For immediate release **6 March 2019**

VR Education Holdings plc

('VR Education' or the 'Group')

Final Results

VR Education (AIM: VRE; Euronext Growth: 6VR), a leading virtual reality ('VR') technology company focused on the education space, today announces its maiden audited final results for the year ended 31 December 2018 (the 'Period').

Financial Highlights

- Revenue up 15% to €716k (FY 2017: €624k)
- EBITDA €1.5 million loss (FY 2017: loss of €0.5 million), in line with management expectations
- Result before tax of €4.9 million loss (FY 2017: loss of €0.6 million), in line with management expectations, which includes:
    - A non-cash fair value loss arising on derivative financial liabilities of €2.6 million[i]
    - Extinguishment costs of €0.3 million[ii]
- Net cash position at 31 December 2018 of €3.5 million
- Loss per share for the period of €0.03 (2017: N/A)

[i] arising from the conversion of convertible debt and preference shares to ordinary equity in Immersive VR Education Limited ("IVRE") prior to the acquisition of IVRE by the Group.
[ii] comprising a non-cash element of €0.2 million arising from share warrants issued to debt and preference shareholders in IVRE on conversion and €0.1 million cash contributions made by IVRE to debt and preference shareholders as part of the commercial agreements entered into on conversion.

Operational Highlights

- Placing to raise £6.0 million gross (£5.1 million net) and admission to the AIM market of the London Stock Exchange and to the Enterprise Securities Market (now called Euronext Growth), a market regulated by Euronext Dublin, on 12 March 2018
- Full commercial release of ENGAGE, including ENGAGE Education and ENGAGE Enterprise, in December 2018 with first commercial and educational customers signed up
- Apollo 11 VR educational experience selected to be part of the launch collection for Oculus Go, Oculus' all-in-one VR headset
- Apollo 11 HD version released on PC, Oculus Rift, HTC Vive, and Windows Mixed Reality
- Launch of Titanic VR, the Group's highly anticipated immersive gaming experience, in August 2018; now available to purchase on PlayStation, PC, Oculus Rift, HTC Vive, and Windows Mixed Reality
- Completion of the "1943: Berlin Blitz" experience in collaboration with the BBC - nominated for best Linear Virtual Reality experience at the Venice Film Festival in September 2018
- Team strengthened with the appointment of key strategic hires including a new Chief Technology Officer
- Loren Carpenter, one of the founders of Pixar Animation Studios, appointed as an adviser

Post Period End Highlights

- Commercial launch of ENGAGE at the BETT conference in London in January 2019 and GESS Dubai event in February 2019
- "Raid on the Ruhr", a Dambusters experience, announced as the Group's next showcase experience to be launched in H1 2019

Richard Cooper, Chairman of VR Education, said: "The successful IPO and fundraise has been followed by a series of significant product launches, and so, a year on from the listing, the Group has both launched its ENGAGE platform in commercial form and has broadened its retail experiences beyond Apollo 11 VR into Titanic VR and 1943: Berlin Blitz. The Group is therefore well placed to capitalise on these in 2019 and beyond."

David Whelan, CEO of VR Education, said: "The Group has continued to make substantial operational progress since its admission to AIM, in line with the strategy outlined at the time of our IPO.

The first commercial version of ENGAGE was released on 13 December 2018 with significantly increased functionality. This introduced the ability for users to record and publish their own content, purchase Pro ENGAGE accounts to access enhanced editing and publishing tools and also the ability to create avatars based on 'selfie' images using our machine learning system, among other major updates. These new features ensure that the ENGAGE virtual reality platform stands above the competition, providing key production tools to its users.

The full version of Titanic VR was released on the US and EU PlayStation Network in November 2018, following release in August 2018 on the Oculus and Steam stores. This has been well received and early sales figures are promising, with December 2018 being the highest individual month of revenue the Group has ever generated.

The Board would like to thank our new and existing shareholders for their support and we look forward to capitalising on significant market opportunities during the course of 2019 and beyond."

