

Edgar Filing: INVU INC - Form 10QSB

INVU INC
Form 10QSB
December 16, 2002

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-QSB

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED OCTOBER 31, 2002

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM _____ TO _____.

Commission File No. 00-22661

INVU, INC.
(Exact name of small business issuer as specified in charter)

Colorado 84-1135638

(State or other jurisdiction of incorporation) (IRS Employer Identification No.)

The Beren, Blisworth Hill Farm
Stoke Road
Blisworth, Northamptonshire NN7 3DB

(Address of principal executive offices) (Postal Code)

Issuer's telephone number, including area code: (01604) 859893

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Indicate by check mark whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES X NO

As of December 16, 2002 there were 30,386,539 shares of the common stock, no par value, of the registrant issued and outstanding.

Transitional Small Business Disclosure Format (check one)

YES _____ NO X _____

Edgar Filing: INVU INC - Form 10QSB

INVU, INC.

October 31, 2002

INDEX

PART I. FINANCIAL INFORMATION.....

Item 1. Financial Statements.....

Consolidated Balance Sheets as of October 31, 2002.....

Consolidated Statements of Operations.....

Consolidated Statements of Deficit in Stockholders' Equity.....

Consolidated Statements of Cash Flows.....

Notes to Financial Statements.....

Item 2. Management's Discussion and Analysis or Plan of Operation.....

Item 3. Controls and Procedures.....

PART II. OTHER INFORMATION.....

Item 1. Legal Proceedings.....

Item 2. Changes in Securities.....

Item 3. Default Upon Senior Securities.....

Item 4. Submission of Matters to a Vote of Security Holders.....

Item 5. Other Information.....

Item 6. Exhibits and Reports on Form 8-K.....

SIGNATURES.....

EXHIBIT INDEX.....

CONSOLIDATED FINANCIAL STATEMENTS

INVU, INC. AND SUBSIDIARIES

OCTOBER 31, 2002

Edgar Filing: INVU INC - Form 10QSB

F-1

INVU, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	October 31, 2002 (unaudited) \$
<hr/>	
ASSETS	
Current assets	
Cash	134,240
Accounts receivable:	
Trade, net	1,376,356
VAT recoverable and other	24,220
Inventories	126,728
Prepaid expenses	104,973
	<hr/>
Total current assets	1,766,517
	<hr/>
Equipment, furniture and fixtures	
Computer equipment	264,563
Vehicles	263,747
Office furniture and fixtures	115,205
	<hr/>
	643,515
	<hr/>
Less accumulated depreciation	340,039
	<hr/>
	303,476
	<hr/>
Intangible assets	91,262
Goodwill	1,308,227
	<hr/>
	3,469,482
	<hr/> <hr/>
LIABILITIES AND DEFICIT IN STOCKHOLDERS' EQUITY	
Current liabilities	
Short-term credit facility	693,227
Current maturities of long-term obligations	4,008,292
Accounts payable	558,106
Accrued liabilities	959,239
Deferred revenue	290,848
Taxation	1,781,931
	<hr/>
Total current liabilities	8,291,643
	<hr/>

Edgar Filing: INVU INC - Form 10QSB

Long-term obligations, less current maturities	1,413,739
Deficit in stockholders' equity	
Preferred stock, no par value	
Authorised - 20,000,000 shares; nil shares issued and outstanding	-
Common stock, no par value	
Authorised - 100,000,000 shares; issued and outstanding - 30,386,539	1,746,223
Accumulated deficit	(7,984,415)
Accumulated other comprehensive income	2,292

	(6,235,900)

	3,469,482
	=====

The accompanying notes are an integral part of these financial statements.

F-2

INVU, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

	For the three months ended October 31, 2002 (unaudited) \$	October 31, 2001 (unaudited) \$	For the nine months ended October 31, 2002 (unaudited) \$
Revenues	677,229	361,672	1,690,835
Expenses:			
Production cost	68,452	58,314	174,736
Selling and distribution cost	239,201	184,929	679,946
Research and development cost	170,985	144,608	522,041
Administrative costs	286,435	242,998	863,146
	-----	-----	-----
Total operating expenses	765,073	630,849	2,239,869
	-----	-----	-----
Operating loss	(87,844)	(269,177)	(549,034)
Other income (expense)			
Interest, net	(125,097)	(144,010)	(349,299)
	-----	-----	-----
Total other expense	(125,097)	(144,010)	(349,299)
	-----	-----	-----
Loss before income taxes	(212,941)	(413,187)	(898,333)
Income taxes	-	-	-
	-----	-----	-----
Net loss	(212,941)	(413,187)	(898,333)
	=====	=====	=====
Weighted average shares outstanding:			

Edgar Filing: INVU INC - Form 10QSB

Basic and Diluted	30,386,539	30,386,539	30,386,539
	=====	=====	=====
Net loss per common share			
Basic and Diluted	(0.01)	(0.01)	(0.03)
	=====	=====	=====

The accompanying notes are an integral part of these financial statements.

F-3

INVU, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF DEFICIT IN STOCKHOLDERS' EQUITY

	Common stock	Accumulated	Accumulated	
	Shares	Amount	deficit	
		\$	\$	
			other	
			comprehensive	
			income	
			\$	
Balance at January 31, 2002	30,386,539	1,746,223	(7,086,082)	222,24
Comprehensive income (unaudited):				
Foreign currency translation				
adjustment (unaudited)	-	-	-	(219,953
Net loss for the period (unaudited)	-	-	(898,333)	-
Total comprehensive income (unaudited)				
Balance at October 31, 2002	30,386,539	1,746,223	(7,984,415)	2,292
(unaudited)	=====	=====	=====	=====

The accompanying notes are an integral part of these financial statements.

Edgar Filing: INVU INC - Form 10QSB

F-4

INVU, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the nine m October 31, 2002 (unaudited) \$
Net cash flows used in operating activities	
Net loss during the period	(898,333)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation and amortization	143,102
(Profit)/loss on disposal of assets	(374)
Changes in:	
Accounts receivable	(326,914)
Inventories	(37,745)
Prepaid expenses	(9,549)
Accounts payable	(2,111)
Accrued liabilities	319,451
Taxation	(17,524)
Net cash used in operating activities	(829,997)
Cash flows provided by investing activities:	
Acquisitions of property and equipment	(98,954)
Disposals of property and equipment	13,449
Acquisitions of intangible assets	-
Acquisition of subsidiary	478,338
Net cash provided by investing activities	392,833
Cash flows provided by financing activities:	
Short-term credit facility	370,089
Borrowings received from notes payable	277,690
Repayment of borrowings	(30,569)
Principal payments on capital lease	(53,825)
Net cash provided by financing activities	563,385
Effect of exchange rate changes on cash	8,019
Net increase in cash	134,240
Cash at beginning of period	-
Cash at end of period	134,240

Edgar Filing: INVU INC - Form 10QSB

Supplemental disclosure of cash flow information:

Cash paid during the period for:

Interest	120,000
----------	---------

Non cash items during the period:

Taxation liability assumed on acquisition	1,750,108
---	-----------

The accompanying notes are an integral part of these financial statements.

F-5

INVU, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The accompanying financial statements have been prepared without audit pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations. These statements include all adjustments, consisting only of normal recurring accruals, considered necessary for a fair presentation of financial position and results of operations. The financial statements included herein should be read in conjunction with the financial statements and notes thereto included in the latest annual report on Form 10-KSB. The results of operations for the nine month period ended October 31, 2002 are not necessarily indicative of the results to be expected for the full year.

NOTE A - COMPANY DESCRIPTION

INVU, Inc. (the Company) is a holding company which operates one subsidiary INVU Plc, which is a holding company for two subsidiaries of its own, INVU Services (Services) and INVU International Holdings Limited (Holdings). Holdings has one subsidiary of its own, INVU Netherlands BV (formerly Corsham Holding BV). The Company was incorporated under the laws of the State of Colorado, United States of America, in February 1997. INVU Plc, Services and Holdings are companies incorporated under English Law. The Company operates in one industry segment which includes developing and selling software for electronic management of many types of information and documents such as forms, correspondence, literature, faxes, technical drawings and electronic files. Services is the sales, marketing and trading company for the UK market. INVU Netherlands BV is the sales, marketing and trading company for the Benelux market and holds the licence to the Benelux intellectual property rights to the INVU software. Holdings holds the intellectual property rights to the INVU software.

