2008	PENSIONS 2007
	£,000	£,000	£,000	£,000	£,000	£,000	£,000
David Morgan	102	69	17	188	167	2	2
John Agostini	80	62	13	155	134	2	2
Jon Halestrap	93	63	12	168	156	2	2
Daniel Goldman	30	-	-	30	30	-	-
Bernard Fisher	37	-	-	37	13	-	-
Tom Maxfield	15	-	-	15	13	-	-
	357	**194**	**42**	**593**	**513**	**6**	**6**

Share options

	Granted	Number of options	Exercise price	Exercise period
David Morgan	6 Dec 07	932,018	28.5p	6 Dec 07 to 6 Dec 17
John Agostini	6 Dec 07	727,412	28.5p	6 Dec 07 to 6 Dec 17
Jon Halestrap	6 Dec 07	727,412	28.5p	6 Dec 07 to 6 Dec 17
Daniel Goldman	6 Dec 07	150,000	28.5p	6 Dec 07 to 6 Dec 17
Tom Maxfield	6 Dec 07	50,000	28.5p	6 Dec 07 to 6 Dec 17
Bernard Fisher	6 Dec 07	50,000	28.5p	6 Dec 07 to 6 Dec 17

The mid-market price of the ordinary shares was 23.75p at 31 January 2008. For the year ended 31 January 2008 the market price of INVU Inc from 1 February 2007 to 6 December 2007 and INVU Plc from 6 December 2007 to 31 January 2008 ranged from a low of 23.00p to a high of 32.50p.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INVU PLC

We have audited the group and parent company financial statements (the financial statements) of Invu Plc for the period ended 31 January 2008 which comprise the consolidated income statement, the consolidated and company balance sheets, the consolidated and parent company cash flow statements, the consolidated and parent company statements of recognised income and expense and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the directors' report is consistent with those financial statements. In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if other transactions are not disclosed.

We read other information contained in the annual report, and consider whether it is consistent with the audited financial statements. This other information comprises only, the Chairman's Statement, the Chief Executive's statement, the financial review, the Report of Directors, the corporate governance statement and the remuneration report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit 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 statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INVU PLC

Opinion

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the group's affairs as at 31 January 2008 and of its profit for the year then ended;
- the parent company financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 1985, of the state of the parent company's affairs as at 31 January 2008;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

BDO Stoy Hayward LLP
Chartered Accountants
and Registered Auditors

London

18th July 2008

CONSOLIDATED STATEMENT OF RECOGNISED INCOME & EXPENSE
For the year ended 31 January 2008

	Notes	2008 £'000	2007 £'000
Continuing operations			
Revenue	4	**8,711**	6,319
Cost of sales		**(297)**	(302)
Gross profit		**8,414**	6,017
Distribution costs		**(416)**	(336)
Administrative expenses		**(6,324)**	(3,917)
Profit from operations	5	**1,674**	1,764
Finance income	7	**157**	54
Finance costs	8	**(109)**	(3)
Profit before income tax		**1,722**	1,815
Income tax expense	9	**(728)**	10
Profit for the year	20	**994**	1,825
Attributable to:			
Equity holders of the Company		**994**	1,825
Earnings per share			
Basic (pence per share)	10	**1.07**	1.85
Diluted (pence per share)	10	**1.07**	1.85

The accompanying accounting policies and notes on pages 30 to 61 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF RECOGNISED INCOME & EXPENSE
For the year ended 31 January 2008

	Notes	2008 £'000	2007 £'000
Exchange differences arising on translation of foreign currency net investments	20	**(55)**	(6)
Reversal of deferred tax asset previously recognised	20	**(111)**	134
Net loss recognised directly in equity		**(166)**	128
Profit for the year	20	**994**	1,825
Total recognised income for the year		**828**	1,953
Attributable to:			
Equity holders of the Company		**828**	1,953

The Company did not have any other income or expense other than the loss for the year.