Investor and Analyst Meeting

A meeting for analysts will be held at 11am today, 6 March 2019, at the offices of Buchanan, 107 Cheapside, London EC2V 6DN. A copy of the Final Results presentation is available at the Company's website: http://www.vreducationholdings.com

An audio webcast of the analysts meeting will be available after 12pm today:
http://webcasting.buchanan.uk.com/broadcast/5c65270ee6e1d92d38f4df4b

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

- Ends -

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Notes to Editors

VR Education, together with its wholly owned subsidiary, is an early stage VR software and technology group based in Waterford, Ireland, dedicated to transforming the delivery methods of education and corporate training by utilising VR technologies to deliver fully immersive virtual learning experiences. The Group's core focus is the development and commercialisation of its online virtual social learning and presentation platform called ENGAGE, which provides a platform for creating, sharing and delivering proprietary and third-party VR content for educational and corporate training purposes.

In addition to the ongoing development of the ENGAGE platform, the Group has also built two downloadable showcase VR experiences, being the award-winning Apollo 11 VR experience and the Titanic VR experience.

On 12 March 2018, VR Education listed on the AIM market of the London Stock Exchange and on Euronext Growth, a market regulated by Euronext Dublin.

For further information, please visit www.vreducationholdings.com.

Chief Executive's Review

2018 was an important year for VR Education and one in which it successfully delivered on the operational milestones that were clearly set out at the time of the Group's IPO. During the period the Group was admitted to AIM and to the Enterprise Securities Market (now called Euronext Growth), released various new showcase experiences and also completed the full commercial release of ENGAGE, its online virtual learning and corporate training platform, with full payment capabilities. The Group has also expanded the development and marketing team, completed projects with the BBC and Oxford University and released Part 2 of Titanic VR.

The Group continues to execute on its strategy of focusing on the commercialisation of ENGAGE whilst launching further showcase experiences to drive awareness, add content to the ENGAGE platform and deliver incremental revenue.

VR Education has already started to raise brand awareness by showcasing the ENGAGE platform and its capabilities at high profile tradeshows and conferences around the world. The Group has recently attended the BETT Conference in London in January 2019 and GESS Dubai in February 2019, one of the largest educational events, held annually in the UAE, and will be attending a number of major education conferences in 2019.

ENGAGE

The Group successfully released the ENGAGE platform on 13 December 2018 via the Steam network and its own website www.engagevr.io. ENGAGE now supports Oculus Rift, HTC Vive, HTC Vive Pro, Windows Mixed Reality and standard PC display devices. With the launch of ENGAGE the Group also released new content provided by Oxford University and additional features such as enhanced web-based media streaming, desktop streaming, selfie avatar generations, Pro and Free licensing, cloud file sharing and a full web-based management system for creating events, quizzes, content and enhanced account management.

2019 is a pivotal year for ENGAGE with the majority of business development and marketing focused on the platform.

Showcase experiences

In addition to developing ENGAGE, the Group creates showcase experiences, not only to generate revenue but to also build up the Group's VR asset base. These can be reused by external educators on the ENGAGE platform, whilst also improving the Group's reputation and attracting developer talent.

At the end of the Period, the Group had built two paid-for downloadable showcase VR experiences, being the award-winning Apollo 11 VR experience and the Titanic VR experience.

Apollo 11 VR continued to sell well during the year. As at 31 December 2018, Apollo 11 VR had been downloaded a total of 160,000 times. Titanic VR has been very well received since its full launch in August 2018. As at 31 December 2018, Titanic VR had been downloaded a total of 20,000 times with the majority of downloads coming from its PlayStation version which was released towards the end of November 2018.

Current trading and outlook

2019 is going to be a busy year for the Group with continued focus on the promotion of ENGAGE and generation of sales on the platform, together with the release of two new showcase experiences. The first experience to be released in 2019 is titled "Raid on the Ruhr" and is based on the Dambusters mission from World War II, to be released in H1 2019. The second experience, a larger space-related project, is scheduled for release in H2 2019.

In summary, 2018 has been a solid year for VR Education with the team growing from 20 to 34 employees and the successful release of three new products. The focus for 2019 is the ENGAGE platform and with the release of second-generation VR hardware, such as the Oculus Quest, VR Education is well positioned to remain the leader of next generation educational content and tools.

I would like to thank our new and existing shareholders for their support and the Group looks forward to capitalising on significant market opportunities during the course of 2019 and beyond.

