

Edgar Filing: INVU INC - Form 10QSB

INVU INC
Form 10QSB
June 13, 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 APRIL 30, 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 June 6, 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.

April 30, 2002

INDEX

PART I. FINANCIAL INFORMATION.....

Item 1. Financial Statements.....

Consolidated Balance Sheets as of April 30, 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.....

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

APRIL 30, 2002

Edgar Filing: INVU INC - Form 10QSB

F-1

INVU, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	April 30, 2002 (unaudited) \$

ASSETS	
Current assets	
Accounts receivable:	
Trade, net	762,946
VAT recoverable and other	20,981
Inventories	134,077
Prepaid expenses	98,339

Total current assets	1,016,343

Equipment, furniture and fixtures	
Computer equipment	225,641
Vehicles	296,680
Office furniture and fixtures	105,517

	627,838

Less accumulated depreciation	284,348

	343,490

Intangible assets	109,298

	1,469,131
	=====
LIABILITIES AND DEFICIT IN STOCKHOLDERS' EQUITY	
Current liabilities	
Short-term credit facility	262,745
Current maturities of long-term obligations	3,169,989
Accounts payable	639,685
Accrued liabilities	610,203
Deferred revenue	170,049

Total current liabilities	4,852,671

Long-term obligations, less current maturities	2,186,839

Deficit in stockholders' equity	
Preferred stock, no par value	

Edgar Filing: INVU INC - Form 10QSB

Authorized - 20,000,000 shares; nil shares issued and outstanding	-
Common stock, no par value	
Authorized - 100,000,000 shares; issued and outstanding - 30,386,539	1,746,223
Accumulated deficit	(7,464,242)
Accumulated other comprehensive income	147,640

	(5,570,379)

	1,469,131
	=====

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

F-2

INVU, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

	For the three April 30, 2002 (unaudited) \$
Revenues	412,351
Expenses:	
Production cost	56,490
Selling and distribution cost	201,909
Research and development cost	177,191
Administrative costs	248,820

Total operating expenses	684,410

Operating loss	(272,059)
Other income (expense)	
Interest, net	(106,101)

Total other expense	(106,101)

Loss before income taxes	(378,160)
Income taxes	-

Net loss	(378,160)
	=====
Weighted average shares outstanding:	
Basic and Diluted	30,386,539
	=====
Net loss per common share	

Edgar Filing: INVU INC - Form 10QSB

Basic and Diluted

(0.01)

=====

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 Shares	Amount \$	Accumulated deficit \$	Accumulated other comprehensive income \$
Balance at January 31, 2002	30,386,539	1,746,223	(7,086,082)	222,2
Comprehensive income (unaudited):				
Foreign currency translation adjustment (unaudited)	-	-	-	(74,6
Net loss for the period (unaudited)	-	-	(378,160)	
Total comprehensive income (unaudited)				
Balance at April 30, 2002 (unaudited)	30,386,539	1,746,223	(7,464,242)	147,6

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 three months ended April 30, 2002 (unaudited) \$
Net cash flows used in operating activities	
Net loss during the period	(378,160)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation and amortization	43,701
Loss on disposal of assets	-
Changes in:	
Accounts receivable	197,707
Inventories	(51,755)
Prepaid expenses	(9,667)
Accounts payable	115,342
Accrued liabilities	(71,142)
Net cash used in operating activities	(153,974)
Cash flows used in investing activities:	
Acquisitions of property and equipment	(72,393)
Net cash used in investing activities	(72,393)
Cash flows provided by financing activities:	
Short-term credit facility	(21,602)
Borrowings received from notes payable	275,000
Repayment of borrowings	(4,759)
Principal payments on capital lease	(10,900)
Net cash provided by financing activities	237,739
Effect of exchange rate changes on cash	(11,372)
Net decrease in cash	-
Cash at beginning of period	-
Cash at end of period	-
Supplemental disclosure of cash flow information:	
Cash paid during the period for:	
Interest	35,000

Edgar Filing: INVU INC - Form 10QSB

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 three month period ended April 30, 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). 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 and 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 \$5,570,379 at April 30, 2002 and the Company had negative cash flows from operations of \$153,974 for the three months to April 30, 2002. The Company is starting to generate revenues from operations and has obtained additional financing during the three months ended April 30, 2002 of \$275,000. Operations to date have been funded principally by equity capital and borrowings. However, the 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

Edgar Filing: INVU INC - Form 10QSB

include any adjustments that might result from the outcome of this uncertainty.