The accompanying accounting polices and notes on pages 30 to 61 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET
For the year ended 31 January 2008

	Notes	2008 £'000	2007 £'000
Non-current assets			
Goodwill	11	**-**	-
Other intangible assets	11	**835**	311
Property, plant and equipment	12	**468**	229
Deferred tax asset	18	**279**	170
		1,582	710
Current assets			
Inventories	14	**258**	220
Trade and other receivables	15	**11,032**	6,141
Cash and cash equivalents		**2,569**	2,168
		13,859	8,529
Total assets		**15,441**	9,239
Current liabilities			
Trade and other payables	16	**5,736**	4,664
Obligations under finance leases	17	**41**	20
Current taxation		**690**	-
		6,467	4,684
Net current assets		**7,392**	3,845
Non-current liabilities			
Obligations under finance leases	17	**42**	28
Deferred tax	18	**245**	-
		287	28
Total liabilities		**6,754**	4,712
Net assets		**8,687**	4,527
Equity			
Share capital	19	**1,068**	-
Shares to be issued	19	**1,466**	-
Share premium	20	**-**	6,289
Merger reserve	20	**27,539**	-
Share option reserve	20	**315**	197
Reverse acquisition reserve	20	**(20,570)**	-
Retained earnings	20	**(1,070)**	(1,953)
Foreign currency translation reserve	20	**(61)**	(6)
Total equity		**8,687**	4,527
Attributable to:			
Equity holders of the Company		**8,687**	4,527

The accompanying accounting policies and notes on pages 30 to 61 are an integral part of these consolidated financial statements. The financial statements were authorised and approved for issue by the Board of Directors on 14th July 2008 and were signed on its behalf.

D Morgan
Chief Executive Officer

J C Agostini
Director

COMPANY BALANCE SHEET
For the year ended 31 January 2008

	Notes	2008 £'000
Non-current assets		
Investments	13	**31,214**
		31,214
Current assets		
Trade and other receivables	15	-
Cash and cash equivalents		**703**
		703
Total assets		**31,917**
Current liabilities		
Trade and other payables	16	**1,880**
Total liabilities		**1,880**
Net assets		**30,037**
Current assets		
Share capital	19	**1,068**
Shares to be issued	19	**1,466**
Share premium	20	-
Merger reserve	20	**27,539**
Share option reserve	20	**315**
Retained earnings	20	**(351)**
Total equity		**30,037**
Attributable to:		
Equity holders of the Company		**30,037**

The notes on pages 30 to 61 are an integral part of these consolidated financial statements.

The financial statements were authorised and approved for issue by the Board of Directors on 14th July 2008 and were signed on its behalf.

D Morgan

Chief Executive Officer

J C Agostini

Director

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 January 2008

	Note	2008 £'000	2007 £'000
Net cash flow from operating activities	23	**(2,339)**	1,713
Cash flows from investing activities			
Interest received		**117**	54
Purchases of property, plant and equipment		**(279)**	(109)
Purchases of intangible assets		**(709)**	(306)
Net cash used in investing activities		**(871)**	(361)
Cash flows from financing activities			
Receipts from the issue of shares		**4,176**	14
Payment of issue costs paid		**(132)**	-
Interest paid		**(109)**	(3)
Repayment to shareholders		**(276)**	-
Repayment of obligations under finance leases		**(48)**	(25)
Net cash flow from financing activities		**3,627**	(14)
Net increase in cash and cash equivalents		**401**	1,338
Cash and cash equivalents			
At the beginning of the year		**2,168**	830
At the end of the year		**2,569**	2,168

The accompanying accounting policies and notes on pages 30 to 61 are an integral part of these consolidated financial statements

COMPANY CASH FLOW STATEMENT
For the year ended 31 January 2008

	Note	2008 £'000
Net cash generated from operating activities	23	**(11)**
Cash flows from investing activities		
Purchase of subsidiary undertakings		**(276)**
Net cash used in investing activities		**(276)**
Cash flows from financing activities		
Receipts from group undertakings		**990**
Net cash used in financing activities		**990**
Net increase in cash and cash equivalents		**703**
Cash and cash equivalents		
At the beginning of the year		**-**
At the end of the year		**703**

The accompanying accounting policies and notes on pages 30 to 61 are an integral part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 January 2008

1. GENERAL INFORMATION

Invu Plc is a Company incorporated in England and Wales. 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 United Kingdom 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.