David Whelan
Chief Executive Officer
6 March 2019

Financial Review

Revenue for the year was up 15% on the prior year from €624k to €716k, driven by the continued success of the Apollo 11 VR experience, the release of the full version of Titanic VR [for Oxford University] and the completion of "1943: Berlin Blitz" for the BBC.

EBITDA loss was €1.5 million compared to a loss of €0.5 million in the prior year, in line with management expectations.

Loss before tax, after a non-cash convertible debt conversion fair value loss of €2.6 million and associated conversion costs of €0.3 million, was a loss of €4.9 million, in line with management expectations, compared to a loss in the prior year of €0.6 million.

Operating cashflows were a net outflow of €2.1 million for the period. The current run-rate of staff costs and other ongoing costs is approximately €250k per month.

The Group's cash position at 31 December 2018 was €3.5 million with no debt.

Séamus Larrissey
Chief Financial Officer
6 March 2019

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME
for the Year Ended 31 December 2018

	Note	2018	2017
Continuing Operations		**€**	**€**
Revenue	3	716,345	624,487
Cost of Sales	6	(239,701)	(300,143)
Gross Profit		**476,644**	**324,344**
Administrative Expenses	6	(2,247,337)	(876,858)
Other Income	5	-	60,333
Operating Loss		**(1,770,693)**	**(492,181)**
Fair value (loss)/gain arising on derivative financial liabilities	11	(2,638,063)	125,764
Extinguishment Costs	9	(267,971)	-
IPO Transaction Costs	10	(237,202)	(202,940)
Finance Costs	11	(29,977)	(54,342)
Loss before Income Tax		**(4,943,906)**	**(623,699)**
Income Tax Credit	12	-	-
Total comprehensive loss for the year		**(4,943,906)**	**(623,699)**
Earnings per Share (EPS)			
Basic from continuing operations	13	(0.026)	-

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 31 December 2018

	Note	2018	2017
		€	€
Non-Current Assets			
Property, Plant & Equipment	14	59,541	57,300
Intangible Assets	15	956,550	435,791
		1,016,091	493,091
Current Assets			
Trade and other receivables	17	394,113	238,315
Cash and short term deposits	18	3,485,186	103,577
		3,879,299	341,892
Total Assets		**4,895,391**	**834,983**
Equity and Liabilities			
Equity Attributable to Shareholders			
Issued share capital	19	193,136	-
Share premium	19	21,587,539	-
Other reserves	20	(11,314,729)	157,280
Retained earnings	21	(5,765,750)	(821,844)
Total Equity		**4,700,196**	**(664,564)**
Non-Current Liabilities			
Interest bearing loans and borrowings	24	-	907,180
Derivative financial liabilities	24	-	209,348
		-	1,116,528
Current Liabilities			
Trade and other payables	23	195,195	383,019
		195,195	383,019
Total Liabilities		**195,195**	**1,499,547**
Total Equity and Liabilities		**4,895,391**	**834,983**

COMPANY STATEMENT OF FINANCIAL POSITION
at 31 December 2018

	Note	2018	2017
		€	€
Non-Current Assets			
Investment in subsidiaries	16	15,028,809	-
		15,028,809	-
Current Assets			
Trade and other receivables	17	5,136,849	18,750
Cash and short term deposits	18	753,090	6,250
		5,889,939	25,000
Total Assets		**20,918,748**	**25,000**
Equity and Liabilities			
Equity Attributable to Shareholders			
Issued share capital	19	193,136	-
Share premium	19	21,587,539	-
Other reserves	20	(212,363)	-
Retained earnings	21	(687,587)	-
Total Equity		**20,880,725**	**-**
Current Liabilities			
Redeemable shares		-	25,000
Trade and other payables	23	38,023	-
Total Liabilities		**38,023**	**25,000**
Total Equity and Liabilities		**20,918,748**	**25,000**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 December 2018

	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total
	€	€	€	€	€
Balance at 1 January 2017	-	-	104,915	(198,145)	(93,230)
Total comprehensive income					
Loss for the year	-	-	-	(623,699)	(623,699)
Total comprehensive income	-	-	-	(623,699)	(623,699)
Transactions with owners recognised directly in equity					
Transfer to derivative liabilities	-	-	(104,915)	-	(104,915)
Transfer to other reserves arising from accounting treatment of acquisition of subsidiary	-	-	137,100	-	137,100
Share option expense	-	-	20,180	-	20,180
Balance at 31 December 2017	**-**	**-**	**157,280**	**(821,844)**	**(664,564)**