NOTE C - SHORT-TERM CREDIT FACILITY

The Company has a \$291,460 ((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 April 30, 2002 was \$262,745 ((pound)180,296), (January 31, 2002 \$276,203 ((pound)195,431)). The amount drawn is payable on demand at the bank's discretion. The credit facility is due for review on September 30, 2002.

F-6

NOTE D - LONG-TERM OBLIGATIONS

Long-term obligations at April 30, 2002 and January 31, 2002, consist of the following:

	April 30, 2002 (unaudited) \$
Unsecured loan from an individual, no stated maturity date; bearing interest of \$4,304 per month ((pound)3,000)	760,913
4% above Libor rate (Libor rate was 4.13% and 4% at April 30, 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 4.13% and 4% at April 30, 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	54,406
2% above the bank's base rate notes payable to an English bank, monthly payments aggregating to (pound)50,000, starting in November 2002 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	874,376
Convertible A Note 1999-2002, with interest at 6%; interest due in arrears biannually on January 1 and July 1	600,000
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	400,000

Edgar Filing: INVU INC - Form 10QSB

Convertible loans 2001-2003 (i) with interest rate per annum of 1.5% above UK bank base rates	159,000
Loan notes 2001-2005 (ii) with interest rate per annum of 7%	1,000,000
Loan notes 2001-2005 (iii) with interest rate per annum of 12%	500,000
Convertible loan 2001-2003 (iv) with interest rate per annum of 1.5% above UK bank base rate	300,000
Convertible loan 2001-2005 (v) with interest rate per annum of 12%	550,000
Capital leases for vehicles, interest ranging from 10.2% - 16.9% with maturities through 2004	158,133
	5,356,828
Less current maturities	3,169,989
	2,186,839

F-7

Scheduled maturities of long-term obligation are as follows:

Year ending April 30,	\$
2003	3,169,989
2004	843,154
2005	7,772
2006	575,000
2007	760,913
	5,356,828
	5,356,828

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:

- 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 \$195,447 has been accrued to April 30, 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 in August 2002 upon receipt of 30 days written notice from the Company or the Investors. At April 30, 2002 the outstanding principal could have been converted into

Edgar Filing: INVU INC - Form 10QSB

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 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

Edgar Filing: INVU INC - Form 10QSB

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.

	April 30, 2002 (unaudited) \$	January 31, 2002 \$
Vehicles	296,680	287,722
Less accumulated depreciation	(157,138)	(134,410)
	139,542	153,312
	139,542	153,312

Scheduled maturities of minimum lease payments are as follows:

Period ending April 30,	\$
2003	93,338
2004	88,477
	181,815
Less amount representing interest	23,682
Present value of net minimum lease payments	158,133

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

F-10

Edgar Filing: INVU INC - Form 10QSB

NOTE E - RELATED PARTY TRANSACTIONS

At April 30, 2002 David Morgan owed \$20,981 ((pound)14,397) (January 31, 2002 \$19,584 ((pound)13,857)) to the Company. The maximum liability during the period amounted to \$20,981 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 rest 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 \$38,965 in the three months to April 30, 2002 (Year to January 31, 2002 \$136,340) and the balance owed by the Company at April 30, 2002 was \$7,791 (January 31, 2002 \$6,477).

NOTE F - 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 will adopt SFAS 141 on February 1, 2002, as permitted by the new statement. Upon adoption, the Company will no longer amortize goodwill and other indefinite lived intangible assets. The Company will be required to 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 position and results of operations, it does not expect such impact to be material.

NOTE G - SUBSEQUENT EVENT

A complaint was filed against the Company on February 23, 2001 relating to a \$100,000 demand promissory note dated May 1, 2000 and payable to the order of GEM Advisors Inc (GEM). The note bears interest at a rate of 3% per annum and if payment is not made upon demand, the rate increases to 15% per annum. GEM was entitled to convert the unpaid balance and interest into shares of the Company's Common Stock if payment was not made on demand. Demand on the note was made by GEM on September 21, 2000, subsequently GEM sent the Company a conversion notice on December 18, 2000 electing to convert the note into 179,643 shares of the Company's Common Stock. The note was subsequently converted and a share certificate was delivered to GEM, which GEM returned to the Company contending that the timeliness of the delivery of the share certificate violated the terms of the note agreements.

