

Company no. 06283287

INVU 2007 LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JANUARY 2017

SATURDAY



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INVU 2007 LIMITED

FINANCIAL STATEMENTS

For the year ended 31 January 2017

Company registration number: 06283287

Registered office: Blisworth Hill Farm
Stoke Road
Blisworth
Northamptonshire
NN7 3DB

Directors: I Smith
S Evans
T Newman

Company secretary: I Smith

Bankers: Bank of Scotland plc
33 Old Broad Street
London
BX2 1LB

Auditors: BDO LLP
Regent House
Clinton Avenue
Nottingham
NG5 1AZ

INVU 2007 LIMITED

FINANCIAL STATEMENTS

For the year ended 31 January 2017

INDEX	PAGE
Report of the directors	1 – 2
Independent auditor's report	3 – 4
Profit and loss account	5
Balance sheet	6
Statement of changes in equity	7
Notes to the financial statements	8 - 15

INVU 2007 LIMITED

REPORT OF THE DIRECTORS

For the year ended 31 January 2017

The directors present their report together with financial statements for the year ended 31 January 2017.

Principal activities

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

The ultimate parent company is Invu plc, a company incorporated in England and Wales.

Directors

The membership of the Board during the year is set out below.

S Evans
T Newman
I Smith

Research and development

The company expenditure on research and development in the year was £519,701 (2016 - £557,590). Development expenditure of £27,682 was capitalised in the financial year ended 31 January 2017 (2016- £28,530).

Directors' responsibilities

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 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 company, and of the profit or loss of the company 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; and
- 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 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.

INVU 2007 LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

For the year ended 31 January 2017

Statement of disclosure to auditors

So far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

ON BEHALF OF THE BOARD



.....
I Smith
Secretary
5 June 2017

INVU 2007 LIMITED

INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS OF INVU 2007 LIMITED

For the year ended 31 January 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVU 2007 LIMITED

We have audited the financial statements of Invu 2007 Limited for the year ended 31 January 2017 which comprise the profit and loss account, the balance sheet, the statement of changes in equity 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 auditor

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 FRC'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 company's affairs as at 31 January 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

INVU 2007 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF INVU 2007 LIMITED (CONTINUED)

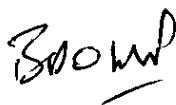
For the year ended 31 January 2017

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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, or returns adequate for our audit have not been received from branches not visited by us; or
 - the 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.
-
- the directors were not entitled to prepare the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.



*Richard Wilson (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Nottingham
5 June 2017*

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

INVU 2007 LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 31 January 2017

		2017	2016
	Note	£	£
Turnover	2	352,630	380,876
Cost of sales		-	(732)
Gross profit		352,630	380,144
Administrative expenses		(1,896,558)	(1,871,803)
Exceptional credits		8,289,461	-
Other operating income	2	1,490,663	1,294,213
Operating profit/(loss)	2	8,236,196	(197,446)
Other interest receivable		-	-
Profit/(loss) before tax		8,236,196	(197,446)
Tax	4	17,907	12,700
Profit/(loss) for the financial year		8,254,103	(184,746)

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

There were no recognised gains and losses in the current year or prior year.

The accompanying accounting policies and notes on pages 8 to 15 form an integral part of these financial statements.

INVU 2007 LIMITED

COMPANY NUMBER: 06283287

BALANCE SHEET

As at 31 January 2017

	Note	2017	2016
		£	£
Fixed assets			
Investments	5	3,000,000	1,000,000
Intangible assets	6	45,572	68,764
		<u>3,045,572</u>	<u>1,068,764</u>
Current assets			
Debtors	7	1,515	1,626
Cash at bank		<u>9,709</u>	<u>3,716</u>
		11,224	5,342
Creditors: amounts falling due within one year	8	(1,182,704)	(7,473,164)
Net current liabilities		(1,171,480)	(7,467,822)
		<u>1,874,092</u>	<u>(6,399,058)</u>
Capital and reserves			
Called up share capital	9	965,547	965,547
Share premium	10	24,389,705	24,389,705
Share option reserve	10	27,766	64,294
Retained earnings		(23,508,926)	(31,818,604)
Shareholders' funds/(deficit)		<u>1,874,092</u>	<u>(6,399,058)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 5 June 2017



.....
I Smith
Director

The accompanying accounting policies and notes on pages 8 to 15 form an integral part of these financial statements.