	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total
	€	€	€	€	€
Balance at 1 January 2018	-	-	157,280	(821,844)	(664,564)
Total comprehensive income					
Loss for the year	-	-	-	(4,943,906)	(4,943,906)
Total comprehensive income	-	-	-	(4,943,906)	(4,943,906)
Transactions with owners recognised directly in equity					
Issue of ordinary shares	193,136	21,587,539	-	-	21,780,675
Share Issue Costs	-	-	(596,212)	-	(596,212)
Acquisition of a subsidiary	-	-	(11,263,644)	-	(11,243,464)
Share option expense	-	-	387,847	-	367,667
Balance at 31 December 2018	**193,136**	**21,587,539**	**(11,314,729)**	**(5,765,750)**	**4,700,196**

COMPANY STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 December 2018

	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total
	€	€	€	€	€
Balance at 13 October 2017	-	-	-	-	-
Total comprehensive income					
Loss for the year	-	-	-	-	-
Balance at 31 December 2017	**-**	**-**	**-**	**-**	**-**

	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total
	€	€	€	€	€
Balance at 1 January 2018	-	-	-	-	-
Total comprehensive income					
Loss for the year	-	-	-	(687,587)	(687,587)
Total comprehensive income				(687,587)	(687,587)
Transactions with owners recognised directly in equity					
Issue of ordinary shares	193,136	21,587,539	-	-	21,780,675
Share Issue Costs	-	-	(596,212)	-	(596,212)
Share option expense	-	-	383,849	-	383,849
Balance at 31 December 2018	**193,136**	**21,587,539**	**(212,363)**	**(687,587)**	**20,880,725**

CONSOLIDATED STATEMENT OF CASH FLOWS
for the Year Ended 31 December 2018

	Note	2018	2017
Continuing Operations		**€**	**€**
Loss before income tax		(4,943,906)	(623,699)
Adjustments to reconcile loss before tax to net cash flows:			
Depreciation of fixed assets	6	49,984	36,621
Amortisation of intangible assets	6	175,300	-
Fair value loss/(gain) arising on derivative financial liabilities	11	2,638,063	(125,764)
Non-cash element of extinguishment costs		174,651	-
Non-cash element of advisor warrants		112,381	-
Other non-cash items		1,944	-
Finance Costs	11	29,977	54,342
Share Option Expense		30,145	20,180
Movement in trade & other receivables		(155,798)	(201,710)
Movement in trade & other payables		(187,824)	351,339
		(2,075,083)	(488,691)
Bank interest & other charges paid		(29,977)	(264)
Net Cash used in Operating Activities		**(2,105,060)**	**(488,955)**
Cash Flows from Investing Activities			
Purchases of property, plant & equipment	14	(52,225)	(56,326)
Payments to develop Intangible Assets	15	(696,059)	(370,514)
Net cash used in investing activities		**(748,284)**	**(426,840)**
Cash Flows from Financing Activities			
Proceeds from issuance of ordinary shares		6,234,953	12,000
Proceeds from issuance of preference shares		-	250,000
Proceeds from issuance of convertible loans		-	688,000
Net cash generated from financing activities		**6,234,953**	**950,000**
Net increase in cash and cash equivalents		**3,381,609**	**34,205**
Cash and cash equivalents at beginning of year	18	103,577	69,372
Cash and cash equivalents at end of year	18	**3,485,186**	**103,577**

The non-cash element of extinguishment costs and non-cash element of advisor warrants reflect the fact that the group issued warrants to loan note holders, cumulative redeemable preference shareholders and advisors as part of the acquisition of Immersive VR Education Limited and the subsequent IPO transaction.