The Company has provided for its own legal expenses incurred to April 30, 2002 in respect of this litigation in these financial statements. The Company has no obligation to pay for the legal expenses of GEM.

In May 2002 the Company and GEM entered into a Settlement Agreement which will result in the Company paying GEM \$25,000 during 2002. In addition the 179,643 shares of the Company's Common Stock will be purchased by an unaffiliated third party for \$25,000.

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; (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

Edgar Filing: INVU INC - Form 10QSB

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, functionality 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 being 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.

1

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 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. Having now recruited 120 resellers, the Company continues to monitor all existing resellers to ensure that they meet the stringent INVU accreditation requirements. The Company continues its aggressive

Edgar Filing: INVU INC - Form 10QSB

VAR recruitment campaign, and having recruited 8 new resellers in the quarter ended April 30, 2002, management expects to recruit a further 20 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 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, Argos, Kraft Foods, Universal Music Group, Millfield Partnership Limited (a large firm of financial advisors), Samsung, Gerrard Private Bank, Close Bank, Greater Glasgow Primary Healthcare Trust, and Spar.

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 now underway. The INVU enhanced Document Centre has been branded "VU Centre." Xerox's largest European dealer, Printware Limited, is providing a full priced five-user version of "VU Centre" with every Xerox Docucentre it sells.

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 rapid 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.

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, functionality 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 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.

Edgar Filing: INVU INC - Form 10QSB

Throughout the three months ended April 30, 2002, the Company has continued to develop its software products.

Version 5.2 of the Company's professional range of products, INVU Series 100, Series 200 and ViewSafe, contains the newly developed OCR (Optical Character Recognition) functionality, which works with all Microsoft Office™ and Adobe™ file types and scanned images. This functionality automatically allows a user to keyword search all existing documents in the system. This release also contains a Microsoft Office Add-In, which allows integration with

2

Microsoft Office™ 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.

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. 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 when the new enhanced version of "codefree" is released in quarter two of the Current Fiscal Year.

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 quarter four of the last fiscal year and quarter one of the Current Fiscal Year, and the full product release is scheduled for quarter two of the Current Fiscal Year. 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 key functionality that is comparable to the world's most established document and content management solutions, but at a significantly lower price level.

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 have taken place during the Current Fiscal Year. This technology allows access to data and documents through intelligent frequency of word and phrase recognition and

Edgar Filing: INVU INC - Form 10QSB

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. Management decided not to integrate this technology within the latest release of INVU products and is instead considering the further wide-ranging applications for which this advanced technology can be utilized. Full text retrieval technology is already available within the latest release of Series 200 and Series 250.

Critical Accounting Policies

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 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 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

3

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

Edgar Filing: INVU INC - Form 10QSB

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 has been engaged in legal proceedings with GEM Advisors Inc. (GEM). An agreement has recently been made, whereby Invu will pay \$25,000 to GEM in full and final settlement. SFAS 5, Accounting for Contingencies, requires that an estimated loss from a loss contingency should be accrued 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 at least a reasonable possibility that a loss has been incurred. The Company does not consider the sum above to have a material impact on the Company's financial position or its results of operations.

Results of Operations

The following is a discussion of the results of operations for the three months ended April 30, 2002, compared with the three months ended April 30, 2001, together with changes in financial condition during the three month period ended April 30, 2002.

Total revenues increased by \$110,335, or 36%, from \$302,016 for the three months ended April 30, 2001 to \$412,351 for the three months ended April 30, 2002. This reflects the Company's continued expansion of its customer base.

The net loss for the three months ended April 30, 2002 was \$378,160, which is \$95,297, or 34% higher than the net loss for the corresponding period in fiscal year 2001 of \$282,863 mainly due to increases in interest charges of \$55,392, an increase in professional fees associated with the current fundraising and the litigation with GEM Advisors, Inc. of \$27,002 and amortization of EasiFile acquisition cost of \$11,892.