NOTE B - GOING CONCERN

The financial statements have been prepared on a going concern basis which assumes that the Company can meet its financial obligations as they fall due in the ordinary course of business. The Company's liabilities exceeded its assets by \$6,235,900 at October 31, 2002 and the Company had negative cash flows from operations of \$829,997 for the nine months to October 31, 2002. Operations to date have been funded principally by equity capital and borrowings. However, the

Edgar Filing: INVU INC - Form 10QSB

Company needs to raise sufficient financing to meet current obligations and to fund operations until the operations become profitable. The Company is in the process of negotiating the necessary additional financing to fund its operations. The Company's ability to continue to develop its operations depends on its ability to raise further financing. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE C - SHORT-TERM CREDIT FACILITY

The Company has a \$312,900 ((pound)200,000) (January 31, 2002 \$282,660 ((pound)200,000)), 6% short-term credit facility with an English bank. The credit facility is collateralized by all assets of the Company and a corporate guarantee given by Vertical Investments Limited, a company in which a non-executive director of this Company has an interest. The amount drawn against the facility at October 31, 2002 was \$302,102 ((pound)193,098), (January 31, 2002 \$276,203 ((pound)195,431)). The amount drawn is payable on demand at the bank's discretion. The credit facility is currently under review.

The Company also has a \$391,125 ((pound)250,000) (January 31, 2002 \$nil ((pound)nil)), base rate plus 3% short-term credit facility with an English bank. The credit facility is collateralized by all assets of the Company and a corporate guarantee given by Vertical Investments Limited, a company in which a non-executive director of this Company has an interest. The amount drawn against the facility at October 31, 2002 was \$391,125 ((pound)250,000), (January 31, 2002 \$nil ((pound)nil)). The amount drawn is payable on demand at the bank's discretion. The facility is due for review in December 2002.

F-6

NOTE D - LONG-TERM OBLIGATIONS

Long-term obligations at October 31, 2002 and January 31, 2002, consist of the following:

Unsecured loan from an individual, no stated maturity date; bearing interest of \$4,687 per month ((pound)3,000)

4% above Libor rate (Libor rate was 3.97% and 4% at October 31, 2002 and January 31, 2002 respectively) notes payable to an English bank, monthly payment aggregating to (pound)500, matured in March 2002, collateralised by all assets of the Company and a corporate guarantee given by Vertical Investments Limited

4% above Libor rate (Libor rate was 3.97% and 4% at October 31, 2002 and January 31, 2002 respectively) notes payable to an English bank, monthly payments aggregating to (pound)1,333, maturing in June 2004, collateralised by all assets of the Company, unlimited multilateral guarantees between subsidiary undertakings and a corporate guarantee given by Vertical Investments Limited; a quarterly loan guarantee premium of 1.5% per annum is payable on 85% of the outstanding balance

2% above the banks base rate notes payable to an English bank, monthly payments

October

(unaud

80

45

Edgar Filing: INVU INC - Form 10QSB

aggregating to (pound)50,000, starting in November 2002 (the repayment terms for this loan are currently being renegotiated with the Company's bankers) and maturing in October 2003, collateralised by all assets of the Company, unlimited multilateral guarantees between subsidiary undertakings and a corporate guarantee given by Vertical Investments Limited

Convertible A Note 1999-2002, with interest at 6%; interest due in arrears biannually on January 1 and July 1

Convertible B Note 1999-2002, bearing interest of 8% per annum for the first six months, 9% per annum for the next six months and 10% per annum thereafter; interest due in arrears biannually on January 1 and July 1

Convertible loans 2001-2003 (i) with interest rate per annum of 1.5% above UK bank base rates

Loan notes 2001-2005 (ii) with interest rate per annum of 7%

Loan notes 2001-2005 (iii) with interest rate per annum of 12%

Convertible loan 2001-2003 (iv) with interest rate per annum of 1.5% above UK bank base rate

Convertible loan 2001-2005 (v) with interest rate per annum of 12%

Capital leases for vehicles, interest ranging from 10.2% - 16.9% with maturities through 2004

Less current maturities

938
600
400
159
1,000
500
300
550
125

5,422
(4,008

1,413
=====

F-7

Scheduled maturities of long-term obligation are as follows:

Year ending October 31,	\$
2003	4,008,292
2004	35,660
2005	575,000
2006	-
2007	803,079

	5,422,031
	=====

1) Convertible debentures

The A and B Convertible Notes 1999-2002 are held by individuals who are minority shareholders in the Company. They are convertible into common shares at the rate of one common share for every US\$0.65 of outstanding principal Note converted for the A Notes and one common share for every US\$0.50 of outstanding principal Note converted for the B Notes. Conversion will take place:

Edgar Filing: INVU INC - Form 10QSB

- i) immediately prior to a Public Offering
- ii) at the option of the investors for the B Notes and automatically for the A Notes, upon new equity capital resulting in proceeds to the Company of at least \$4,000,000
- iii) at the option of the investor giving 30 days notice to the Company.

Interest amounting to \$247,914 has been accrued to October 31, 2002 (January 31, 2002 \$172,383) in respect of the A and B Convertible Notes 1999-2002.

Any outstanding principal not converted or redeemed by the anniversary date, which was August 16, 2001, will be redeemed at par plus interest after August 23, 2002 upon receipt of 30 days written notice from the Company or the Investors. At October 31, 2002 the outstanding principal could have been converted into 1,723,077 common shares.

In consideration of the Investors advancing an aggregate of \$1,000,000, the Company caused Montague Limited the principal shareholder to transfer, and register in the name of the Investors, 225,000 shares of Common Stock of no par value.

The convertible debentures are secured by a second charge over the Company's assets.

F-8

2) Loan notes and convertible loan notes

All of the investors for the loan notes and convertible loan notes detailed below are a related party of a minority shareholder and non-executive director of the Company. Each description below corresponds to the same romanette listed on the first table of Note D.

- i) The convertible loan notes are repayable at any time within 2 years from the date of issue. They are convertible into common stock at the rate of one share for every US \$0.25 of outstanding principal at any time within the 2 years from the date of issue after 45 days notice has been given to the Company.
- ii) The loan notes are repayable on August 26, 2005. At any time from May 1, 2002 until August 26, 2005, the investor may demand repayment of the entire loan or any part thereof at any time after three days notice to the Company. If the Company does not timely repay such amounts after receiving notice, the investor may convert the repayment amount into shares of the Company's common stock at a conversion price of \$0.2175 per share or convert the repayment amount into shares of the Company's subsidiaries at the equivalent per share conversion price. The loan is secured by a second charge over the Company's assets.
- iii) The loan notes are repayable by June 17, 2005. At any time from May 1, 2002 until June 17, 2005, the investor may demand repayment of \$475,000 or any part thereof at any time after three days notice to the Company. If the Company does not timely repay such amounts after receiving notice, the investor may convert the repayment amount into shares of the Company's common stock at a conversion price of \$0.13 per share or convert the repayment amount into shares of the Company's subsidiaries at the equivalent per share conversion price. The remaining \$25,000 is

Edgar Filing: INVU INC - Form 10QSB

repayable on June 17, 2005. The loan is secured by a second charge over the Company's assets.

- iv) \$250,000 of the convertible loan notes are repayable by May 25, 2003 and the remaining \$50,000 are repayable by July 2, 2003. At any time from May 1, 2002 until July 2, 2003, the investor may convert any amount of the principal, at any time after three days notice to the Company, into shares of the Company's common stock at a conversion price of \$0.25 per share or convert any amount of the principal into shares of the Company's subsidiaries at the equivalent per share conversion price. The loan is secured by a second charge over the Company's assets.
- v) The convertible loan notes are repayable by May 1, 2005. At any time from May 1, 2002 until May 1, 2005, the investor may convert any amount of the principal at any time, after three days notice to the Company, into shares of the Company's common stock at a conversion price of \$0.13 per share or convert any amount of the principal into shares of the Company's subsidiaries at the equivalent per share conversion price. The loan is secured by a second charge over the Company's assets.

The investor in the loan notes and convertible loan notes referred to in ii) - v) above was granted two options in the common stock of the Company. The first option is for 2,700,000 shares of the Company's common stock that may be exercised at any time from March 1, 2002 until March 1, 2006 after three days notice for any amount of shares up to 2,700,000 at an exercise price of \$0.25 per share.

F-9

The second option is for 450,000 shares of the Company's common stock that may be exercised at any time from March 1, 2002 until March 1, 2006 after three days notice for any amount of shares up to 450,000 at an exercise price of \$0.875 per share.

On the date of issue of all of the convertible loan notes, the conversion rate was in excess of the market price of the common stock and therefore, no beneficial conversion feature expense has been recorded in the financial statements.

3) Capital leases

The Company leases vehicles under noncancellable capitalized leases.

	October 31, 2002 (Unaudited)	January 31, 2002
	\$	\$
Vehicles	263,747	287,722
Less accumulated depreciation	(165,160)	(134,410)
	-----	-----
	98,587	153,312
	=====	=====

Scheduled maturities of minimum lease payments are as follows:

Period ending October 31,	\$
---------------------------	----

Edgar Filing: INVU INC - Form 10QSB

2003	124,096
2004	15,715

	139,811
Less amount representing interest	14,451

Present value of net minimum lease payments	125,360
	=====

The scheduled net minimum lease payments to maturity are included in the long-term obligation table above.

