COMPANY REGISTRATION NO. 06283181

INVU PLC

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 JANUARY 2015

Directors and advisors
For the year ended 31 January 2015

Directors

M Wells (Non-executive chairman)
I Smith
D Goldman (Non-executive)

Secretary

I Smith

Registered Office

Blisworth Hill Farm
Stoke Road
Blisworth
NORTHANTS
NN7 3DB

Auditors

BDO LLP
Registered Auditors and
Chartered Accountants
Regent House Clinton Avenue Nottingham NG5 1AZ

Solicitors

Squire Sanders LLP
7 Devonshire Square
London
EC2M 4YH

Bankers

Bank of Scotland plc
33 Old Broad Street
LONDON
BX2 1LB

Registrars

BritDAQ Limited
Richmond House
Eastbourne Road
Blindley Heath
Lingfield
Surrey
RH7 6JX

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Chairman's message

I am pleased to report the achievement of a profit for the year of £0.6 million and operating cash from operations of £0.2m.

This is our first full year of reporting since we delisted the company and the results reflect the cost savings we anticipated from this exercise.

As we are no longer a listed plc we are able to report using the new UK standard FRS 102. We have taken the opportunity to adopt FRS 102 early. This has had no impact on the Group income statement and minimal impact on the Group balance sheet, as shown in note 21. The impact of FRS 102 is primarily on the statement wording and format, with some reduction in the level of disclosure, which I do not believe impacts shareholders ability to understand the activities and results of the business.

Business Model

The Company is a holding company. The Group is principally engaged in the design and sale of computer software for the electronic management of information and documents.
The Group sells licences of its own authored software and some third party software applications that complement its own software offering. The software licences are sold both directly to end users and through accredited resellers. The software requires installation and implementation by qualified personnel, the group or its accredited resellers offer these services to end user customers. The group offers annual support agreements, "InvuCare" which provide end users with technical support and the right to certain software upgrades free of charge.

Business Strategy

The Group's target market for its software solutions are medium and small sized businesses.
The group has changed its distribution strategy during the last five years from being a supplier of software products exclusively through a reseller channel to being a supplier of software solutions utilising direct sales, a reseller channel and an OEM partner, IRIS, for its most significant vertical market, the Accountancy Practices market. This strategy has resulted in the Group rationalising its reseller channel down from nearly 200 resellers to an active channel of less than 50 resellers.

The group is a Microsoft Gold Partner and Invu software is designed and developed using Microsoft software. The Group has chosen to licence rather than develop, some complementary software, and its chosen partner for document capture is ABBYY and for document print and distribution is Objectif Lune.

Business review

Group revenue increased by 1.3% to £2.87 million in the year. This was primarily the result of a 5.0% increase in the revenue from InvuCare. The InvuCare renewal rate was 93% (last year 90%). Sales of software and related services were 4.3% lower and the mix of these sales moved towards services as a higher percentage of these sales comprised the invoice processing solution.
The gross margin decreased by 2.3% to £2.33 million, a gross margin percentage of 81.4%, compared to last year's 84.4%. This deterioration in margin and margin percentage is caused by additional headcount costs related to the delivery of services and InvuCare.

Adjusted EBITDA, as defined below, increased by 27% to £0.62 million. The decrease in gross margin was offset by a 10% decrease in overheads (excluding exceptional overheads). This decrease was primarily related to delisting from AIM, including the related saving of CEO costs.

Operating profit increased by 179% to £0.6 million as a result of the EBITDA improvement and because no exceptional costs were incurred this year.

Interest expense relates to the convertible loan note which matured in September and was converted to 8 million ordinary shares with a nominal value of £0.001 each. Following this the Group had no debt.

Cash from operations was £0.24 million (last year £0.68 million) and the net cash increase in cash and cash equivalents was £0.21 million (last year £0.61 million), leaving a closing cash balance on cash and cash equivalents of £1.52 million last year (£1.31 million). The primary reason for lower cash generation this year is a decrease in trade and other creditors, in part due to the settlement of creditors in the balance sheet last year which arose as a result of the delist.