Production costs consist of royalty fees associated with third party software, costs related to reproduction, packaging, and despatch 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 have increased by \$30,788 from \$25,702 for the three months ended April 30, 2001 to \$56,490 for the three months ended April 30, 2002. Production costs as a percentage of total revenues were 13.7% for the three months ended April 30, 2002 compared to 8.5% during the same period in fiscal year 2001. The increase was due to the one time purchase of a \$38,553 scanner that was subsequently sold for \$47,725, which consequently had a disproportionate effect on production costs as a percentage of total revenue. Without this cost and associated sales revenue, production costs would have been

4

only 5% of revenues. This underlying fall in production costs as a proportion of revenues reflects the fall in production costs per unit due to economies of scale, 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 by \$8,863 from \$193,046 in the three months to April 30, 2001 to \$201,909 in the three months ended April 30, 2002. Selling and distribution costs as a percentage of total revenues fell to 49% in the three

Edgar Filing: INVU INC - Form 10QSB

months ended April 30, 2002 compared to 64% in the same period in fiscal year 2001. The decrease in the percentage over the comparable three month periods was due to the Company's sales growth in 2002 and re-focussed marketing, which concentrated on value added reseller training and development programs.

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 by \$63,732, or 56%, from \$113,459 in the three months ended April 30, 2001 to \$177,191 during the three months ended April 30, 2002. Research and development costs as a percentage of total revenues rose to 43% in the three months ended April 30, 2002 compared to 38% in the same period in fiscal year 2001. The increases in the percentage over the comparable three month period reflected the Company's continued investment in its current and future products. In particular, the development of Series 200 (version 5.2) and all-new products, including Series 250 and i200, have occupied the majority of the Company's development resources throughout the period.

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 by \$46,857, or 23%, from \$201,963 in the three months ended April 30, 2001 to \$248,820 during the three months ended April 30, 2002. Administrative costs as a percentage of total revenues fell to 60% in the three months ended April 30, 2002 compared to 67% in the same period in fiscal year 2001. The increase in administrative costs over the comparable three month period was due to the Company's additional legal fees relating to the now settled dispute with GEM Advisors, Inc., amortization for the period of intangible assets acquired in July 2001, and an increase in general administrative costs.

During the three months ended April 30, 2002, the Company incurred net interest expense of \$106,101 compared to net interest expense of \$50,709 during the corresponding periods in fiscal year 2001. These increases are entirely due to increased loan facilities. Management expects these costs to fall as soon as additional investment funding is secured. Interest costs will also decrease when net revenues are adequate to generate net cash inflows.

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 \$1,016,343 at April 30, 2002, a decrease of \$104,259 compared to \$1,120,602 at January 31, 2002. Working capital was negative \$3,836,328 as of April 30, 2002, compared with negative \$3,434,581 as of January 31, 2002. These changes are mainly due to decreases in accounts receivable and increases in current maturities of long term obligations, together with increases in accounts payable. The Company has obtained convertible loans from Vertical Investments, an entity in which Daniel Goldman (a non-executive director) has an interest, totaling \$275,000 during the three month period ended April 30, 2002. Management believes that this amount will either be repaid from the proceeds of future financings or converted into common stock of the Company before the end of the Current Fiscal Year, which although it will significantly reduce the working capital deficit, will also dilute the holdings of the Company's current shareholders.

Total assets of the Company were \$1,469,131 at April 30, 2002, a decrease of \$62,178 compared to \$1,531,309 at January 31, 2002. This is attributable to increases in fixed assets of \$50,558, and decreases in current assets of \$104,259, and a decrease in intangible assets of \$8,477.

Edgar Filing: INVU INC - Form 10QSB

The total current liabilities of the Company increased by \$297,488 from \$4,555,183 at January 31, 2002 to \$4,852,671 at April 30, 2002. The change in current liabilities is mainly due to increases in accounts payable of \$133,524 and increases in current maturities of long-term obligations of \$224,308 and decreases in short-term credit facility of \$13,458 and decreases in deferred revenue of \$46,799. This reflects the Company's continued trading losses and reliance on loan finance.