COMPANY STATEMENT OF CASH FLOWS
for the Year Ended 31 December 2018

	Note	2018	2017
Continuing Operations		**€**	**€**
Loss before income tax		(687,587)	-
Adjustments to reconcile loss before tax to net cash flows:			
Non-cash element of extinguishment costs		174,651	-
Non-cash element of advisor warrants		112,381	-
Non-cash element of redemption of redeemable shares		(18,750)	-
Finance Costs		276	-
Share Option Expense		17,518	-
Movement in trade & other receivables		(5,118,099)	-
Movement in trade & other payables		38,023	-
		(5,481,587)	-
Bank interest & other charges paid		(276)	-
Net Cash used in Operating Activities		**(5,481,863)**	**-**
Cash Flows from Investing Activities		-	-
Cash Flows from Financing Activities			
Proceeds from issuance of redeemable shares		-	6,250
Redemption of redeemable shares		(6,250)	-
Proceeds from issuance of ordinary shares		6,234,953	-
Net cash generated from financing activities		6,228,703	**6,250**
Net increase in cash and cash equivalents		746,840	6,250
Cash and cash equivalents at beginning of year	18	6,250	-
Cash and cash equivalents at end of year	18	**753,090**	**6,250**

The non-cash element of extinguishment costs and non-cash element of advisor warrants reflect the fact that the group issued warrants to loan note holders, cumulative redeemable preference shareholders and advisors as part of the acquisition of Immersive VR Education Limited and the subsequent IPO transaction.

The non-cash element of redemption of redeemable shares relates to the accounting treatment for the cancellation of unpaid redeemable shares during the year.

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

VR Education Holdings plc ("the Company") is publicly traded on the Alternative Investment Market ("AIM") of the London Stock Exchange and on the Enterprise Securities Market ("ESM"), a market regulated by Euronext Dublin. The Company is incorporated and domiciled in the Republic of Ireland. The registered office is Unit 9, Cleaboy Business Park, Old Kilmeaden Road, Waterford and the registered number is 613330.

The Company is the parent company of Immersive VR Education Limited ("IVRE"). IVRE is incorporated and domiciled in the Republic of Ireland with the same registered office as the Company. On 12 March 2018 the Company acquired Immersive VR Education Limited and contemporaneously listed on London's AIM market and Dublin's ESM market. As part of the Admission process, the Group raised £6 million before expenses, through an oversubscribed placing of 60,000,000 new ordinary shares at a placing price of 10p each.

The Group is principally engaged in the development of the educational Virtual Reality platform 'Engage'. The Company also develops and sells Virtual Reality experiences for the education market.

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of the Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Consolidation
The consolidated financial statements incorporate those of VR Education Holdings plc and its subsidiary Immersive VR Education Limited.

All financial statements are made up to 31 December 2018. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date on which control ceases.

The Group re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

Business Combination

Acquisition of Immersive VR Education Limited
The company was incorporated on 13 October 2017 and entered into an agreement to acquire the entire issued share capital of Immersive VR Education Limited on 12 March 2018. The acquisition was effected by way of issue of shares. Due to the relative size of the companies, Immersive VR Education's shareholders became the majority shareholders in the enlarged capital of the Company. The transaction fell outside of IFRS 3 ("Business Combinations") and as such has been treated as a group reconstruction.

Therefore, although the Group reconstruction did not become unconditional until 12 March 2018, these consolidated financial statements are presented as if the Group structure has always been in place, including the activity from incorporation of the Group's subsidiaries.

Furthermore, as VR Education Holdings plc was incorporated on 13 October 2017, while the enlarged group began trading on 12 March 2018, the Statement of Comprehensive Income and consolidated Statement of Changes in Equity and consolidated Cash Flow Statements are presented as though the Group was in existence for the whole year. On this basis, the Directors have decided that it is appropriate the reflect the combination using merger accounting principles as the transaction falls outside the scope of IFRS 3 and as such has been treated as a Group reconstruction. No fair value adjustments have been made as a result of the combination.

The comparative information presented for the Group is that of Immersive VR Education Limited.

Significant accounting judgements, estimates and assumptions
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments
In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Capitalised development costs
In applying the requirements of IAS 38 Intangible Assets, the Group assessed various development projects against the criteria required for capitalisation. Certain projects that did not meet the criteria regarding the ability to determine those projects would generate sufficient future economic benefits were expensed. The judgements reflect the early stage of the VR/AR market and will change over time.

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Capitalised development costs impairment review
The Group's impairment review undertaken to assess the carrying value of capitalised development costs includes certain assumptions on future revenues and costs associated with the underlying technology. Those cashflows are discounted at an appropriate discount rate. These estimates and assumptions are reviewed on an on-going basis. Changes in accounting estimates may be necessary if there are changes in the circumstances on which the estimate was based or as a result of new information or more experience. Such changes are recognised in the period in which the estimate is revised.