The balance sheet shows shareholders' equity of £0.34 million (last year deficit of £0.26 million) which arises primarily because of the profit in the year.

The Group remains firmly committed to research and development to maintain its position as a market leader. During the year the Group expensed £0.47 million related to research and development (2014: £0.32 million). In addition, the Group capitalised £0.01 million (2014: £0.06 million) of qualifying development expenditure as required in accordance with FRS102. In March 2015 the Group launched a new purchase order processing module, this along with improvements to the existing offerings in invoice processing and document management, was the major part of development effort during the year.

Key performance indicators

The key performance indicators, including the management of profitability and working capital, monitored on an ongoing basis by management are set out below:

Indicator	**2015**	**2014**	**Measure**
Revenue £m	2.9	2.8	
Profitability ratio			
Gross margin	81.4%	84.4%	Gross profit as a percentage of turnover
Trading EBITDA £m	0.62	0.49	Earnings before interest, tax, depreciation, amortisation, profit/loss on disposal of fixed assets, and share options charge.
Other indicators			
New installed sites	79	109	New customer sites installed in the year
Days sales outstanding	44	33	Computed using the exhaustion method
InvuCare renewal rate	93%	90%	Based on the value of contracts falling due for renewal
Non-financial indicators			
Quality management	The Invu Group operates a quality policy that has been accredited to ISO 9001 for the development and sale of products for document, content and information management.		

Principal risks and uncertainties

The principal risks and uncertainties affecting the Group include the following:

- Economic – in common with businesses whose customers are reliant on the availability of credit to make investments in software and systems. The software sales made by the business are dependent on the strength of the economy. This risk is partially mitigated by the recurring customer support revenues from the customer base.
- Competitors – the Group has a number of competitors for its software products. To mitigate this risk, the Group continues to invest in and develop its software.
- Technology– the Group's products are based on software technologies which continue to evolve, so there is a risk of technical obsolescence, which the group mitigates by continuing to invest in and developing its software and by partnering with major infrastructure suppliers.

ON BEHALF OF THE BOARD

MWells

Mark Wells, Chairman
25 June 2015

Directors Report

The directors present their report together with the audited financial statements for the year ended 31 January 2015.

Principal Activity

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

The Group sells licences of its own authored software and some third party software applications that complement its own software offering. The software licences are sold both directly to end users and through accredited resellers. The software requires installation and implementation by qualified personnel, the group or its accredited resellers offer these services to end user customers. The group offers annual support agreements, “InvuCare” which provide end users with technical support and the right to certain software upgrades free of charge.

Results

The audited financial statements for the year ended 31 January 2015 are set out on pages 7 to 26. The Group’s profit for the year after tax amounted to £0.6 million (2014: £0.2 million). As the Company does not have any distributable reserves the Board will not be recommending the payment of a final dividend.

Directors

The Directors who served during the year were as follows:

D Goldman
I Smith
M Wells
B Fisher (resigned 11 February 2014)

Directors' responsibilities for the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). . Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and company and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, , subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company’s transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the requirements of the

Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 share option scheme.

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 scheme. Employee development is encouraged with formal staff appraisals and training programmes.

Health, safety and environmental policies

The Group recognises and accepts its responsibilities for health, safety and the environment (HS&E) and has a dedicated team which provides advice and support in this area. The team regularly discuss the latest HS&E issues and receive training in specific areas pertinent to the business. The team also perform internal reviews on a regular basis to ensure compliance with best practise and all relevant legislation. As a provider of document management software, the Group is mindful of the positive impact our software (which is also used in-house) has on the environment, by drastically reducing the use of paper.

Auditors

The directors who held office at 31 January 2015 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 LLP have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

Indemnity Provisions

The company's Articles of Association provide for indemnification of directors subject to and as far as permitted by the statutes. A copy of the company's Memorandum and Articles of Association are available for inspection at the company's office and from Companies House. No qualifying third party indemnity provisions or any qualifying pension scheme indemnity provisions are in force as of the date of this report or were in force during the year ended 31 January 2015.

Annual General Meeting

The Annual General Meeting will be held at Invu, Blisworth Hill Farm, Stoke Road, Blisworth Northants, NN7 3DB on 31 July 2015 at 9am. The notice of the Annual General Meeting will be sent separately to shareholders.