F-10

NOTE E - ACQUISITIONS

On August 23, 2002, the Group acquired 6,625,000 ordinary shares at a nominal value per share of \$0.44 ((euro)0.45) in Corsham Holding BV representing 100% of the outstanding common shares of the company. Subsequent to the acquisition, Corsham Holding BV changed its name to INVU Netherlands BV. Prior to the acquisition, the trading assets of the company were removed and no continuing revenues are expected to be generated.

The results of INVU Netherlands BV's operations have been included in the consolidated financial statements since that date. Management believes that the acquisition of INVU Netherlands BV will allow the Group to expand into Europe with the advantage of generating cash and the possibility of creating tax savings.

The aggregate purchase price was \$4,195,778, including \$1,271,769 of cash and the assignment of an intercompany liability from the vendor of \$2,924,009.

The following table summarizes the fair values of the assets acquired and liabilities assumed at the date of acquisition.

	At
	August 23, 2002
	\$
Current assets	4,674,117
Total liabilities assumed	(1,750,108)

Net assets acquired	2,924,009
Goodwill	1,271,769

Total consideration	4,195,778
	=====

The Group paid more for the Company than the value of the net assets because they believe that the current tax liability can be reduced via their expansion into Europe. Of the total amount of goodwill, \$nil is expected to be deductible for tax purposes.

NOTE F - RELATED PARTY TRANSACTIONS

At October 31, 2002, David Morgan owed \$22,790 ((pound)14,567) (January 31, 2002

Edgar Filing: INVU INC - Form 10QSB

\$19,584 ((pound)13,857)) to the Company. The maximum liability during the period amounted to \$22,790 and the interest charge amounted to \$Nil (January 31, 2002 \$Nil).

The Company made purchases during the period under normal commercial terms from Impakt Software Limited, a company owned by Paul O'Sullivan who is a potential beneficiary of a discretionary trust, the res of which includes beneficial ownership of the Company's common stock. The percentage of Mr O'Sullivan's interest in the assets of the trust has not been determined. Total purchases amounted to \$8,256 in the three months to October 31, 2002 (Year to January 31, 2002 \$136,340) and the balance owed by the Company at October 31, 2002 was \$1,195 (January 31, 2002 \$6,477).

During the period, the Company paid Peter Fraser, a minority shareholder of the Company, \$62,574 for advisory services relating to the acquisition of Corsham Holding BV.

F-11

NOTE G - RECENT PRONOUNCEMENT

On July 20, 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") 141, Business Combinations and SFAS 142, Goodwill and Other Intangible Assets. SFAS 141 is effective for business combinations completed after June 30, 2001. SFAS 142 is effective for fiscal years beginning after December 15, 2001; however certain provisions of this Statement apply to goodwill and other intangible assets acquired between July 1, 2001 and the effective date of SFAS 142.

These statements address how intangible assets that are acquired individually, with a group of other assets or in connection with a business combination should be accounted for in financial statements upon and subsequent to their acquisition. The new statements require that all business combinations initiated after June 30, 2001 be accounted for using the purchase method and establish specific criteria for the recognition of intangible assets separately from goodwill.

The Company adopted SFAS 141 on February 1, 2002, as permitted by the new statement. The Company now no longer amortizes goodwill and other indefinite lived intangible assets. The Company will test its goodwill and intangible assets that are determined to have an indefinite life for impairment at least annually. Other than in those periods in which the Company may record an asset impairment, the Company expects that the adoption of SFAS 142 will not impact its financial position or its results of operations.

The FASB issued SFAS 143, Accounting for Asset Retirement Obligations in June 2001. SFAS 143 addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. SFAS 143 is effective for fiscal years beginning after June 15, 2002. While the Company is currently evaluating the impact the adoption of SFAS 143 will have on its financial position and results of operations, it does not expect such impact to be material.

The FASB issued SFAS 144, Accounting for the Impairment or Disposal of Long-Lived Assets, in August 2001. SFAS 144, which addresses financial accounting and reporting for the impairment of long-lived assets and for long-lived assets to be disposed of, supercedes SFAS 121 and is effective for fiscal years beginning after December 15, 2001. While the Company is currently evaluating the impact the adoption of SFAS 144 will have on its financial

Edgar Filing: INVU INC - Form 10QSB

position and results of operations, it does not expect such impact to be material.

In June, 2002, the FASB issued Statement 146, "Accounting for Costs Associated with Exit or Disposal Activities". SFAS 146 replaces previous accounting guidance provided by EITF 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)", and requires companies to recognize costs associated with Exit or disposal activities only when a liability for these costs are incurred (subsequent to a commitment to a plan) rather than at the date of a commitment to an exit or disposal plan. Examples of costs covered by the Statement include lease termination costs and certain employee severance costs that are associated with a restructuring, discontinued operations, plant closings, or other initiated after December 31, 2002. Although management believes the adoption of SFAS 146 will not have a material impact on the Company's financial statements, adoption of the Statement will result in timing differences in the recognition and measurement of expenses relating to exit and disposal activities.

F-12

NOTE H - CONTINGENT LIABILITY

During the period there was a transfer of intellectual property between group companies at a value of \$38,754,351. This transfer eliminates on consolidation. The Company has received independent tax advice that the transfers referred to above will not result in a tax liability but no assurance can be given that the applicable tax authorities will reach the same conclusion in the event of an audit or other regulatory inquiry relating to the transaction.

F-13

Item 2. Management's Discussion and Analysis or Plan of Operation

The following description of "Management's Plan of Operation" constitutes forward-looking statements for purposes of the Securities Act of 1933, as amended (the "Securities Act"), and the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and as such involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of INVU, Inc., a Colorado corporation (the "Company"), to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. The words "expect", "estimate", "anticipate", "predict", "believe", "forecast," "plan", "seek", "objective", and similar expressions are intended to identify forward-looking statements. Important factors that could cause the actual results, performance or achievement of the Company to differ materially from the Company's expectations include the following: (1) one or more of the assumptions or other cautionary factors discussed in connection with particular forward-looking statements or elsewhere in the Company's Form 10-KSB for the fiscal year ending January 31, 2002 or in this Form 10-QSB prove not to be accurate; (2) the Company is unsuccessful in increasing sales through its anticipated marketing efforts; (3) mistakes in cost estimates and cost overruns;

Edgar Filing: INVU INC - Form 10QSB

(4) the Company's inability to obtain financing for general operations including the marketing of the Company's products; (5) non-acceptance of one or more products of the Company in the marketplace for whatever reason; (6) the Company's inability to supply any product to meet market demand; (7) generally unfavorable economic conditions which would adversely effect purchasing decisions by distributors, resellers or consumers; (8) development of a similar competing product at a similar price point; (9) the inability to successfully integrate one or more acquisitions, joint ventures or new subsidiaries with the Company's operations (including the inability to successfully integrate businesses which may be diverse as to type, geographic area, or customer base and the diversion of management's attention among several acquired businesses) without substantial costs, delays, or other problems; (10) if the Company experiences labor and or employment problems such as the loss of key personnel, inability to hire and/or retain competent personnel, etc.; and (11) if the Company experiences unanticipated problems and/or force majeure events (including but not limited to accidents, fires, acts of God etc.), or is adversely affected by problems of its suppliers, shippers, customers or others. All written or oral forward-looking statements attributable to the Company are expressly qualified in their entirety by such factors. The Company undertakes no obligation to publicly release the result of any revisions to these forward-looking statements which may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. Notwithstanding the foregoing, the Company is not entitled to rely on the safe harbor for forward looking statements under 27A of the Securities Act or 21E of the Exchange Act as long as the Company's stock is classified as a penny stock within the meaning of Rule 3a51-1 of the Exchange Act. A penny stock is generally defined to be any equity security that has a market price (as defined in Rule 3a51-1) of less than \$5.00 per share, subject to certain exceptions.

The following discussion should be read in conjunction with the Consolidated Financial Statements, including the notes thereto.

The Company develops, markets and sells fully scalable software (under the brand name of INVU) for the electronic management of all types of information and documents, such as forms, correspondence, literature, faxes, e-mail, technical drawings, electronic files and web pages. Management believes that the INVU software strongly adheres to the Company's brand values of ease of use, quality and price performance.

The Company's objective is to establish itself as a leading global supplier of information and document management software and services. Management believes that, as the market matures, the purchase of document management systems will become increasingly routine as buyers become acquainted with both the technology and applications. In order to deal with the increased demand, the Company continues to increase its number of third party value added resellers. Management considers both branding and product positioning fundamental to attaining the market share required to profitably achieve its objective of becoming a leading supplier of information and document management software.