2. PRINCIPAL ACCOUNTING POLICIES

Basis of accounting

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS and IFRIC interpretations) published by the International Accounting Standards Board (IASB), as endorsed by the European Union, and with those parts of the Companies Act 1985 applicable to companies preparing their accounts under IFRS.

The financial statements have been prepared on the going concern basis. The principal accounting policies adopted are set out below and have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation

The Company has elected to take the exemption under S230 of the Companies Act 1985 to not present the parent company income statement.

Basis of consolidation

On 6 December 2007 the Company, Invu Plc, became the legal parent company of Invu Inc in a share-for-share transaction. Due to the relative values of the companies, the former Invu Inc shareholders became the majority shareholders of Invu Plc. Further, the Group's continuing operations and executive management were those of Invu Inc. Accordingly, the substance of the combination was that Invu Inc acquired Invu Plc in a reverse acquisition.

To complete this process the Group completed a reverse acquisition, whereby Invu Plc was inserted as the legal parent company of the Group. The Group was previously headed by Invu Inc. The benefits of the corporate restructuring include a simplified share structure, the potential to pay dividends free of any US withholding tax, and the avoidance of costly reporting to the Securities and Exchange Commission (SEC) being subject to Sarbanes-Oxley legislation.

- The assets and liabilities of the legal subsidiary, Invu Inc, are recognised and measured in the consolidated financial statements at the pre-combination carrying amounts, without restatement to fair value;
- The retained earnings recognised in the consolidated financial statements represents those of Invu Inc to the date of the combination, 6 December 2007, and from this date to the year end represent those of Invu Inc and Invu Plc;
- The equity structure appearing in the consolidated financial statements reflects the equity structure of the legal parent, Invu Plc, including the equity instruments issued as part of the acquisition of Invu Inc;
- Comparative numbers presented in the consolidated financial statements are those reported in the financial statements of the legal subsidiary, Invu Inc, for the year ended 31 January 2007; and
- The assets and liabilities of the legal parent, Invu Plc, are recognised on combination at fair value

Under IFRS 3, "Business Combinations", the acquisition of Invu Inc by Invu Plc has been accounted for as a reverse acquisition. Although the consolidated financial statements have been prepared in the name of the legal parent, Invu Plc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 January 2008

Other than the reverse acquisition by INVU Inc as described above, 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 in line with those used by other members of the Group. All intra-Group transactions, balances, income and expenses are eliminated in full on consolidation.

Acquisition

On the 6 December 2007 the Group undertook a reverse acquisition whereby Invu Inc (the parent company up to this date) was deemed to be the acquirer of Invu Plc (the legal parent company from the 6 December 2007).The acquirer purchased the sole asset, which was a debtor of £2, of the subsidiary for the deemed consideration of £2, the goodwill arising on this transaction being nil. No trading occurred in Invu Plc prior to the acquisition.

First time adoption of International Financial Reporting Standards

This is the first time the Invu group has prepared its consolidated financial statements in accordance with IFRSs, having previously prepared its consolidated financial statements in accordance with UK GAAP. The date of transition relating to first time adoption is 1 February 2006.

A reconciliation of opening reserves recognised under IFRS on 1 February 2006 is included within notes 20 and 21 to explain the differences from the amounts previously recognised under UK GAAP.

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.

The initial sale of product is inclusive of maintenance for the first twelve months, with services being separately charged on the invoice, thereafter, fees for services and maintenance are charged to resellers separately from the sale of 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.

For those sale agreements to resellers which provide the resellers with 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 no 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.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

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 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 the income statement 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.

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.

Any 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 or valuation of assets 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

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 year in which it is 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;
- the development cost of the asset can be measured reliably;
- the product or process is technically and commercially feasible: and
- sufficient resources are available to complete the development and to either sell or use the asset.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 January 2008

Amortisation begins when the asset is available for use and is charged to administration expenses in the income statement.

The useful economic lives of internally-generated intangible assets are considered by the directors to be a period of 3 years.

Computer software, software rights and licences

Acquired computer software and software licences are capitalised on the basis of the costs incurred to acquire and to bring to use the specific software. These costs are amortised over their estimated useful economic lives of 4 years on a straight line basis and charged to Administration expenses in the Income statement.

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the net book 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 cashflows 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 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.