ON BEHALF OF THE BOARD

Ian Smith, Director
25 June 2015

Report of the independent auditors

TO THE MEMBERS OF INVU PLC

We have audited the financial statements of Invu Plc for the year ended 31 January 2015 which comprise the consolidated statement of comprehensive income, the consolidated and company balance sheets, the consolidated and company statements of changes in equity, the consolidated and company cash flow statements and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 January 2015 and of the group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and ;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or

- the parent company financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

BDO LLP

Richard Wilson (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Nottingham
United Kingdom

Date 29 June 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Income Statement
For the year ended 31 January 2015

	Notes	2015 £'000	2014 £'000
Turnover	4	**2,867**	2,832
Cost of sales		**(533)**	(443)
Gross profit		**2,334**	2,389
Administration expenses		**(1,770)**	(2,187)
Group operating profit	5	**564**	202
Interest payable and similar charges	7	**(1)**	(5)
Profit on ordinary activities before taxation		**563**	197
Taxation on profit on ordinary activities	8	**50**	-
Profit for the financial year		**613**	197

There was no other comprehensive income in the current or prior year other than profit for the financial year.

The accompanying accounting policies and notes on pages 13 to 26 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet
As at 31 January 2015

Company number 06283181	**Notes**	**2015**	2014
		£'000	£'000
Fixed Assets			
Intangible assets	9	**86**	121
Tangible assets	10	**15**	16
		101	137
Current assets			
Debtors	12	**571**	541
Cash at bank and in hand		**1,523**	1,325
		2,094	1,866
Creditors: amounts falling due within one year	13	**1,851**	2,263
Net current assets/(liabilities)		**243**	(397)
Net assets/(liabilities)		**344**	(260)
Capital and reserves			
Called up share capital	15	**4,746**	4,738
Share premium	15	**554**	412
Share option reserve	16	**290**	299
Convertible debt option reserve	16	**-**	346
Merger reserve	16	**(20,131)**	(20,131)
Retained earnings		**14,885**	14,076
Equity/(Net deficit) attributable to owners of the parent company		**344**	(260)

The financial statements were authorised and approved for issue by the Board of Directors on 25th June 2015 and were signed on its behalf.

M Wells, Director……………………… MWells

I Smith, Director………………………

The accompanying accounting policies and notes on pages 13 to 26 are an integral part of these consolidated financial statements.

Company number 06283181

	Notes	2015 £'000	2014 £'000
Non-current assets			
Investments	11	**1,290**	1,299
		1,290	1,299
Current assets			
Debtors	12	**632**	3
Cash at bank and in hand		-	-
		632	3
Creditors: amounts falling due within one year	13	**28**	104
Net current assets/(liabilities)		**604**	(101)
Net assets		**1,894**	1,198
Equity			
Share capital	15	**4,746**	4,738
Share premium	16	**554**	412
Share option reserve	16	**290**	299
Convertible debt option reserve	16	**-**	375
Merger reserve	16	**439**	439
Retained earnings		**(4,135)**	(5,065)
Total equity attributable to:			
Equity holders of the Company		**1,894**	1,198

The financial statements were authorised and approved for issue by the Board of Directors on 25th June 2015 and were signed on its behalf.

………………………… ……………………..
M Wells I Smith
Director Director

The accompanying accounting policies and notes on pages 13 to 26 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity
For the year ended 31 January 2015

	Share Capital £'000	Share premium £'000	Share option reserve £'000	Convertible debt option reserve £'000	Merger reserve £'000	Retained earnings £'000	Total £'000
At 1 February 2013	**4,738**	**412**	**297**	**375**	**(20,131)**	**13,879**	**(430)**
Total comprehensive income	-	-	-	-	-	197	197
Partial settlement of convertible loan	-	-	-	(29)	-	-	(29)
Movement on share option reserve	-	-	2	-	-	-	2
At 31 January 2014	**4,738**	**412**	**299**	**346**	**(20,131)**	**14,076**	**(260)**

