24 September 2007

Invu, Inc.

Interim Results for the 6 months ended 31 July 2007

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

Financial Highlights

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

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

*Adjusted for corporate reorganisation costs of £173,000

Operational Highlights

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

Post period end

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

Daniel Goldman, Non Executive Chairman of Invu, commented:

"I am proud of the Company's performance during the first half. We have continued to grow revenues in spite of the previously announced technical difficulties. Crucially, management's response has allowed the Company to overcome these challenges allowing us to grow both in terms of revenues and also in terms of hugely increased demand for the Series 6 product line. As we enter the second half of the year the entire Company is focused on converting this pipeline and backlog. Invu continues to reinforce its market position with a broadening range of channel and strategic partnerships underpinning our

leadership as a provider of document management solutions to the SME market. The Company remains uniquely positioned to leverage this platform for further significant and profitable growth."

David Morgan, Chief Executive, added:

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

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About Invu

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

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

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

Chairman's Statement

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

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

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

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

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

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

Daniel Goldman
Non Executive Chairman

Chief Executive's Statement

Introduction

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

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

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

Financial Performance

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

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

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

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

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

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

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

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

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

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

Operations

Trading

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

As previously announced, following the initial launch of the Series 6 product several technical problems arose that impeded integration and installation of the product with our larger partners and their customers. These issues arose during the first half and as a result we took steps, not only to fix the immediate problems, but also used the opportunity to review the whole development team and processes. We

engaged with outside consultants for the review and then appointed an interim CTO to oversee the implementation of the findings. We have identified a permanent CTO to take the development forward.

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

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

Sales & Marketing

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

During the first half we opened several Invu Demo Centres located around the UK as a further support for our channel partners. Since they opened, we have already seen an uplift in the quality of the lead generation and our ability to project the value of Invu's products to SME customers. The key benefit of the demo suite is the ability for potential customers to take part in an interactive live demonstration of the product. This is in a networked environment which much more closely mimics a working office, as opposed to a stand-alone demo, typically from a lap top. It is our intention to continue investing in innovative ways to support all our channel partners, reinforcing our position as the document management vendor with the strongest and best supported channel in the UK.

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

Overseas Markets

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

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

Product Development

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

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

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

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

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

Group Reorganisation

As previously announced we have commenced the long awaited group reorganisation process. There is a crucial difference between the initial and later stages of the process. The timetable for the completion of the second and final stage is broadly under our control, whereas the first few months have been subject to the relative uncertainties of U.S. legal and financial processes. Of the £4m raised through a placing in May 2007, approximately half the proceeds will be used to finance the reorganization, of which the majority is allocated to "cash out" US resident shareholders.

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

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

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

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

Outlook

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

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

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

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

David Morgan
Chief Executive Officer

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE SIX MONTHS ENDED 31 JULY 2007

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

INVU:

CONSOLIDATED BALANCE SHEET AT 31 JULY 2007

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

CONSOLIDATED CASHFLOW STATEMENT
FOR THE SIX MONTHS ENDED 31 JULY 2007

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 JULY 2007

1. GENERAL INFORMATION

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

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

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

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

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

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

Basis of consolidation

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

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

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

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

Revenue recognition

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

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

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

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

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

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

Goodwill

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

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

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

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

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

Property, plant and equipment

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

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

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

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

Internally-generated intangible assets – research and development expenditure

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Foreign currencies

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

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

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

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

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

International Financial Reporting Standards:

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

IFRIC interpretations:

IFRIC 11	Group and treasury share transactions (effective 1 March 2007)
IFRIC 12	Service concession arrangements (effective 1 January 2008)
IFRIC 13	Customer loyalty programmes (effective 1 July 2008)

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

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

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

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

INVU:

3 SEGMENT INFORMATION

Primary reporting format- geographical segments

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

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

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

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

4 PROPERTY, PLANT AND EQUIPMENT

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

5 INTANGIBLE ASSETS

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

6 SHARE CAPITAL

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

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

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

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7 (LOSS) / EARNINGS PER SHARE

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

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

8 CASH GENERATED FROM OPERATIONS

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

9 SHARE-BASED PAYMENTS

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