Investments

Investments in subsidiary undertakings are included at cost less impairment charges in the Company's financial statements.

Leasing

Leases are classified as finance leases whenever the terms of the lease, transfer substantially all the risks and rewards of ownership to the lessee. 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 analysed between capital and interest. The interest element is charged to the consolidated income statement over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

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 on a 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 year in which the write-down or loss occurs. Reversals are recognised as a reduction in the amount previously recognised as an expense in the year in which the reversal occurs.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments

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

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.

Financial assets, including trade and other receivables and cash equivalents, are classified as loans and receivables as they have fixed or determinable payments that are not quoted on an active market.

Financial liabilities, including trade and other payables and obligations under finance leases, are classified as financial liabilities measured at amortised cost.

Trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Trade payables

Trade payables are not interest-bearing and are stated at their nominal value.

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 accruals 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 year in which they arise.

Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Share-based payments

The 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 January 2005.

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's best estimate of shares that will eventually vest.

Fair value is measured by use of a binomial lattice pricing 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.

Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest.

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 January 2008 there were no outstanding contributions (2007: £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 expected to apply in the year 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 UK £ Sterling which is the functional currency of the legal parent company.

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

On consolidation, revenues, costs and cash flows are included in the Group income statement and cash flows at average rates of exchange for the year. Assets and liabilities denominated in foreign currencies are translated into UK £ 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 recognised in the foreign currency translation reserve 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.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

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

Certain new standards, amendments and interpretations to existing standards 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:

IAS 23 (revised)	Borrowing costs
IFRS 2 (amendment)	Share based payments
IFRS 3 (revised)	Business combinations
IFRS 8	Operating segments

IFRIC interpretations:

IFRIC 11	Group and treasury share transactions
IFRIC 12	Service concession arrangements
IFRIC 13	Customer loyalty programmes
IFRIC 14	IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction

The other standards, amendments and interpretations are not expected to have significant effects on the Group.

Critical accounting judgements 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 net book amounts 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 year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

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

3 FINANCIAL RISKS

3.1 Financial risk factors

Group's and Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's and Company's overall risk management programme seeks to minimise potential adverse affects on the Group's and Company's financial performance.

(a) Market risk

i. Foreign exchange risk

Transactions in foreign currency

The Group operates internationally and is exposed to foreign exchange risks arising from various currency exposures, primarily with respect to the US dollar, Euro and United Kingdom pounds sterling. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. To mitigate this risk the Group holds cash in both US Dollars and Euro denominated accounts both in the UK and overseas.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through inter-group borrowings denominated in the relevant foreign currencies.

Cash held in foreign currencies

For the Group it has been calculated that at the 31 January 2008 a 5% movement in foreign exchange rates either way would increase/decrease cash (and net assets) by £197,000, for the company individually, this would be £33,000.

ii. Fair value interest rate risk and cash flow interest rate risk

As the Group has no significant interest-bearing assets and liabilities, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

(b) Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as committed transactions. Management assess the other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

The management of the Group reviews debtors weekly on an individual account basis; provision for any potential bad debts is made on a monthly basis. The effect of foreign exchange movement on the debtors balance is minimal as each trading company invoices in the currency of the country in which it trades, funds are remitted in the same currency.

A more details review of the aging of trade receivables is provided in note 15 to the financial statements.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors forecasts of the Group's liquidity comprising undrawn borrowing facilities and cash and cash equivalents on the basis of expected cash flows. This is generally carried out in the operating companies of the Group in accordance with recommended accounting practice and limits set by the Group.

Management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these; monitoring balance sheet liquidity ratios against internal and external regulatory requirements; and maintaining debt financing plans.

3.2 Capital risk management

The Group's objectives when managing the Group's capital of share capital and reserves are to safeguard the 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.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

3 FINANCIAL RISKS (Continued)

3.3 FAIR VALUE ESTIMATION

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date.

The net book amount less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

4 SEGMENTAL ANALYSIS

The Group has elected to segment its operations on the basis of 'geographical segmentation of operations'. The Group has determined that this is the most appropriate segmental split to reflect the nature of the Group's operations. The Group has three distinct trading companies operating in two main geographical areas.