For its professional range of products, which include INVU Series 100, Series 200, Series 250, i200 and CodeFree Integration, the Company continues to target its sales and marketing efforts on several easily identifiable mature market channels. These channels include software distributors and resellers who market to small and medium size enterprises as well as departmental users in major organizations, strategic alliances with hardware manufacturers and distributors, and direct sales to major institutions and organizations. All of the Company's development and marketing resources are now directed at these fast growing and higher margin markets.

In November 1999, management decided to adopt a value added reseller (VAR) model for sales of its professional range in the UK. The Company is also

Edgar Filing: INVU INC - Form 10QSB

pursuing non-exclusive distributors for its products in other territories. Management is extremely encouraged by the number and quality of the resellers that have been recruited to date to sell the product. Each VAR is currently engaged, as an accredited reseller, at an initial fee of approximately \$3000, with a recurring annual fee thereafter. The Company continues to monitor its resellers to ensure that they meet the stringent INVU accreditation requirements, and consequently has cut a third of its former resellers that no longer meet these requirements. The Company continues its aggressive VAR

1

recruitment campaign, and having recruited nine new resellers during the quarter ended October 31, 2002, management expects to recruit a further eight VARs by January 31, 2003.

Typically in a VAR based route to market, sales success can be inconsistent. However, the INVU sales management team has implemented an intensive marketing and sales support program with its resellers, including sales and technical training, joint seminars, direct mail and joint telephone marketing campaigns. The success of this ongoing program has provided many of the recruited resellers with a pipeline of end-user opportunities, which they are actively pursuing with the involvement of Company sales personnel. Many newly recruited resellers are taking sales orders within two weeks of accreditation. The level of end user inquiries continues to grow and these inquiries are now being converted into sales at a rapidly increasing rate. Even more satisfying is the increase in average number of users per sale and the significant reduction in time between first contact and order placement by end users. Management believes that this reflects the Company's brand values of ease of use, high quality and price performance.

Together with the steady increase in adoption of the INVU range of products by companies in the small/medium enterprise market, management is encouraged by the continuing level of interest from large organizations with new and repeat orders being received from, among others, Centrica, Persimmon Homes, Maersk Group, Universal Music Group, Millfield Partnership Limited, Rothschild Bank Switzerland, Deloitte & Touche, MAN Financial and Mysis Financial Solutions.

The Company has made significant progress with regard to an Original Equipment Manufacture (OEM) opportunity with Xerox. As an Independent Software Vendor, INVU has been designated as a Xerox Business Partner. Utilizing Xerox SDK (software development kits), the Company has now developed software that provides seamless integration with the Xerox Document Centre Range, of which 55,000 machines are currently in use in the UK. INVU has undertaken sales training of key Xerox sales personnel and joint sales initiatives are continuing.

The significant expansion of the sales team in the fiscal year ended January 31, 2002, under the guidance of Jon Halestrap (VP of Sales and Marketing), has given INVU an experienced and dedicated team with which to recruit a reseller base and explore other sales opportunities. Management believes that the increased experience in the document management sector of its sales team and resellers together with their proven ability to develop and grow sales revenue continues to be the key factors in the development of the Company. Most current resellers have now attended the INVU bespoke sales training course, which has proved extremely successful in terms of lead generation and conversion. Management expects continued sales growth during the fiscal year ended January 31, 2003 (the "Current Fiscal Year") and beyond.

Following the successful acquisition of Corsham Holding B.V, whose name has now been changed to INVU Netherlands B.V., the Company now has

Edgar Filing: INVU INC - Form 10QSB

representation in Amsterdam, Holland. A country manager has been recruited, who is directed by and responsible to the UK board. Sales opportunities have already been identified and the first Dutch reseller has been appointed.

INVU has also appointed representatives in the Middle East, who have attended trade shows and have generated a number of potential sales leads. The Company is supporting these efforts wherever possible, but not incurring unnecessary overheads.

Both the Dutch and Middle East ventures reflect INVU's global aspirations, whilst ensuring that tight fiscal controls are exercised over the business during this period of growth and change.

The Company believes its current products, together with planned future developments, are well matched to its target market, and that its brand values of ease of use, quality and price performance have already and will continue to differentiate its products from its competitors. The international market for document technologies is forecast to grow from \$17.5 billion in 1999 to \$41.6 billion in 2003 according to the AIIM Report: State of the Document Technologies Market 1997-2003 prepared by IDC for the Gartner Group, and management believes that it has the ability to be a major provider of information management to businesses world-wide. Management believes that the INVU brand awareness is increasing. Unsolicited inquiries from prospective end users and resellers are increasing significantly, as are visitor numbers at exhibitions, trade fair and shows.

Throughout the three months ended October 31, 2002, the Company has continued to develop its software products.

Version 5.2 of the Company's professional range of products, INVU Series 100 and Series 200, contains the newly developed OCR (Optical Character Recognition) functionality, which works with all Microsoft OfficeTM and AdobeTM file types and scanned images. This functionality automatically allows a user to

2

keyword search all existing documents in the system. This release also contains a Microsoft Office Add-In, which allows integration with Microsoft OfficeTM 2000. This gives INVU the ability to send items from Microsoft Outlook to a user-selectable in-tray. It also allows users to save documents from Microsoft WORD, EXCEL and PowerPoint as an INVU filing, even if these files are created outside of INVU. A separate "Sequential Workflow Module" has also been released alongside Version 5.2. The "Sequential Workflow Module" allows documents, forms and files to be "intelligently" routed electronically to specific departments and individuals in a pre-determined sequence. Individuals who receive the file may review and revise it, and the file will then be sent to the next individual in the pre-determined order. The new module is a generic adaptation of the bespoke program, which is already in use with customers such as Universal Music Group. The workflow module is designed to be customer friendly and easy to use. This is a separate 5.2 Module, which, when integrated with Version 5.2, is sold as INVU Series 250, and charged accordingly. Sales and inquiry levels of this product both continue to rise. Management believes that the functionality of Series 250 has given the INVU range a much broader appeal to all its potential customer base.

The Company has successfully developed a highly sophisticated code free integration tool for use with the INVU professional range of products. This allows INVU products to be linked to any other Windows(TM) or Windows(TM) emulation-based applications. For instance, an INVU scanned image of a supplier invoice can be retrieved directly from an accounts software application, or an image of an x-ray can be retrieved directly from a patient records application.

Edgar Filing: INVU INC - Form 10QSB

This is achieved without the need for further software development and gives INVU resellers the ability to add considerable value to the INVU product offering without the difficulty and cost of hiring and managing development programmers. Management believes the use of this product for Universal Music Group and other projects has significantly reduced cost and installation timescales. The Company believes that this product provides a significant competitive advantage when compared to other information and document management technologies. Sales of the "codefree" module have increased significantly, with one in three INVU installations employing this technology. Management expects this trend to continue particularly now that the new enhanced version of "codefree" has been released into the market.

INVU i200 (formerly codenamed Series 2000 or INVU WEBFAST) allows global access to retrieve, view, edit, and file information via the web. This product was also released in beta format to several end users in the fourth quarter of the last fiscal year and the first quarter of the Current Fiscal Year. The full product release, originally scheduled for quarter two of the Current Fiscal Year, has now been successfully launched. Management believes that this product forms the basis of future developments for many of its existing and future end users. In the opinion of management, with this technology, INVU now offers a key functionality that is comparable to the world's most established document and content management solutions, but at a significantly lower price.

Development of a highly sophisticated content addressable indexing and retrieval system reached the prototype stage during the second quarter of the fiscal year ended January 31, 2002 and further development has taken place during the Current Fiscal Year. Full text retrieval technology is already available within the latest release of Series 200 and Series 250, but INVU is developing technology that allows access to data and documents through intelligent frequency of word and phrase recognition and semantic networking. Scanned images can be converted into text using standard Optical Character Recognition technology, and even poor quality scanned images can yield words and phrases that INVU's technology will retrieve. The Company expects this product to further enhance filing and retrieval speeds for organizations with large multiple data storage requirements across networks, intranets, extranets and the internet.

As stated in the Form 10QSB for the quarter ended July 31, 2002, management decided not to integrate this technology within the latest release of INVU products and has instead considered the further wide-ranging applications for which this advanced technology can be utilized. An agreement was signed on August 1, 2002 between The Britech Foundation Limited, Smashing Concepts Ltd (an Israeli company) and INVU Inc. Britech is an Anglo-Israeli Government funding initiative concerning bilateral co-operation in private sector industrial research and development. INVU and Smashing Concepts put forward a joint proposal to develop a web based application that will enable financial services organizations to interrogate multiple data sources and, via an electronic filtration mechanism, provide highly sophisticated categorization of information within pre-determined parameters. This will allow faster and more accurate retrieval of relevant data from which reliable decisions can be made. The combination of INVU's proven technology and that provided by Smashing Concepts has convinced Britech to invest nearly \$500,000 into the project. INVU and Smashing Concepts will invest, in new employees dedicated to this project and other development expenses, a similar amount between them, and the project should provide an end user solution within 18 months. Due to the cutting edge technology being developed, management expects further spin-off benefits to accrue which will complement the Company's current product portfolio. Encouraging progress has been made on this project, which is currently on budget and within original timescales.