INVU 2007 LIMITED**STATEMENT OF CHANGES IN EQUITY**

For the year ended 31 January 2017

	Share Capital	Share premium	Capital Contribution reserve	Retained earnings	Total
At 1 February 2015	965,547	24,389,705	66,286	(31,633,858)	(6,212,320)
Total comprehensive income	-	-	-	(184,746)	(184,746)
Movement on capital contribution reserve	-	-	(1,992)	-	(1,992)
At 31 January 2016	965,547	24,389,705	64,294	(31,818,604)	(6,399,058)
	Share Capital	Share premium	Capital Contribution reserve	Retained earnings	Total
At 1 February 2016	965,547	24,389,705	64,294	(31,818,604)	(6,399,058)
Total comprehensive income	-	-	-	8,254,103	8,254,103
Transfer to reserves re expired options			(55,575)	55,575	-
Movement on capital contribution reserve	-	-	19,047	-	19,047
At 31 January 2017	965,547	24,389,705	27,766	(23,508,926)	1,874,092

The accompanying accounting policies and notes on pages 8 to 15 form an integral part of these financial statements.

INVU 2007 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2017

1 ACCOUNTING POLICIES

Invu 2007 Limited is a private company incorporated in England and Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the directors' report.

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.

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 405 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The Company's functional and presentational currency is GBP.

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 Company's accounting policies.

Reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7;
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29

This information is included in the consolidated financial statements of Invu plc and these financial statements may be obtained as described in note 11.

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

Going Concern

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

Invu 2007 Limited is a subsidiary of Invu plc and, as finances are raised on a group basis, the company's ability to continue in operational existence is dependent on whether adequate finance is available from Invu plc. The company has received confirmation from Invu plc that they will provide such financial support.

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.

Revenue primarily arises from licence fees, arising on software developed by the company, and technical services provided to a subsidiary, Invu Services Limited. Licence fees are recognised in the period that the related software is sold to end users. Technical services fees are recognised in the period that the services are delivered.

INVU 2007 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 January 2017

Intangible fixed assets

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.

Investments

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

Financial assets

Short term debtors are measured at transaction price less any impairment.

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-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 Company operates a contracted in money purchase pension scheme. Contributions are charged to the administrative expenses 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.

INVU 2007 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 January 2017

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.

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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences.

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

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 and the capitalisation of internally generated intangibles.

2 TURNOVER & OPERATING PROFIT/(LOSS)

Turnover is derived wholly from transactions in the United Kingdom and arises from the design of computer software for the electronic management of information.

The operating profit/(loss) is stated after charging:	2017	2016
	£	£
Research and development (including wages and salaries)	519,701	577,590
Depreciation and amortisation:		
Intangible fixed assets	50,874	46,168
Exceptional items		
Reduction in provision against value of investment in subsidiaries	(2,000,000)	-
Intercompany creditors forgiven	(6,289,461)	
Share option charge (credit)	19,047	(1,992)

Audit fees are borne by a subsidiary company, Invu Services Limited.

INVU 2007 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 January 2017

3 DIRECTORS AND EMPLOYEES AND OTHER OPERATING INCOME

Staff costs during the year were as follows:

	2017 £	2016 £
Wages and salaries	1,581,202	1,595,330
Social security costs	187,079	187,006
Pension costs	23,846	21,409
Share option expense/(credit)	19,047	(1,992)
	<u>1,811,174</u>	<u>1,801,753</u>

During the year £1,490,663 (2015: £1,294,213) was recharged to a sister company, Invu Services Limited, for the services provided by certain staff of Invu 2007 Limited. This amount is included in other operating income.

At 31 January 2017 there were outstanding pension contributions of £4,000 (2016: £5,000). The Company provided no post-retirement benefits to its employees.

The average number of persons, including executive directors, employed by the company during the year was:

	2017	2016
Development	8	10
Recharged to Invu Services Limited	23	21
	<u>31</u>	<u>31</u>

Remuneration in respect of directors was as follows:

	2017 £	2016 £
Emoluments	441,651	495,443
Company pension contribution	6,600	6,600
Share option costs	13,545	3,153
	<u>461,796</u>	<u>505,196</u>

There were 3 directors in the company's defined contribution pension scheme (2016: 3) during the year. No director exercised any share options in either the current or prior year.