	Share Capital £'000	Share premium £'000	Share option reserve £'000	Convertible debt option reserve £'000	Reverse acquisition reserve £'000	Retained earnings £'000	Total £'000
At 1 February 2014	4,738	412	299	346	(20,131)	14,076	(260)
Issue of shares	8	142	-	-	-	-	150
Final settlement of convertible loan	- -	(29) -	- - -	(-346)	- - -	-196	- (150) (29)
Total comprehensive income	-	-	-	-	-	613	613
Movement on share option reserve	-	-	(9)	-	-	-	51
At 31 January 2015	**4,746**	**554**	**290**	**-**	**(20,131)**	**14,885**	**344**

The accompanying accounting policies and notes on pages 13 to 26 are an integral part of these consolidated financial statements

Company statement of changes in equity
For the year ended 31 January 2015

	Share Capital £'000	Share premium £'000	Share option reserve £'000	Convertible debt option reserve £'000	Merger reserve £'000	Retained earnings £'000	Total £'000
At 1 February 2013	**4,738**	**412**	**297**	**375**	**439**	**(5,142)**	**1,119**
Total comprehensive income	-	-	-	-	-	77	77
Movement on share option reserve	-	-	2	-	-	-	2
At 31 January 2014	**4,738**	**412**	**299**	**375**	**439**	**(5,065)**	**1,198**

	Share Capital £'000	Share premium £'000	Share option reserve £'000	Convertible debt option reserve £'000	Merger reserve £'000	Retained earnings £'000	Total £'000
At 1 February 2014	4,738	412	299	375	439	(5,065)	1,198
Issue of shares	8 8	- 142	- 142	-	-	- -	150 150
Final settlement of convertible loan	-	-	-	(375)	-	225	(150)
Total comprehensive income	-	-	-	-	-	705	705
Movement on share option reserve	-	-	(9)	-	-	-	(9)
At 31 January 2015	**4,746**	**554**	**290**	**-**	**439**	**(4,135)**	**1,894**

The accompanying accounting policies and notes on pages 13 to 26 are an integral part of these consolidated financial statements.

Consolidated statement of cash flow
For the year ended 31 January 2015

	2015 £'000	2014 £'000
Cash flows from operating activities		
Profit for the financial year	**563**	197
Depreciation and amortisation of fixed assets	**62**	69
Interest payable	**1**	5
Share based payments (credits)/charges	**(9)**	2
Decrease in trade and other debtors	**20**	8
Decrease/increase in trade and other creditors	**(398)**	403
Cash from operations	**239**	684
Interest paid	**(1)**	(5)
Cash flows from operating activities	**238**	679
Cash flows from investing activities		
Purchases of tangible fixed assets	**(14)**	(9)
Purchases of intangible fixed assets	**(12)**	(57)
Net cash from investing activities	**(26)**	(66)
Cash flows from financing activities	**-**	-
Net increase in cash and cash equivalents	**212**	613
Cash and cash equivalents at the beginning of the year	**1,311**	698
Cash and cash equivalents at the end of the year	**1523**	1,311
Cash and cash equivalents comprise:		
Cash at bank and in hand	**1523**	1,325
Debt element of convertible loan stock	**-**	(14)
	1,523	1,311

The accompanying accounting policies and notes on pages 13 to 26 are an integral part of these consolidated financial statements.

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

The financial statements have been prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

FRS 102 is mandatory for accounting periods beginning on or after 1 January 2015 but may be applied early to periods ending on or after 31 December 2012. The Company has taken the option to apply the standard early in the preparation of these financial statements. Information on the impact of first-time adoption of FRS 102 is given in note 20.

Basis of consolidation

The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 February 2013. Therefore, the group continues to recognise a merger reserve which arose on a past business combination that was accounted for as a merger in accordance with IFRS 3, “Business Combinations” as applied at that time.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in applying the Group's accounting policies.

Parent Company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

• Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical;

• No cash flow statement has been presented for the company; and

• Disclosures in respect of the parent company’s share-based payment arrangements have not been presented, as equivalent disclosures have been provided in the group accounts.

The principal accounting policies of the company are set out below.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Going concern

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Group can continue in operational existence for the foreseeable future.