Derivative financial instruments
The Group has assessed the fair value of the derivative financial liabilities arising on the conversion feature of convertible secured loan notes and the cumulative redeemable preference shares. This calculation includes assumptions on the expected period of exercise, risk free interest rate and share price volatility. The Group have engaged third party valuations experts to assist them in the selection of such assumptions.

Going Concern

The financial statements are presented on a going concern basis. In forming this opinion, the Directors have considered all of the information available to them. This includes management prepared forecasts, due consideration of the ability to raise funds on the open market in respect of the dual listing on the Alternative Investments Market on the London Stock Exchange and on the Enterprise Securities Market, a market regulated by Euronext Dublin and the timing as to when such funds will be received. Based on their consideration of these matters the Directors believe the Group and Company to be a going concern.

These financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the group not continue as a going concern.

Foreign Currency Translation

(a) Functional and Presentation Currency
Items included in the Financial Statements of the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency").

The Financial Statements are presented in euro (€), which is the Group's functional and presentation currency.

(b) Transactions and Balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the income statement within Administrative Expenses.

Current versus non-current classification
The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:
- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period Or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

Fair value measurement

The Group measures financial instruments such as derivatives at fair value at each balance sheet date. The Company has adopted IFRS 9 for the current year and applied it retrospectively for the preceding financial year however no material adjustments were identified between the requirements of IFRS 9 and the methods applied by the Company in the application of IAS 39.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability Or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods and services supplied, stated net of discounts, returns and Value-Added Taxes (VAT).

Under IFRS 15, Revenue from Contracts with Customers, five key points to recognise revenue have been assessed:
Step 1: Identify the contract(s) with a customer;
Step 2: Identify the performance obligations in the contract;
Step 3: Determine the transaction price;
Step 4: Allocate the transaction price to the performance obligations in the contract; and
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity, and specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Where the Group makes sales relating to a future financial period, these are deferred and recognised under 'deferred revenue' on the Statement of Financial Position. The Group currently has two revenue streams:

Firstly the Group is primarily focused on developing proprietary educational VR content which is sold through licences. This is considered "Showcase Experience Revenue" for reporting purposes. Revenue is recognised when the license key is delivered to the customer, or when all performance obligations have been achieved.

Revenue is received net of commission from the platforms where the Group licenses their content. The gross amount of revenue is recognised in revenue with the corresponding commission portion recognised in cost of sales.

Secondly, the Group develops educational VR content on behalf of customers based on specific customer requirements. This is considered "Other Revenue" for reporting purposes. Such revenue is recognised on a percentage completion basis unless there are significant performance obligations that would require deferral until such obligations are delivered. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered. This is generally during the early stages of development where the specifications need to pass through the customer's approval as part of the development.

The disaggregation of revenue, required under IFRS 15, has been prepared on the basis of the two revenue streams outlined above and is included in Note 3.

Government Grants
Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

Property, Plant and Equipment
All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost less residual value over their estimated useful lives, as follows:

Office equipment - 3 - 5 years
Furniture, fittings and equipment - 5 years
Leasehold improvements – over the life of the leased asset

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount, and are recognised in the income statement.

Intangible Assets
Research costs are expensed as they are incurred. Development costs that are directly attributable to the design and testing of identifiable and unique commercial software controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use and sale;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate future economic benefits;
- adequate technical, financial and other resources to complete the development and use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and subcontracted development costs.

Other development expenditure that does not meet these criteria is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed 3 years and commences after the development is complete and the asset is available for use. Intangible assets are amortised over their estimated useful lives based on the pattern of consumption of the underlying economic benefits. Amortisation is included in Administrative Expenses.

Impairment of non-financial assets
The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Trade Receivables
Trade receivables are amounts due from customers for licenses sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not they are presented as non-current assets.

Trade receivables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The Group provides for known bad debts and other accounts over a certain age in line with Group policy. The realisation of the asset may differ from the provision estimated by management.

Cash and Cash Equivalents
In the Statement of Cash Flows, cash and cash equivalents comprise cash in hand and short term deposits. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

Share Capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Where the issuance of the new shares or options occurs in a subsequent period from when the incremental costs are incurred these costs are prepaid until the issuance takes place.