Critical Accounting Policies

Edgar Filing: INVU INC - Form 10QSB

Invu's financial statements and accompanying notes are prepared in accordance with generally accepted accounting principles in the United States. Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. These estimates and assumptions are affected by management's

3

application of accounting policies. Critical accounting policies for Invu include revenue recognition, accounting for research and development costs, accounting for the impairment of long-lived assets, accounting for business combinations and goodwill and accounting for contingencies.

Invu recognizes revenue in accordance with American Institute of Certified Public Accountants (AICPA) Statement of Position (SOP) 97-2, Software Revenue Recognition as amended by Statement of Position (SOP) 98-9, Modification of SOP 97-2, Software Revenue Recognition, With Respect to Certain Transactions, (SOP 98-9). Fees for services and maintenance are generally charged to customers separately from the license of software. Service revenue is recognized when services are performed. Maintenance revenue is deferred and recognized ratably over the term of the contract, normally twelve months. Revenues from license fees are recognized upon product shipment when fees are fixed, collectability is probable and the Company has no significant obligations remaining under the licensing agreement. In instances where a significant vendor obligation exists, revenue recognition is delayed until such obligation has been satisfied.

Invu accounts for research and development costs in accordance with several accounting pronouncements, including SFAS 2, Accounting for Research and Development Costs, and SFAS 86, Accounting for the Costs of Computer Software to be Sold, Leased, or Otherwise Marketed. SFAS 86 specifies that costs incurred internally in creating a computer software product should be charged to expense when incurred as research and development until technological feasibility has been established for the product. Once technological feasibility is established, all software costs should be capitalized until the product is available for general release to customers. Judgment is required in determining when the technological feasibility of a product is established. Invu believes that technological feasibility for its products is reached shortly before the products are released to manufacturing. Costs incurred after technological feasibility is established have been insignificant, and accordingly, the Company has not capitalized any software development costs.

Invu follows the provisions of Statement of Accounting Standards (SFAS No. 121), Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of. SFAS No. 121 establishes accounting standards for the impairment of long-lived assets, certain identifiable intangibles and items related to those assets. The Company reviews long-lived assets to be held and used for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If the sum of the undiscounted expected future cash flows is less than the carrying amount of the assets, the Company recognizes an impairment loss. Impairment losses are measured as the amount by which the carrying amount of the assets exceeds the fair value of the assets. When fair values are not available, the Company estimates fair value using the expected future cash flows discounted at a rate commensurate with the risks associated with the recovery of the assets.

Invu follows the provisions of SFAS No. 14, Business Combinations and SFAS No. 142, Goodwill and other Intangible assets. The Company capitalizes goodwill arising as a result of the acquisition of a subsidiary and does not amortize this goodwill. The goodwill is subject to an impairment review at least annually with any impairment provision being charged to the Statement of

Edgar Filing: INVU INC - Form 10QSB

Operations in the relevant period.

Invu follows the provisions of SFAS No. 5, Accounting for Contingencies. SFAS No. 5 requires that an estimated loss from a loss contingency should be accrued for by a charge to income if it is probable that an asset has been impaired or a liability has been incurred and the amount of the loss can be reasonably estimated. Disclosure of a contingency is required if there is a possibility that a loss has been incurred.

Results of Operations

The following is a discussion of the results of operations for the nine months ended October 31, 2002, compared with the nine months ended October 31, 2001, with further comparison between the three months ended October 31, 2002 and the three months ended October 31, 2001, together with changes in financial condition during the nine month period ended October 31, 2002.

Total revenues increased by \$315,557 or 87%, from \$361,672 for the three months ended October 31, 2001 to \$677,229 for the three months ended October 31, 2002, and increased by \$634,008 or 60%, from \$1,056,827 for the nine months ended October 31, 2001 to \$1,690,835 for the nine months ended October 31, 2002. This increase in revenues reflects the Company's continued expansion of its customer base and the increasing awareness of the Company's software products in the market place. Management believes this further reflects the Company's understanding of the requirements of its end users.

The net loss for the three months ended October 31, 2002 was \$212,941, which is \$200,246 or 48% less than the net loss for the corresponding period in fiscal year 2001 of \$413,187, mainly due to increased revenues. The net loss for the nine months ended October 31, 2002 was \$898,333, a decrease of \$74,913, or 8%, from the corresponding period in fiscal year 2001 of \$973,246, again mainly due to the continued increase in revenues.

4

Production costs consist of royalty fees associated with third party software, costs related to reproduction, packaging, and distribution of software, direct costs associated with the implementation of software solutions, consulting and training services and other costs related to product upgrades for existing users. Production costs as a percentage of total revenues were 10% for both the three and nine months ended October 31, 2002 compared to 16% and 15%, respectively, during the same periods in fiscal year 2001. Despite the large increase in sales, production costs only increased by \$10,138, or 17%, during the three months ended October 31, 2002 compared to the same period in fiscal year 2001 and increased only \$15,647, or 10%, during the nine months ended October 31, 2002 compared to the same period in fiscal year 2001. These changes reflect the continued fall in production costs per unit due to economies of scale, mass production techniques and improved supply terms.

Selling and distribution costs consist primarily of personnel costs, commissions, marketing literature, travel and promotional activities such as trade shows, seminars, advertising and public relations programs. Selling and distribution costs increased \$54,272 or 29%, and \$146,978 or 27%, respectively, during the three and nine months ended October 31, 2002 compared to the same periods in fiscal year 2001. Selling and distribution costs as a percentage of total revenues were 35% and 40%, respectively, during the three and nine months ended October 31, 2002 compared to 51% and 50%, respectively, during the same periods in fiscal year 2001. The changes over the comparable three and nine month periods were due to the Company's re-focussed marketing to the SME sector in both 2001 and 2002, and costly trade shows and seminars to launch INVU Series 250 and the latest version of INVU Series 200. Again, the increased revenues had

Edgar Filing: INVU INC - Form 10QSB

a strong positive effect on selling and distribution costs as a percentage of total revenues.

Research and development costs consist of continued software development and further enhancements to existing software products. These costs are expensed as incurred until technical feasibility has been established. To date, the establishment of technical feasibility, and the subsequent general release to customers, have been almost simultaneous, and, therefore, the Company has not capitalized software development costs. Research and development costs increased \$26,377, or 18%, and \$147,544, or 39%, respectively, during the three and nine months ended October 31, 2002 compared to the same periods in fiscal year 2001. Research and development costs as a percentage of total revenues were 25% and 31%, respectively, during the three and nine months ended October 31, 2002 compared to 40% and 35%, respectively, during the same periods in 2001. As net revenues rise, research and development expenditures as a percentage of sales over the comparable three and nine month periods have fallen in line with managements forecasts. The Company's continued commitment to research and development is reflected in the absolute increase in the research and development expenditures during both the three and nine month periods of the Current Fiscal Year when compared to the previous fiscal year. This continued investment in research and development has provided the recent launch of Series 250, i200, the latest version of Series 200 and Advanced CodeFree Integration, and continued work on the Britech project. Further functional enhancements to the entire product range are also ongoing in order to provide end users with a product that management believes has the best combination of value and performance in its market sector.

Administrative costs include the personnel and other costs of the administration, human resources and finance departments, together with property expenses, amortization of intangibles and depreciation of tangible assets. These costs increased \$43,437, or 18%, during the three months ended October 31, 2002 and increased \$141,106, or 20%, during the nine months ended October 31, 2002, compared to the same periods in fiscal year 2001. Administrative costs as a percentage of total revenues were reduced to 42% and 51%, respectively, during the three and nine months ended October 31, 2002 compared to 67% and 68%, respectively, during the same periods in fiscal year 2001. The dollar increases in administrative costs over the comparable three and nine month periods was due to the Company's additional legal fees relating to the now settled dispute with GEM Advisors, Inc., amortization of intangible assets acquired in July 2001, and an increase in general administrative costs.

During the three and nine months ended October 31, 2002, the Company incurred net interest expense of \$125,097 and \$349,299, respectively, compared to net interest expense of \$144,010 and \$241,479, respectively, during the corresponding periods in fiscal year 2001. These movements are entirely due to increased bank and loan facilities and the timing thereof. Management expects these costs to fall when additional investment funding is secured.

The tax rates for the periods in question are zero due to a net loss in each period.