These are:

- United Kingdom
- Benelux

Geographical segmental information

An analysis of revenue is given below:	**2008**	2007
	£'000	£'000
United Kingdom	**7,871**	5,698
Benelux	**840**	621
	8,711	6,319

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

All revenue is generated by sales to external customers and represents the sale of software and related services.

An analysis of profit/(loss) before tax is given below:	**2008**	2007
	£'000	£'000
United Kingdom	**1,866**	1,498
Benelux	**(144)**	317
	1,722	1,815

An analysis of assets (including goodwill) is given below:	**2008**	2007
	£'000	£'000
United Kingdom	**14,042**	8,175
Benelux	**1,399**	1,064
	15,441	9,239

An analysis of liabilities is given below:	**2008**	2007

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	£'000	£'000
United Kingdom	**6,056**	3,461
Benelux	**698**	1,251
	6,754	4,712

Other information:

	2008	2007
	£'000	£'000
Capital additions:		
United Kingdom	**1,073**	471
	1,073	471

	2008	2007
	£'000	£'000
Depreciation and amortisation:		
United Kingdom	**310**	106
	310	106

	2008	2007
	£'000	£'000
Analysis of Revenue:		
Sale of Software	**7,053**	4,857
Rendering of Services	**1,658**	1,462
	8,711	6,319

Business segmental information

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

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5 PROFIT FROM OPERATIONS

The profit from operations in the year to 31 January 2008 has been arrived at after charging/(crediting) the following amounts:

	2008 £'000	2007 £'000
Research and development expenditure	**190**	177
Depreciation of property, plant and equipment	**125**	71
Amortisation of intangible assets	**185**	35
Auditors' remuneration:		
Audit services	**30**	27
Audit of subsidiary undertakings	**20**	14
Non audit services – interim review	**-**	8
Share option costs	**118**	111
Gain on foreign exchange	**(13)**	(1)
Operating leases - land and buildings	**189**	87
- other	**8**	8

6 STAFF COSTS

Staff costs during the year amounted to:	2008 £'000	2007 £'000
Wages and salaries	**2,284**	2,231
Social security	**268**	230
Other pension costs	**21**	17
Share option costs	**118**	111
	2,691	2,589

The average number of people employed by the Group (including directors) during the year was 62 (2007: 51).

Included within staff costs are directors emoluments amounting to:	2008 £'000	2007 £'000
Total emoluments	**593**	513
Pension costs	**6**	6
Share option costs	**64**	75
	663	594

During the year 3 (2007: 3) directors accrued benefits under the money purchase pension scheme.

During the year 3 directors exercised share options for a gain of £57,711 (2007: £nil). The highest paid director exercised share options for a gain of £22,771 (2007: £nil).

Details of directors' remuneration are disclosed within the audited financial information section of the Remuneration Report on pages 20 to 21.

7 FINANCE INCOME

The profit from operations in the year to 31 January 2008 has been arrived at after charging/(crediting) the following amounts:

	2008 £'000	2007 £'000
Interest on bank deposits	**157**	54

8 FINANCE COSTS

	2008 £'000	2007 £'000
Finance leases	**6**	3
Other interest payable	**103**	-
	109	3

9 TAXATION

	2008 £'000	2007 £'000
Current taxation		
- Current tax charge for the year	**690**	-
Deferred taxation		
- Current year charge/(credit)	38	(10)
Total tax charge	**728**	(10)

The tax rate used for the reconciliations above is the corporate tax rate of 30% payable by corporate entities in the United Kingdom on taxable profits under tax law in that jurisdiction, the effective rate of taxation used for the calculation of the deferred taxation being 28%.

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

	2008 £'000	2007 £'000
Profit before taxation	**1,722**	1,815
Profit multiplied by standard rate of corporation tax in the UK of 30% (2007: 30%)	**517**	545
Effect of:		
Permanent differences	341	(51)
Unrecognised losses utilised in the year	(38)	(485)
Tax effect of share options exercised	(101)	-
Other	9	(19)
Total tax charge for the year	**728**	(10)

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10 EARNINGS PER SHARE

	2008 £'000	2007 £'000
Profit for the financial year	**994**	1,825

	2008	2007
Weighted average number of common shares in issue during the year	**92,937,782**	98,893,128
Basic earnings per share	**1.07p**	1.85p
Diluted earnings per share	**1.07p**	1.85p

The basic earnings per share is based on the profit after taxation of £994,000 (2007: £1,825,000) and on the weighted average number of shares in issue during the year of 92,937,782 (2007: 98,893,128).