The Directors have reviewed the Group's projected cash flows for the period through to 31 July 2015 (considering amongst other things, the Group's requirements to repay borrowings, the level of recurring revenue, the outlook for the Group's chosen markets and the current working capital resources) and are satisfied that it is appropriate to prepare the accounts on a going concern basis.

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 Group's revenues are made through a reseller channel and by direct sale to end users.

Revenues from the sale of licenses of software products are recognised upon shipment of the licensed product, provided the licensed software product is to be deployed to a named end user and that fees are fixed, collectability is probable, and the Group has no significant obligations remaining under the sale agreement.

Revenues for the sale of maintenance and ongoing support are recognised on a straight line basis, over the period of each end user support agreement.

Revenues for the provision of implementation and installation services are recognised when the services are delivered.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation.
Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives, which range between 3 and 4 years.

Intangible assets – research and development expenditure

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if, and only if, certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

Computer software, software rights and licenses

Acquired computer software and software licenses 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.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Investments

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

Property Lease

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

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Share capital

Ordinary shares and A 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 Company issues equity settled share based payments, utilising the shares of its parent Invu plc, 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 best estimate of the number 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.

The expense arising each year from share based payments is charged to administrative expenses

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.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:
• The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
• Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
• Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

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 (note 17), bad debt provisions (note 12), the capitalisation of internally generated intangibles (note 9), the debt element of convertible loan stock (note 13) the interest rate used to calculate the liability element of the convertible loan is based on an estimated interest rate that equates to the rate that the Company would have been able to borrow debt at, should it have no convertible element and the amortisation period for intangible assets and impairment reviews (note 2).

3. FINANCIAL RISKS

The 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.

4. ANALYSIS OF TURNOVER

The Group has one class of business the design and sale of computer software for the electronic management of information and documents.

Analysis of turnover by country of destination:

	2015	2014
	£'000	£'000
United Kingdom	**2,709**	2,686
Rest of Europe	**143**	122
Rest of the World	**15**	24
	2,867	2,832

All non-current assets and liabilities are held within the UK.

5. PROFIT FROM OPERATIONS

The profit/(loss) from operations has been arrived at after charging/(crediting) the following amounts:

	2015	2014
	£'000	£'000
Research and development expenditure	**474**	316
Depreciation of tangible assets	**15**	11
Amortisation of intangible assets	**47**	58
Auditors' remuneration:		
Audit of company	**6**	10
Audit of subsidiary undertakings	**10**	24
Taxation	**4**	-
Bad debt	**12**	(11)
Exceptional expense: Fees and expenses re redundancy of CEO	**-**	184
Exceptional expense: Fees and expenses re de listing	**-**	28
Share option (credit)/charge	**(9)**	2
Operating leases - land and buildings	**40**	40

6. STAFF COSTS

Staff costs charged to the consolidated income statement during the year amounted to:	**2015 £'000**	2014 £'000
Wages and salaries	**1,353**	1,586
Social security	**166**	186
Pension costs	**15**	19
Capitalised development labour	**(20)**	(78)
Share option costs (note 17)	**(9)**	2
	1,505	1,715

The average number of people employed by the Group (including directors) during the year was 29 (2014: 29), there were no employees in the company for the current and prior year. At 31 January 2015 there were outstanding pension contributions of £3,000 (2014: £3,000).The Company provided no post-retirement benefits to its employees.

Included within staff costs are directors emoluments amounting to:	**2015 £'000**	2014 £'000
Directors emoluments (highest paid £163,000, 2014 £280,000)	**178**	494
Loss of office	**-**	180
Company contributions to money purchase pension schemes	**2**	8

During the year 1 (2014: 2) directors accrued benefits under the money purchase pension scheme.

During the year no directors exercised any share options (2014: nil).

7. FINANCE COSTS

	2015 £'000	2014 £'000
Convertible loan stock finance cost	**1**	5

8. TAXATION

	2015	2014
	£'000	£'000
Current taxation		
- Adjustment in respect of prior years	**-**	-
- Current tax charge	**-**	-
Deferred tax credit	**(50)**	-
Total tax for the year	**(50)**	-

The tax rate used for the reconciliations below is the corporate tax rate of 21% (2014: 23%) payable by corporate entities in the United Kingdom on taxable profits under tax law in that jurisdiction.