The total current assets of the Company were \$1,766,517 at October 31, 2002, an increase of \$645,915 compared to \$1,120,602 at January 31, 2002. Working capital was negative \$6,525,126 as of October 31, 2002, compared with negative \$3,434,581 as of January 31, 2002. These changes are mainly due to increases in cash, accounts receivable, inventories, short term credit facilities, accounts payable, accrued liabilities, deferred revenue and current maturities of long term obligations. The cash relates to bank balances held by the Dutch subsidiary. The Dutch subsidiary acquired in August 2002 has a tax liability of \$1,781,931 which is also responsible for the large increase in the negative working capital. However, based on professional advice, management believes that this liability will be expunged at January 31, 2003.

The Company has obtained a short term facility in the principal amount of \$391,125 from Bank Leumi and convertible loans from Vertical Investments, an entity in which Daniel Goldman (a non-executive director) has an interest, in the aggregate principal amount of \$275,000 during the nine month period ended October 31, 2002. Management believes these facilities and loans will be repaid from the proceeds of future financings or, for the convertible loans, converted into common stock of the Company.

Total assets of the Company were \$3,469,482 at October 31, 2002, an increase of \$1,938,173 compared to \$1,531,309 at January 31, 2002. This increase in total assets is attributable to increases in fixed assets of \$10,544, current assets of \$645,915, and intangible assets and goodwill of \$1,281,714. The goodwill of \$1,308,227 at October 31, 2002 is in respect of the acquisition of the Dutch subsidiary in August 2002 which is subject to an impairment review at least annually.

The total current liabilities of the Company increased by \$3,736,460 from \$4,555,183 at January 31, 2002 to \$8,291,643 at October 31, 2002. This increase in current liabilities is due to an increase in short term credit facilities of \$417,024, mainly as a result of the Bank Leumi advance, and increases in current maturities of long-term obligations of \$1,062,611, accounts payable of \$51,945, accrued liabilities of \$348,949, deferred revenue of \$74,000 and taxation of \$1,781,93. These changes continue to reflect the Company's current reliance on short term credit facilities and loan finance, together with the taxation liability of the recently acquired subsidiary, which management believes will be cleared by tax credits at the end of the Current Fiscal Year. Long-term obligations less current maturities were \$1,413,739 at October 31, 2002 compared to \$2,093,740 at January 31, 2002 due to the movement of previous long term obligations that now fall due within twelve months.

Total stockholders' equity decreased by \$1,118,286 during the nine month period ended October 31, 2002 from a deficit of \$5,117,614 at January 31, 2002 to a deficit of \$6,235,900 at October 31, 2002. The Company continues to evaluate various financing options, including issuing debt and equity to finance future development and marketing of products as the Company has now moved to an operational stage.

Financing Management's Plan of Operation

As a result of the increase in sales revenues, the Company is approaching a position whereby it will be able to meet operating expenses out of current assets. If revenues continue to grow as predicted and assuming that cash collections are in line with management's forecasts, management believes that the Company will be in a position to finance the Company's day to day operations from internally generated working capital; however the Company is seeking additional financing in order to pay down its outstanding indebtedness and to enable the Company to further accelerate its growth both organically and through acquisition.

The Company has a \$312,900 short-term credit facility with an annual interest rate currently of 6% with an English bank. The amount drawn against the facility at October 31, 2002 was \$302,102. This facility is currently under review by the bank and a decision is expected before December 31, 2002. The Company believes that the facility will be extended. The Company's bank also provided a further credit facility of \$938,700 in October 2001 by way of notes payable with monthly repayments of \$78,225 commencing in November 2002 until October 2003. The November 2002 payment has not been made and the commencement date and monthly repayment values are currently being negotiated as part of the

Edgar Filing: INVU INC - Form 10QSB

facility review mentioned above. This facility currently bears interest at the rate of 6% per annum. All bank credit facilities and notes payable are collateralized by all assets of the Company and a corporate guarantee given by Vertical Investments Limited, a company in which Daniel Goldman, a non-executive director of this Company, has an interest.

In August 1999, the Company received a loan in the aggregate principal amount of \$600,000 and a second loan in the principal amount of \$400,000 (together "Loan Stock Instruments") from Alan David Goldman (the father of Daniel Goldman), Vertical Investments Limited and Tom Maxfield (a non-executive director of the Company). The Loan Stock Instruments currently bear interest at the rate of 6% and 10% per annum, respectively, and may be converted into 1 share of common stock for each \$0.65 and \$0.50, respectively, of outstanding principal and accrued but unpaid interest. If the Loan Stock Instruments are not converted, they may be redeemed upon 30 days notice by the Company or the investors on or after August 2002.

In February 2001, Vertical Investments Limited, a company in which Daniel Goldman, a non-executive director of the Company, has an interest, lent the Company \$1,000,000. Vertical Investments Limited made further advances of \$250,000 in May 2001, \$50,000 in July 2001, \$500,000 in September 2001, \$275,000 in December 2001 and \$275,000 in February 2002 (collectively, the "Vertical Loans"). Effective as of December 2001, the Vertical Loans were restructured to

6

apply conversion features to enable the loans to be converted into shares of the Company's common stock at conversion prices ranging from \$0.13 to \$0.25 per share at various times.

In May 2001, the Company received \$50,000 from Paysage Investments Limited and in June 2001, the Company received \$84,000 from Pershing Nominees and \$25,000 from Guernroy Limited. Each of these advances referenced in this paragraph were made by way of convertible loans at an interest rate per annum of 1.5% above the UK bank base rate. Each of the convertible loans has maturity date 24 months from date of issue, but principal and interest may be repaid at any time without penalty. The loans are convertible at the rate of \$0.25 per share of common stock, and the investor may convert, having given 45 days notice, at any time during the 24 month period.

In June 2002, the Company secured a short term credit facility of \$391,125 from Bank Leumi at an interest rate of 3% above the UK bank base rate. The credit facility is collateralized by all assets of the Company and a corporate guarantee given by Vertical Investments Limited, a company in which Daniel Goldman, a non-executive director of this Company has an interest. The amount drawn against the facility at October 31, 2002 was \$391,125. The amount drawn is payable on demand at the bank's discretion. The facility is due for review on December 31, 2002.

On May 24, 1999, the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the State of Israel signed an agreement concerning the bilateral co-operation of the two countries in private sector industrial research and development and establishing a United Kingdom-Israel Industrial Research and Development Fund, also known as The Britech Fund. As a result, the Company entered into a Co-operation and Project Funding Agreement on August 1, 2002 with Smashing Concepts Ltd., a software development company based in Israel ("Smashing Concepts"), and The Britech Foundation Limited, the non-profit administrator of The Britech Fund ("Britech"), pursuant to which Britech approved a proposal submitted jointly by the Company and Smashing Concepts for the financial support of a software development project between the two companies (the "Project").

Edgar Filing: INVU INC - Form 10QSB

Britech agreed to provide funds by conditional grant for the implementation of the Project in an amount equal to the lesser of (pound)310,000 (US\$484,282) or 50% of the actual expenditures on the Project (as contemplated in the approved budget of the Project). Such amount will be divided equally between the Company and Smashing Concepts. On August 22, 2002, the Company received an initial payment of (pound)71,000 (US\$110,916) from Britech. Britech is required to make an additional payment of (pound)66,000 (US\$103,105) to the Company after nine months subject to completion of the "integration phase" of the Project, and Britech will make a final payment of (pound)18,000 (US\$28,120) to the Company upon the completion of the Project. The Company and Smashing Concepts are required to make certain repayments to Britech of the grant amounts based on the gross sales derived from the sale, leasing or marketing of innovations developed during the course of the Project, as well as make certain royalty payments to Britech based on sales of a patented products developed during the course of the Project. Additionally, the Company and Smashing Concepts are required to pay to Britech a percentage of all licensing revenues achieved from products developed during the course of the Project.

On August 23, 2002, INVU International Holdings Limited, a wholly-owned subsidiary of the Company ("INVU Holdings"), entered into an Agreement for the Sale, Purchase and Transfer of Shares (the "Agreement") pursuant to which INVU Holdings agreed to purchase all of the issued and outstanding stock (the "Corsham Stock") of Corsham Holding B.V., a company incorporated under Dutch law ("Corsham"), from B.V. Holding Maatschappij "De Hondsrug," a company incorporated under Dutch law ("B.V. Holding"). In consideration for the Corsham Stock, INVU Holdings agreed to (i) assume an aggregate of (Euro) 3,006,294 (US\$2,923,928) of debt owed by B.V. Holding to Corsham and (ii) make a cash payment equal to (Euro) 965,544 (US\$939,090) to B.V. Holding. The Agreement provides that the acquisition of the Corsham Stock would be effective as of August 23, 2002. The purchase price for the Corsham Stock was based on the net asset value of Corsham on August 23, 2002, as set forth in Corsham's balance sheet, plus an amount equal to 18.5% of Corsham's net profits before taxes for the financial year 2002 through August 23, 2002.