In accordance with IAS 33 and IFRS 3, the comparative earnings per share figure has been restated to reflect the number of shares issued by Invu Plc, to acquire Invu Inc, on 6 December 2007, adjusted to take into account the issue of shares in the comparative period. There is no difference calculated between the basic and diluted earnings per share figures on the basis of the average market value and exercise prices prevailing during the period.

11 GOODWILL AND OTHER INTANGIBLE ASSETS

Group

	Goodwill £'000	Development costs £'000	Computer softwares £'000	Software rights and licences £'000	Total £'000
Cost					
At 1 February 2006	828	-	102	100	1,030
Additions	-	281	25	-	306
At 31 January 2007	828	281	127	100	1,336
At 1 February 2007	828	281	127	100	1,336
Additions	-	635	74	-	709
At 31 January 2008	**828**	**916**	**201**	**100**	**2,045**
Amortisation					
At 1 February 2006	828	-	62	100	990
Charge for the year	-	15	20	-	35
At 31 January 2007	828	15	82	100	1,025
At 1 February 2007	828	15	82	100	1,025
Charge for the year	-	159	26	-	185
At 31 January 2008	**828**	**174**	**108**	**100**	**1,210**
Net book amount					
At 31 January 2006	-	-	40	-	40
At 31 January 2007	-	266	45	-	311
At 31 January 2008	**-**	**742**	**93**	**-**	**835**

Goodwill acquired in a business combination is allocated at acquisition to the cash generating units that are expected to benefit from that business combination. The goodwill on consolidation is related to the acquisition of Invu Netherlands B.V. (formerly Corsham Holding B.V.), which is considered to be a cash generating unit.

Goodwill is not amortised but is reviewed for impairment on an annual basis or more frequently if there are indications that goodwill may be impaired.

Recoverable amounts of the cash generating units are based on the value in use. The key assumptions for the value in use calculations are those regarding discount rates, growth rates and expected changes in margins. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money.

Internally generated intangible assets are capitalised when the criteria are met as defined in note 2, Principal Accounting Policies.

Other intangibles include patents acquired which meet the definition of an intangible asset.

The parent, Invu Plc, entity does not hold any intangible fixed assets.

NOTES TO THE FINANCIAL STATEMENTS
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12 PROPERTY, PLANT AND EQUIPMENT

Group	Computer equipment £'000	Motor vehicles £'000	Fixtures, fittings & equipment £'000	Total £'000
Cost				
At 1 February 2006	260	50	82	392
Additions	68	-	97	165
Disposals	(1)	-	-	(1)
At 31 January 2007	**327**	**50**	**179**	**556**
At 1 February 2007	327	50	179	556
Additions	277	25	62	364
At 31 January 2008	**604**	**75**	**241**	**920**
Depreciation				
At 1 February 2006	150	30	76	256
Charge for the year	52	6	13	71
Disposals	-	-	-	-
At 31 January 2007	**202**	**36**	**89**	**327**
At 1 February 2007	202	36	89	327
Charge for the year	80	9	36	125
At 31 January 2008	**282**	**45**	**125**	**452**
Net book amount				
At 31 January 2006	110	20	6	136
At 31 January 2007	125	14	90	229
At 31 January 2008	**322**	**30**	**116**	**468**

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 hire purchase finance lease with a net book amount of £69,000. Depreciation amounting to £20,000 has been charged to the income statement during the year.

The parent, Invu Plc, entity does not hold any property, plant and equipment or other tangible fixed assets.