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

	2015	2014
	£'000	£'000
Profit/(Loss) before taxation	**563**	197
Profit/(loss) multiplied by standard rate of corporation tax in the UK of 23% (2014: 23%)	**118**	47
Tax effect of:		
Expenses not deductable	**2**	11
Enhanced relief on research and development	**(15)**	(3)
Tax effect of share options	**(2)**	-
Fixed asset temporary differences	**4**	(2)
Utilisation of losses brought forward	**(157)**	(53)
Research and development tax (credit)	**-**	-
Total tax for the year	**(50)**	-

9. INTANGIBLE ASSETS

Group	**Development costs**	**Computer software**	**Total**
	£'000	**£'000**	**£'000**
Cost			
At 1 February 2014	242	43	285
Additions	12	-	12
At 31 January 2015	**254**	**43**	**297**
Amortisation			
At 1 February 2014	122	42	164
Charge for the year	46	1	47
At 31 January 2015	**168**	**43**	**211**
Net book amount			
At 31 January 2014	120	1	121
At 31 January 2015	**86**	**-**	**86**

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

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

10. TANGIBLE FIXED ASSETS

Group	Computer equipment £'000	Fixtures, fittings & equipment £'000	Total £'000
Cost			
At 1 February 2014	104	29	133
Additions	6	8	14
At 31 January 2015	**110**	**37**	**147**
Depreciation			
At 1 February 2014	89	28	117
Charge for the year	12	3	15
At 31 January 2015	**101**	**31**	**132**
Net book amount			
At 31 January 2014	15	1	16
At 31 January 2015	**9**	**6**	**15**

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

11. INVESTMENTS

Company	Shares in Group undertakings £'000	Capital contribution to subsidiaries £'000	Total £'000
Cost			
At 1 February 2014	30,899	393	31,292
Decrease in capital contribution	-	(9)	(9)
At 31 January 2015	**30,899**	**384**	**31,283**
Provisions			
At 1 February 2014	(29,899)	(94)	(29,993)
Provision against investments	-	-	-
At 31 January 2015	**(29,899)**	**(94)**	**(29,993)**
Net book value of investments			
At 31 January 2014	1,000	299	1,299
At 31 January 2015	**1,000**	**290**	**1,290**

11. INVESTMENTS (continued)

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 (UK) plc[1]	England & Wales	-	100% ordinary shares	Intermediate holding company
Invu Services Limited [2]	England & Wales	-	100% ordinary shares	Software and related services, design and sales
Invu International Holdings Limited [2]	England & Wales	-	100% ordinary shares	Holds intellectual property rights
Invu Netherlands B.V. [3]	The Netherlands	-	100% ordinary shares	Non-Trading

1 Held via Invu 2007 Limited
2 Held via Invu (UK) plc
3 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 2015.

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 2006.

12. DEBTORS: amounts falling due within one year

Current	**Group 2015 £'000**	Group 2014 £'000	**Company 2015 £'000**	Company 2014 £'000
Trade debtors	**450**	470	**-**	-
Amounts owed by group companies	**-**	-	**629**	-
Prepayments	**71**	71	**3**	3
Deferred taxation (note 14)	**50**	-	**-**	-
	571	541	**632**	3

13. CREDITORS: amounts falling due within one year

	Group 2015 £'000	Group 2014 £'000	**Company 2015 £'000**	Company 2014 £'000
Debt element of convertible loan stock	**-**	14	**-**	14
Trade creditors	**82**	119	**15**	12
Amounts owed to group companies	**-**	-	**-**	20
Other taxation and social security	**195**	193	**-**	-
Other creditors	**28**	45	**-**	-
Accruals and deferred income	**1,546**	1,892	**13**	58
	1,851	2,263	**28**	104

The convertible loan stock paid interest and was converted during the year, under the terms of the convertible loan note agreement, to 8 million ordinary shares with nominal value of £0.001 each at a premium of £142,000 (see note 15)

14. DEFERRED TAXATION

Group and Company

At the balance sheet date, the group has recognised a deferred tax assets of £50,000 (2014 £nil) in relation to brought forward losses.