Pursuant to the terms of the Agreement for the Sale, Purchase and Transfer of Shares dated as of August 23, 2002, by and among INVU Holdings, B.V. Holding and Corsham (the "Second Agreement"), INVU Holdings and Corsham entered into a Transfer of Trade Secret and Exclusive License of Know-How Agreement on September 6, 2002, pursuant to which INVU Holdings agreed, under certain conditions, to transfer confidential information, an exclusive license to use its technology and its business plan to Corsham. In exchange for such transfer, Corsham has agreed to (i) make a cash payment equal to (Euro) 965,544 (US\$950,385) to INVU Holdings and (ii) reduce the debt owed by INVU Holdings to Corsham by (Euro) 1,330,783 (US\$1,309,890). Pursuant to the terms of the Second Agreement, INVU Holdings and Corsham also entered into an Exclusive Copyright and Trademark/Tradename License Agreement on September 6, 2002 pursuant to which INVU Holdings agreed, inter alia, to grant exclusive software and copyright licenses of certain of its products to Corsham for an initial term of four (4) years. In consideration for such exclusive licenses, Corsham has agreed to (i) reduce the debt owed by INVU Holdings to Corsham by an additional (Euro) 1,675,511 (US\$1,649,205) and (ii) pay an aggregate amount equal to (Euro) 35,400,661 (US\$34,844,871) to INVU Holdings, which amount shall be loaned to Corsham by INVU Holdings pursuant to a Loan Agreement entered into by INVU

Holdings and Corsham dated as of September 6, 2002. These transactions have been eliminated in the consolidated financial statements. The value of the distribution and technology transfer rights licensed to Corsham was based on two valuations that INVU Holdings received from independent accounting firms. The

Edgar Filing: INVU INC - Form 10QSB

Company has received independent tax advice that the transfers referred to above will not result in a tax liability but no assurance can be given that the applicable tax authorities will reach the same conclusion in the event of an audit or other regulatory inquiry relating to the transaction.

The distribution and technology transfer rights licensed to Corsham will be written down in the financial statements of Corsham over a period commensurate with standard accounting practices in the Netherlands to reflect depreciation. It is, therefore, anticipated that this transaction will result in a substantial reduction in Corsham's tax liability in the Netherlands. As a result of this transaction the cash holdings of the INVU group increased by approximately (pound)314,510 (US\$478,338).

Additionally, INVU Holdings changed the corporate name of Corsham to INVU Netherlands BV.

As noted above, the Company has continued to raise significant funding during difficult market conditions. The Company is in the process of seeking further financing from a number of sources in order to pay down its outstanding indebtedness and to enable the Company to further accelerate its growth both organically and through acquisition. There can, however, be no assurance that additional debt or equity financing will be available, if and when needed, or that, if available, such financing could be completed on commercially favorable terms. Failure to obtain additional financing if and when needed, could have a material adverse affect on the Company's business, results of operations and financial condition. Please refer to Note B of the Consolidated Financial Statements in conjunction with this paragraph regarding the Company's ability to continue as a going concern.

Item 3. Controls and Procedures

Within 90 days prior to the date of this quarterly report, an evaluation was performed under the supervision and with the participation of the Company's management, including the CEO and CFO, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on that evaluation, the Company's management, including the CEO and CFO, concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company (including its consolidated subsidiaries) required to be included in the Company's periodic SEC reports. There have been no significant changes in the Company's internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation.

8

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

None

Item 2. Changes in Securities.

There have been no changes in securities during the period.

Item 3. Default Upon Senior Securities.

None

Edgar Filing: INVU INC - Form 10QSB

Item 4. Submission of Matters to a Vote of Security Holders.

None

Item 5. Other Information.

On August 23, 2002, INVU International Holdings Limited, a wholly-owned subsidiary of the Company ("INVU Holdings"), entered into an Agreement for the Sale, Purchase and Transfer of Shares (the "Agreement") pursuant to which INVU Holdings agreed to purchase all of the issued and outstanding stock (the "Corsham Stock") of Corsham Holding B.V., a company incorporated under Dutch law ("Corsham"), from B.V. Holding Maatschappij "De Hondsrug," a company incorporated under Dutch law ("B.V. Holding"). In consideration for the Corsham Stock, INVU Holdings agreed to (i) assume an aggregate of (Euro) 3,006,294 (US\$2,923,928) of debt owed by B.V. Holding to Corsham and (ii) make a cash payment equal to (Euro) 965,544 (US\$939,090) to B.V. Holding. The Agreement provides that the acquisition of the Corsham Stock would be effective as of August 23, 2002. The purchase price for the Corsham Stock was based on the net asset value of Corsham on August 23, 2002, as set forth in Corsham's balance sheet, plus an amount equal to 18.5% of Corsham's net profits before taxes for the financial year 2002 through August 23, 2002.

Pursuant to the terms of the Agreement for the Sale, Purchase and Transfer of Shares dated as of August 23, 2002, by and among INVU Holdings, B.V. Holding and Corsham (the "Second Agreement"), INVU Holdings and Corsham entered into a Transfer of Trade Secret and Exclusive License of Know-How Agreement on September 6, 2002, pursuant to which INVU Holdings agreed, under certain conditions, to transfer confidential information, an exclusive license to use its technology and its business plan to Corsham. In exchange for such transfer, Corsham has agreed to (i) make a cash payment equal to (Euro) 965,544 (US\$950,385) to INVU Holdings and (ii) reduce the debt owed by INVU Holdings to Corsham by (Euro) 1,330,783 (US\$1,309,890). Pursuant to the terms of the Second Agreement, INVU Holdings and Corsham also entered into an Exclusive Copyright and Trademark/Trade Name License Agreement on September 6, 2002 pursuant to which INVU Holdings agreed, inter alia, to grant exclusive software and copyright licenses of certain of its products to Corsham for an initial term of four (4) years. In consideration for such exclusive licenses, Corsham has agreed to (i) reduce the debt owed by INVU Holdings to Corsham by an additional (Euro) 1,675,511 (US\$1,649,205) and (ii) pay an aggregate amount equal to (Euro) 35,400,661 (US\$34,844,871) to INVU Holdings, which amount shall be loaned to Corsham by INVU Holdings pursuant to a Loan Agreement entered into by INVU Holdings and Corsham dated as of September 6, 2002. . These transactions have been eliminated in the consolidated financial statements. The value of the distribution and technology transfer rights licensed to Corsham was based on two valuations that INVU Holdings received from independent accounting firms. The Company has received independent tax advice that the transfers referred to above will not result in a tax liability but no assurance can be given that the applicable tax authorities will reach the same conclusion in the event of an audit or other regulatory inquiry relating to the transaction..

The distribution and technology transfer rights licensed to Corsham will be written down in the financial statements of Corsham over a period commensurate with standard accounting practices in the Netherlands to reflect depreciation. It is, therefore, anticipated that this transaction will result in a substantial reduction in Corsham's tax liability in the Netherlands. As a result of this transaction, the cash holdings of the INVU group increased by approximately (pound)314,510 (US\$478,338).

Additionally, INVU Holdings changed the corporate name of Corsham to INVU Netherlands BV.

Edgar Filing: INVU INC - Form 10QSB

9

The Company previously disclosed that it would file a Form 8-K with the required Corsham financial statements and pro-forma information; however, it has determined that such filing is not required.

Item 6. Exhibits and Reports on Form 8-K.

None

EXHIBITS

(a) Exhibits

Exhibit Number -----	Description of Exhibit -----
10.1	Overdraft Facility, dated July 19, 2000, by and between the Company and the Bank of Scotland (incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-QSB filed September 19, 2000).
10.2	Corporate Guarantee, dated July 18, 2000, by and among the Company, Invu Plc, Invu Services Limited, Invu International Holdings Limited and the Bank of Scotland (incorporated by reference to Exhibit 10.2 of the Company's Quarterly Report on Form 10-QSB filed September 19, 2000).
10.3	Debenture, dated July 13, 2000, by and between Invu International Holdings Limited and the Bank of Scotland (incorporated by reference to Exhibit 10.3 of the Company's Quarterly Report on Form 10-QSB filed September 19, 2000).
10.4	Overdraft Facility, dated October 29, 2001, by and between the Company and the Bank of Scotland (incorporated by reference to Exhibit 10.4 of the Company's Quarterly Report on Form 10-QSB filed December 14, 2001).
10.5	Investment Agreement, dated August 23, 1999, among the Company, David Morgan, John Agostini, Paul O'Sullivan, Alan David Goldman, and Vertical Investments Limited (incorporated by reference from Exhibit 10.12 of the Company's Annual Report on Form 10-KSB filed October 15, 1999).
10.6	Loan Stock Instrument, dated as of August 23, 1999, by the Company in favor of Alan David Goldman and Vertical Investments Limited (incorporated by reference from Exhibit 10.13 of the Company's Annual Report on Form 10-KSB filed October 15, 1999).
10.7	Loan Stock Instrument, dated as of August 23, 1999, by the Company in favor of Alan David Goldman and Vertical Investments Limited (incorporated by reference from Exhibit 10.14 of the Company's Annual Report on Form 10-KSB filed October 15, 1999).
10.8	Supplemental Agreement, dated as of August 23, 1999, among the Company, Vertical Investments Limited, Alan David Goldman, David Morgan, John Agostini, Paul O'Sullivan, INVU Services Limited and Tom Maxfield (incorporated by reference from Exhibit 10.15 of the Company's Annual Report on Form 10-KSB filed October 15, 1999).
10.9	Financing Arrangement, effective as of December 27, 2001, between Vertical Investments Limited, the Company, Invu Services Limited, Invu

Edgar Filing: INVU INC - Form 10QSB

International Holdings Limited and Invu PLC (incorporated by reference from Exhibit 10.21 of the Company's Annual Report on Form 10-KSB filed May 1, 2002).