13 INVESTMENTS

Company	Capital contributions to subsidiaries £'000	Shares in Group undertakings £'000	Total £'000
Additions	315	30,899	31,214
At 31 January 2008	**315**	**30,899**	**31,214**

Name of subsidiary	Country of registration or incorporation	Shares held and voting power held by the Company	Shares held and voting power held by the Group	Principal activity
Invu 2007 Limited	England & Wales	100% ordinary shares	-	Software and related services, design and sales
Montague Limited	Isle of Man	100% ordinary shares	-	Software and related services, design and sales
INVU PLC 1	United States	-	100% ordinary shares	Intermediate holding company
Invu (UK) plc 2	England & Wales	-	100% ordinary shares	Intermediate holding company
Invu Services Limited 3	England & Wales	-	100% ordinary shares	Software and related services, design and sales
Invu International Holdings Limited 3	England & Wales	-	100% ordinary shares	Holds intellectual property rights
Invu Netherlands B.V. 4	The Netherlands	-	100% ordinary shares	Software and related services and sales

1 Held via Invu 2007 Limited

2 Held via Invu Inc

3 Held via Invu (UK) Plc

4 Held via Invu International Holdings Limited

All investments are held directly unless otherwise stated.

All principal subsidiary undertakings operate in their country of incorporation.

The Group consolidates its subsidiary activities. The accounting year-end of the subsidiary undertakings consolidated in these financial statements on 31 January 2008.

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.

14 INVENTORIES

	Group 2008 £'000	Company 2008 £'000	Group 2007 £'000
Finished Goods	258	-	220
	258	**-**	**220**

15 TRADE AND OTHER RECEIVABLES

Current

	Group 2008 £'000	Company 2008 £'000	Group 2007 £'000
Trade receivables	10,798	-	6,002
Prepayments and accrued income	234	-	139
	11,032	**-**	**6,141**

Included in the Group's trade receivable balance are debtors with a carrying amount of £2,950,000 (2007: £270,000) which are past due at the reporting date. The average age of these receivables is 92 days (2007: 96 days).

Aging of past due but not impaired receivables:

	Group 2008 £'000	Company 2008 £'000
30-60 days	741	36
60-90 days	537	26
90 days +	1,672	208
	2,950	**270**

Movement in bad debt provision:

	Group 2008 £'000	Company 2008 £'000
At 1 February 2007	-	-
Movement in provision	695	-
At 31 January 2008	**695**	**-**

The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

16 TRADE AND OTHER PAYABLES

Current	Group 2008 £'000	Company 2008 £'000	Group 2007 £'000
Trade payables	1,222	-	449
Other payables	715	551	933
Other taxation and social security	1,175	-	736
Accruals and deferred income	2,624	-	2,546
Amounts owed to group undertakings	-	1,329	-
	5,736	**1,880**	**4,664**

All amounts above are payable within one year

The Directors consider that the net book 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 Group, and are repayable on demand.

17 OBLIGATIONS UNDER FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	2008 £'000	2007 £'000	**2008 £'000**	2007 £'000
Amounts payable under finance leases:				
Within one year	47	23	41	20
Between one and five years	49	32	42	28
	96	55	**83**	48
Less future finance charges	(13)	(7)		
Present value of lease obligations	83	48		
Analysed as:				
Current finance lease liabilities	**41**	20	**41**	20
Non-current finance lease liabilities	**42**	28	**42**	28

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

18 DEFERRED TAXATION

Group

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

Deferred tax assets	**Share options £'000**	**Losses £'000**	**Total £'000**
At 1 February 2006 under UK GAAP	26	-	26
Income Statement (charge)/credit	33	-	33
At 31 January 2007 under UK GAAP	59	-	59
IFRS – share options adjustment	111	-	111
At 1 February 2007 (restated under IFRS)	170	-	170
Income Statement (charge)/credit	(59)	279	220
Taken to retained earnings	(111)	-	(111)
At 31 January 2008	**-**	**279**	**279**

Deferred tax liabilities	**Accelerated Capital Allowances £'000**	**Total £'000**
At 1 February 2007	-	-
Profit and loss charge	245	245
At 31 January 2008	**245**	**245**

At the balance sheet date, the Group has unused tax losses, as below, available for offset against future profits in the respective countries. There were no deferred tax liabilities for the Group in the prior year.

Country	**Unrelieved Tax Losses 2008 £'000**	Unrelieved Tax Losses 2007 £'000
UK	**220**	93
US	**821**	1,270
Netherlands	**-**	-
At 31 January 2008	**1,041**	1.363