At the balance sheet date, the Group has unused tax losses, as below, available for offset against future profits in the respective countries. No deferred tax asset has been recognised in respect of these losses as their future utilisation is uncertain.

Country	**Unrelieved tax losses 2015 £'000**	Unrelieved tax losses 2014 £'000
UK	**10,237**	10,952
	10,237	10,952

15. SHARE CAPITAL AND SHARE PREMIUM

Group and Company

	2015 £'000	2014 £'000
Authorised, allotted and fully paid:		
176,752,662 (2013: 168,752,662) £0.001 ordinary shares	**177**	169
1,518,773,958 (2013:1,518,773,958) £0.001 deferred shares	**1,519**	1,519
305,000,000 (2013: 305,000,000) £0.01 A ordinary shares	**3,050**	3,050
	4,746	4,738

On 3 September 2015 the Company issued 8 million £0.001 ordinary shares in full settlement of a £200,000 convertible loan note which had been accounted for as a financial instrument resulting in an equity element of £150,000 being applied to share capital as £8,000 of share capital and £142,000 as share premium.

The A ordinary shares rank in priority to the ordinary shares, with respect to any distribution of assets of the Company on a winding-up, and have no rights to attend and vote at general meetings of shareholders of the Company, but otherwise rank pari passu in all respects with the issued ordinary shares, including the right to receive all dividends and other distributions declared, made or paid on the Company's share capital.

The deferred shares have no voting rights, are not entitled to dividends, are not transferable and have very limited rights on any return of assets on liquidation. There were no changes in the rights of the ordinary shares.

Shares to be issued

The Company had a commitment to issue further ordinary shares of £0.001 at a price of £0.2626 per share, which will give a merger reserve under s612 of the Companies Act 2006 of £29,255. This was the remaining amount of shares to be issued as a result of the reorganisation of the Group in 2007. This commitment has lapsed and accordingly the £29,299 has been recorded as part of the merger reserve.

16. RESERVES

The Share Capital reserve relates to the nominal amount of issued ordinary shares.

The Share Premium reserve relates to excess consideration received in respect of the issue of ordinary shares over and above the par value. The reserve is non-distributable.

The Merger reserve originally arose from the issue of ordinary shares, on 6 December 2007, in the reverse acquisition undertaken by Invu Inc. During the prior year the cumulative post merger provisions against the investment in shares in group undertakings (£28,899,000) was transferred to this reserve from retained earnings. The Merger reserve is non-distributable.

The Share Option reserve represents the cumulative cost charged to the Income Statement for share based payments.

The Foreign Currency translation reserve represents exchange movements on the opening balance sheet and results of the Group's overseas undertakings whose functional currency is not £ Sterling.

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these accounts. The parent company's retained profit for the financial year amounted to £76,000 (2014: £77,000).

17. SHARE-BASED PAYMENTS

The share option charge during the year ended 31 January 2014 amounted to a credit of £9,000 (2014: £2,000).

The company operates two share option plans: the 2007 Share option plan and the Invu Plc Non-Executive Share options plan. The options currently granted under these schemes have the following vesting terms:

a) on transfer from schemes that existed prior to 2007 they have already vested
b) on grants in the year 2007 they vest on the earlier of the achievement of performance targets, based on earnings per share in the case of staff on 14 September 2011 or in the case of directors on 6 December 2013
c) on grants subsequently made to executive management, including directors, they vest equally over three years from the date of grant
d) on grants subsequently made to other staff they vest on the earlier of the achievement of performance targets, based on profit after tax, or four years from the date of grant.

Under the plans, options will vest immediately when Invu Plc is subject to a change in control.

All options, originally granted on 21 June 2010, that were outstanding as of 30 January 2012 were surrendered by employees as of that date and those employees received options granted as of 30 January 2012. The options granted as of 30 January 2012 to these employees have been accounted for as a modification, in accordance with IFRS 2, to the options granted as at 21 June 2010.