Emoluments of the highest paid director were £196,000 (2016: £213,000). Pension contributions totalling £2,200 (2016: £2,200) were paid by the company on their behalf.

INVU 2007 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 January 2017

4 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

There is a tax credit arising on profits for the year and this has been credited to the profit and loss account in the year.

	2017 £	2016 £
<i>UK Corporation Tax</i>		
Tax charge arising in the current year	-	-
Tax credits relating to prior years	(17,907)	(12,700)
Tax on profit/(loss) on ordinary activities	(17,907)	(12,700)

	2017 £	2016 £
<i>UK Corporation Tax</i>		
Profit/(loss) on ordinary activities before tax	8,236,196	(197,446)
Loss on ordinary activities multiplied by the standard rate of Corporation tax in the UK of 20%	1,647,239	(39,489)
Effect of:		
Expenses not deductible	3	(329)
Expense credits not taxable	(1,657,893)	-
Timing differences in respect of capitalised fixed assets	7,852	4,205
Tax effects of share options	(7,306)	(398)
Research and development enhanced deduction	(25,686)	(17,027)
Tax credits relating to prior years	(17,907)	(12,700)
Unutilised losses carried forward	35,791	53,038
Total tax charge for the current year	(17,907)	(12,700)

Unrelieved tax losses of approximately £1.9 million (2016 - £1.9 million) remain available to offset against future taxable trading profits. No deferred tax asset has been recognised in respect to this as the future utilisation of these tax losses is uncertain.

5 INVESTMENTS

	Shares in group undertakings £
Cost	
At 1 February 2016 and 31 January 2017	29,899,371
Provisions	
At 1 February 2016	28,899,371
Reduction in Provision	(2,000,000)
At 31 January 2017	26,899,371
Net book value at 31 January 2017	3,000,000
Net book value at 31 January 2016	1,000,000

INVU 2007 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 January 2017

5 INVESTMENTS (CONTINUED)

At 31 January 2017 the company held 20% or more of the equity of the following subsidiary undertakings:

Name of subsidiary	Country of registration or incorporation	Shares held and voting power held by Invu 2007 Ltd	Shares held and voting power held by the group	Principal activity
Invu (UK) plc	England and Wales	100%	-	Holding company
Invu Services Limited	England and Wales	-	100% Ordinary shares	Software and related services, design and sales
Invu International Holdings Limited	England and Wales	-	100% Ordinary shares	Holds intellectual property rights
Invu Netherlands BV	The Netherlands	-	100% Ordinary shares	Non trading

All principal trading subsidiary undertakings operate in their country of incorporation.

The registered office of all of the subsidiaries is the same as for Invu 2007 Limited.

These accounts are not consolidated as per note 1 of the financial statements, as all of the subsidiary undertakings have been consolidated in the Invu plc Group financial statements.

6 INTANGIBLE FIXED ASSETS

	Development costs £
Cost	
At 1 February 2016	281,909
Additions	27,682
At 31 January 2017	<u>309,591</u>
Amortisation	
At 1 February 2016	213,145
Charge for the year	50,874
At 31 January 2017	<u>264,019</u>
Net book amount at 31 January 2017	<u>45,572</u>
Net book amount at 31 January 2016	<u>68,764</u>

INVU 2007 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 January 2017

7 DEBTORS

Amount due in the year:	2017 £	2016 £
Prepayments and accrued income	1,515	1,626
	<u>1,515</u>	<u>1,626</u>

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	13	553
Amounts owed to group undertakings	1,004,487	7,198,383
Social security and other taxes	49,230	56,229
Accruals and deferred income	98,671	187,696
Corporation tax	30,303	30,303
	<u>1,182,704</u>	<u>7,473,164</u>

9 SHARE CAPITAL

	2017 £	2016 £
Allotted, called up and fully paid up ordinary shares of 1p each	<u>965,547</u>	<u>965,547</u>

10 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 capital contribution reserve relates to where value has been transferred to the Company by the ultimate parent, Invu plc, arising from the issue of share options in Invu plc to employees of this company..

INVU 2007 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 January 2017

11 CONTROLLING PARTY

The parent undertaking of this company is Invu plc, incorporated in England and Wales.

The smallest and largest group of undertakings for which group accounts have been drawn up is that headed by Invu plc, incorporated in England and Wales. Copies of the group accounts can be obtained at Companies House.