5

Total stockholders' equity decreased by \$452,765 during the three month period ended April 30, 2002 from a deficit of \$5,117,614 at January 31, 2002 to a deficit of \$5,570,379 at April 30, 2002. The Company continues to evaluate various financing options, including issuing debt and equity to finance future development and particularly marketing of products.

Financing Management's Plan of Operation

The Company remains committed to raising the necessary funds to enable the business to fulfill its potential and is engaged in or presently pursuing the following financing transactions.

The Company has a \$291,460 short-term credit facility with an annual interest rate currently of 6% with an English bank. The amount drawn against the facility at April 30, 2002 was \$262,745. This facility is due for review on September 30, 2002. The Company believes that at such maturity date the facility will be extended. The Company's bank also provided a further credit facility of \$874,376 in October 2001 by way of notes payable with monthly repayments of \$72,865 commencing in November 2002 until October 2003. 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. The Company anticipates that the Loan Stock Instrument will be converted.

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 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 shares 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

Edgar Filing: INVU INC - Form 10QSB

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.

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. Assuming that the convertible loans, including the Vertical Loans and the Loan Stock Instruments, are converted, management anticipates that a further requirement of \$1,000,000 would be necessary to achieve the break even position and meet all outstanding obligations. The Company is seeking financing in excess of this amount in order to maximize the growth potential of the Company. Management estimates the financing it is seeking, if consummated, would fulfill the Company's working capital requirements for a period up to the point at which net sales revenues could sustain the Company's day to day operations and also enable the Company to further accelerate its growth both organically and through acquisition. There can, however, be no assurance that the above transaction will be consummated or 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.

6

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

As reflected in the Company's 10-KSB for the fiscal year ended January 31, 2002, a complaint was filed against the Company on February 23, 2001, in the United States District Court for the Southern District of New York on behalf of GEM Advisors, Inc. ("GEM") seeking money damages in the amount of \$100,000 together with interest from September 21, 2000, costs, disbursement and attorneys' fees. The complaint related to a \$100,000 demand promissory note (the "Note") dated May 1, 2000 and payable to the order of GEM. The Note bore interest at a rate of 3% per annum and if payment was not made upon demand, the rate increased to 15% per annum from the date of demand through and including the date of payment. GEM was entitled to convert the unpaid balance and interest into shares of the Company's Common Stock if payment was not made on demand. Demand on the Note was made by GEM on September 21, 2000 and GEM sent the Company a conversion notice on December 18, 2000 electing to convert the Note into 179,643 shares of the Company's Common Stock. The Note was subsequently converted and a share certificate was delivered to GEM, which GEM returned to the Company contending that the timeliness of the delivery of the share certificate violated the terms of related Note agreements.

In response, the Company filed an answer on or about April 16, 2001, denying that any amounts were owing under the Note, and denying liability under GEM's remaining causes of action. It was the Company's position that GEM made a binding election to convert unpaid amounts due under the Note into shares of the Company's Common Stock, and that the Company's tender of the share certificate to GEM, and GEM's acceptance and retention of the share certificate, fully satisfied the Company's obligations under the Note and discharged the Company from any further liability under the Note.

Edgar Filing: INVU INC - Form 10QSB

The parties entered into a Settlement Agreement in May 2002 that obligates the Company to pay GEM an aggregate of \$50,000 in four equal installments during 2002. GEM in turn has agreed to return the 179,643 shares of the Company's Common Stock (the "GEM Shares") to the Company. The Company has assigned its right to acquire the GEM Shares to an unaffiliated third party who will acquire the GEM Shares directly from GEM for \$25,000. Such \$25,000 shall reduce the Company's settlement obligation to \$25,000 from \$50,000. On May 23, 2002, the Judge signed an Order that discontinued GEM's action with prejudice.

Item 2. Changes in Securities.

There have been no changes in securities during the period.

Item 3. Default Upon Senior Securities.

None

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

None

Item 5. Other Information.

None

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

None

7

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

Edgar Filing: INVU INC - Form 10QSB

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).

8

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)

Date: June 14, 2002

By: /s/ David Morgan

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

Date: June 14, 2002

By: /s/ John Agostini

Edgar Filing: INVU INC - Form 10QSB

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

S-1

INDEX TO 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).

Edgar Filing: INVU INC - Form 10QSB

- 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).

E-1