The movement on the schemes has been:

	2015		2014	
	Number of Share options	**Weighted average Exercise price £**	Number of share options	Weighted average Exercise price £
Outstanding at beginning of the year	**17,781,148**	**0.026**	36,257,648	0.021
Granted during the year	**-**	**-**	-	-
Forfeited during the year	**(52,500)**	**0.01**	(18,476,500)	0.017
Exercised during the year	**-**	**-**	-	-
Outstanding at the end of the year	**17,728,648**	**0.024**	17,781,148	0.024
Exercisable at the end of the year	**17,728,648**	**0.024**	12,457,648	0.026

The options outstanding at the 31 January 2015 had a weighted average exercise price of £0.024 and a weighted average remaining contractual life of 7 years (2014: 8 years). The listing of the ordinary shares in Invu plc on the AiM ceased on 2 December 2013, the closing price per share on the previous trading day was £0.0035.

The expense arising from share options grants is based on the computation of the estimated fair value at the date of grant of each share option. This is calculated by applying a binomial lattice option pricing model. Early exercise is not considered likely in material amounts and therefore no adjustments have been made in this respect. The key variables used in the model were:

17. SHARE-BASED PAYMENTS (continued)

	30/01/12	20/12/10	06/12/07
Market value at date of grant	£0.0042	£0.0065	£0.2850
Exercise price	£0.0100	£0.0100	£0.2850
Exercise price executives 2012	£0.0175	-	-
Expected volatility	85.2%	95.3%	29.0%
Expected dividend yield	0.0%	0.0%	2.0%
Risk free interest rate	0.39%	0.60%	4.56%

The directors have determined the volatility for options granted during the year using computations based on historical share prices.

18. COMMITMENTS

The Group's future minimum lease payments under non-cancellable operating leases, which all relate to the rental of the group's offices, are as follows:

	2015 £'000	2014 £'000
Not later than 1 year	**33**	17
Later than 1 year but not later than 5 years	**50**	-
Total minimum lease payments	**83**	17

The Company does not have any non-cancellable operating leases.

Neither the Group nor the Company has any capital commitments as at 31 January 2015 or 31 January 2014.

19. RELATED PARTY TRANSACTIONS

During the year the Company paid £47,000 related to a prior year liability for fees to Goldman Investments, a company whose majority shareholder is Daniel Goldman, a non-executive director of the Company.

D Goldman has waived his fees for services provided in the current year.

Cortexplus Limited, a company whose majority shareholder is Mark Wells, a non-executive Director of the Company, was paid £42,983 (2014: £37,240).

As at 31 January 2015, the Company owed intergroup companies £nil (2014: £nil). The Company entered into related party transactions with other group companies for recharges of professional fees from intergroup companies of £124,506 (2014: £199,397) and repayment of loans and related interest of £65,318.

The directors have the authority and responsibility for planning, directing and controlling the activities of the group (and the company), and they are therefore the key management personnel.

Except for transactions with the above, there were no other related party transactions during the year for the Group or the Company.

20. FIRST TIME ADOPTION OF FRS 102

Group	Equity as at 1 February 2013	Share option reserve	Convertible debt option reserve	Profit for the year ended 31 January 2014	Equity as at 31 January 2014
	£'000			£'000	£'000
As previously stated under IFRS	(479)	2	(29)	197	(309)
Transitional adjustments					
Other creditor re 2007 Group reorganisation	49				49
As stated in accordance with FRS 102	(430)	2	(29)	197	(260)

An amount was of £49,000 had been included in other creditors to cover a potential liability for amounts due to unidentified non UK shareholders of Invu Inc, as part of the reorganisation of the group in 2007. The date for these claims has passed and this amount has been returned to the merger reserve which was originally created in 2007. This adjustment to opening reserves also impact the Company see below:

Company	Equity as at 1 February 2013	Share option reserve	Convertible debt option reserve	Profit for the year ended 31 January 2014	Equity as at 31 January 2014
	£'000			£'000	£'000
As previously stated under IFRS	1,070	2	-	77	1,149
Transitional adjustments					
Other creditor re 2007 Group reorganisation	49				49
As stated in accordance with FRS 102	1,119	2	-	77	1,198