- 10.10+ Co-operation and Project Funding Agreement, dated as of August 1, 2002, by and between The Britech Foundation Limited and Smashing Concepts Ltd and INVU Inc. (incorporated by reference from Exhibit 10.10 of the Company's Quarterly Report on Form 10-QSB filed September 16, 2002).
- 10.11 Agreement for the Sale, Purchase and Transfer of Shares, dated as of August 23, 2002, between and among B.V. Holding Maatschappij "De Hondsrug," INVU International Holdings Limited, and Corsham Holding B.V. (incorporated by reference from Exhibit 10.11 of the Company's Quarterly Report on Form 10-QSB filed September 16, 2002).
- 10.12 Agreement for the Sale, Purchase and Transfer of Shares, dated as of August 23, 2002, between and among B. V. Holding Maatschappij "De Hondsrug," and INVU International Holdings Limited (incorporated by reference from Exhibit 10.12 of the Company's Quarterly Report on Form 10-QSB filed September 16, 2002).

10

- 10.13 Exclusive Copyright and Trademark/Tradename License, dated as of September 6, 2002, between INVU International Holdings Ltd. and Corsham Holding B.V. (incorporated by reference from Exhibit 10.13 of the Company's Quarterly Report on Form 10-QSB filed September 16, 2002).
- 10.14 Transfer of Trade Secret and Exclusive License of Know-How Agreement, dated as of September 6, 2002, between INVU International Holdings Ltd. and Corsham Holding B.V. (incorporated by reference from Exhibit 10.14 of the Company's Quarterly Report on Form 10-QSB filed September 16, 2002).
- 10.15 Loan Agreement, dated as of September 6, 2002, between INVU International Holdings Ltd. and Corsham Holding B.V. (incorporated by reference from Exhibit 10.15 of the Company's Quarterly Report on Form 10-QSB filed September 16, 2002).
- 10.16* Loan Agreement, dated as of June 13, 2002, between INVU Services Limited and Bank Leumi (UK) plc.
- 99.1* Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

*Filed herewith

+Confidential materials deleted and filed separately with the Securities and Exchange Commission

11

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Quarterly Report to be signed on its behalf by the undersigned thereunto duly authorized.

INVU, INC.
(Issuer)

Edgar Filing: INVU INC - Form 10QSB

Date: December 16, 2002

By: /s/ David Morgan

David Morgan, President & Chief Executive
Officer
(Principal Executive Officer)

Date: December 16, 2002

By: /s/ John Agostini

John Agostini, Vice President-Chief
Financial Officer & Secretary
(Principal Financial Officer)

S-1

Certification Pursuant to Rules 13a-14 and 15d-14 of the
Securities Exchange Act of 1934, as amended

I, David Morgan, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of INVU, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on

Edgar Filing: INVU INC - Form 10QSB

our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

- a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: December 16, 2002

By: /s/ David Morgan

David Morgan
President & Chief Executive Officer

I, John Agostini, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of INVU, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to

Edgar Filing: INVU INC - Form 10QSB

the filing date of this quarterly report (the "Evaluation Date"); and

- c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
- a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: December 16, 2002

By: /s/ John Agostini

John Agostini
Vice President & Chief Financial
Officer

INDEX TO EXHIBITS

(a) Exhibits

Exhibit Number -----	Description of Exhibit -----
10.1	Overdraft Facility, dated July 19, 2000, by and between the Company and the Bank of Scotland (incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-QSB filed September 19, 2000).
10.2	Corporate Guarantee, dated July 18, 2000, by and among the Company, Invu Plc, Invu Services Limited, Invu International Holdings Limited and the Bank of Scotland (incorporated by reference to Exhibit 10.2 of the Company's Quarterly Report on Form 10-QSB filed September 19, 2000).
10.3	Debenture, dated July 13, 2000, by and between Invu International Holdings Limited and the Bank of Scotland (incorporated by reference to Exhibit 10.3 of the Company's Quarterly Report on Form 10-QSB filed September 19, 2000).

Edgar Filing: INVU INC - Form 10QSB

- 10.4 Overdraft Facility, dated October 29, 2001, by and between the Company and the Bank of Scotland (incorporated by reference to Exhibit 10.4 of the Company's Quarterly Report on Form 10-QSB filed December 14, 2001).
- 10.5 Investment Agreement, dated August 23, 1999, among the Company, David Morgan, John Agostini, Paul O'Sullivan, Alan David Goldman, and Vertical Investments Limited (incorporated by reference from Exhibit 10.12 of the Company's Annual Report on Form 10-KSB filed October 15, 1999).
- 10.6 Loan Stock Instrument, dated as of August 23, 1999, by the Company in favor of Alan David Goldman and Vertical Investments Limited (incorporated by reference from Exhibit 10.13 of the Company's Annual Report on Form 10-KSB filed October 15, 1999).
- 10.7 Loan Stock Instrument, dated as of August 23, 1999, by the Company in favor of Alan David Goldman and Vertical Investments Limited (incorporated by reference from Exhibit 10.14 of the Company's Annual Report on Form 10-KSB filed October 15, 1999).
- 10.8 Supplemental Agreement, dated as of August 23, 1999, among the Company, Vertical Investments Limited, Alan David Goldman, David Morgan, John Agostini, Paul O'Sullivan, INVU Services Limited and Tom Maxfield (incorporated by reference from Exhibit 10.15 of the Company's Annual Report on Form 10-KSB filed October 15, 1999).
- 10.9 Financing Arrangement, effective as of December 27, 2001, between Vertical Investments Limited, the Company, Invu Services Limited, Invu International Holdings Limited and Invu PLC (incorporated by reference from Exhibit 10.21 of the Company's Annual Report on Form 10-KSB filed May 1, 2002).
- 10.10+ Co-operation and Project Funding Agreement, dated as of August 1, 2002, by and between The Britech Foundation Limited and Smashing Concepts Ltd and INVU Inc. (incorporated by reference from Exhibit 10.10 of the Company's Quarterly Report on Form 10-QSB filed September 16, 2002).
- 10.11 Agreement for the Sale, Purchase and Transfer of Shares, dated as of August 23, 2002, between and among B.V. Holding Maatschappij "De Hondsrug," INVU International Holdings Limited, and Corsham Holding B.V. (incorporated by reference from Exhibit 10.11 of the Company's Quarterly Report on Form 10-QSB filed September 16, 2002).
- 10.12 Agreement for the Sale, Purchase and Transfer of Shares, dated as of August 23, 2002, between and among B. V. Holding Maatschappij "De Hondsrug," and INVU International Holdings Limited (incorporated by reference from Exhibit 10.12 of the Company's Quarterly Report on Form 10-QSB filed September 16, 2002).
- E-1
- 10.13 Exclusive Copyright and Trademark/Tradename License, dated as of September 6, 2002, between INVU International Holdings Ltd. and Corsham Holding B.V. (incorporated by reference from Exhibit 10.13 of the Company's Quarterly Report on Form 10-QSB filed September 16, 2002).
- 10.14 Transfer of Trade Secret and Exclusive License of Know-How Agreement, dated as of September 6, 2002, between INVU International Holdings Ltd. and Corsham Holding B.V. (incorporated by reference from Exhibit 10.14 of the Company's Quarterly Report on Form 10-QSB filed September 16, 2002).

Edgar Filing: INVU INC - Form 10QSB

- 10.15 Loan Agreement, dated as of September 6, 2002, between INVU International Holdings Ltd. and Corsham Holding B.V. (incorporated by reference from Exhibit 10.15 of the Company's Quarterly Report on Form 10-QSB filed September 16, 2002).
- 10.16* Loan Agreement, dated as of June 13, 2002, between INVU Services Limited and Bank Leumi (UK) plc.
- 99.1* Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

*Filed herewith

+Confidential materials deleted and filed separately with the Securities and Exchange Commission.