Where the Group purchases its own equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Group's equity holders, until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Group's equity holders.

Share Based Payments
The Group has an equity settled employee incentive plan. The cost of equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined using an appropriate pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the Group. No expense is recognised for awards that do not ultimately vest.

At each reporting date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions number of equity instruments that will ultimately vest. The movement in cumulative expense since the previous reporting date is recognised in the profit and loss within administration expenses, with a corresponding entry in the balance sheet in share options reserve.

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the Statement of Comprehensive Income for the award is expensed immediately.

Trade Payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method.

Leases
The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset (or assets) and the arrangement conveys a right to use the asset (or assets), even if that asset is (or those assets are) not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the statement of comprehensive income in administrative expenses on a straight-line basis over the lease term.

Borrowings
Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings, using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services, and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities, unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Borrowing costs
General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the income statement within finance costs in the period in which they are incurred.

Convertible Financial Instruments
Convertible financial instruments issued by the Group comprise convertible loan notes and convertible redeemable Preference Shares that can be converted to ordinary share capital at the option of the holder. The number of shares to be issued may vary with changes in their fair value.

The derivative component arising from the conversion option is recognised at fair value. The debt component is recognised initially as the difference between the fair value of the convertible financial instrument as a whole and the fair value of the derivative. Any directly attributable transaction costs are allocated against the liability.

Subsequent to initial recognition, the debt component of the convertible instrument is measured at amortised cost using the effective interest rate method. The derivative component is re-measured at fair value at each subsequent balance sheet date.

Current and Deferred Income Tax
The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In this case the tax is also recognised directly in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted, or substantially enacted, by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Research and development tax credit
The Group undertakes certain research and development activities that qualify for the receipt of a research and development (R&D) tax credit from the Irish tax authorities. Such grants are recognised as a credit against related costs on a cash receipts basis.

New standards, interpretations and amendments adopted by the Company
On 1 January 2018 the company adopted IFRS 9 – Financial Instruments. No other new standards were adopted in the year.

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

Reference	**Title**	**Summary**	**Application Date of Standard (Periods Commencing on or after)**
IFRS 16	Leases	Principles for the recognition, measurement, presentation and disclosure of leases	1 January 2019

The adoption of these Standards and Interpretations is not expected to have a material impact on the financial information of the Company in the period of initial application when they come into effect.

3. Segment Reporting

Revenue by Type	**2018 €**	**2017 €**
Showcase experience revenue	592,362	592,617
Other revenue	123,983	31,870
Total Revenue	**716,345**	**624,487**

4. Capital Management

For the purpose of the Company's capital management, capital includes issued capital, convertible preference shares, share premium and all other equity reserves. The primary objective of the Group's capital management is to maximise the shareholder value.

Group	2018 €	2017 €
Interest bearing loans and borrowings	-	907,180
Derivative financial liabilities	-	209,348
Trade and other payables	195,194	383,019
Less: cash and short term deposits	(3,485,186)	(103,577)
Net Debt	**(3,289,992)**	**1,395,970**
Equity	4,296,872	(664,564)
Total Equity	**4,296,872**	**(664,564)**
Capital and net debt	**1,006,880**	**731,406**

5. Other Income

	2018 €	2017 €
Industry awards proceeds	-	60,333

6. a. Expenses by nature

	2018 €	2017 €
Depreciation charges	49,984	36,621
Amortisation expense	175,300	-
Operating Lease Payments	36,839	25,115
Foreign Exchange (Gain) / Loss	(35,027)	7,725
Other Expenses	2,956,001	1,478,054
	3,183,097	**1,547,515**
Wages and salaries capitalised	(586,937)	(313,501)
Other expenses capitalised	(109,122)	(57,013)
Total cost of sales and administrative expenses	**2,487,038**	**1,177,001**

6. a. Expenses by nature (continued)

Disclosed as:

Cost of sales	239,701	300,143
Administrative expenses	2,247,337	876,858
Total cost of sales and administrative expenses	**2,487,038**	**1,177,001**

b. Auditor Remuneration

Services provided by the Company's auditor
During the year, the Company obtained the following services from the Company's auditor:

	2018	2017
	€	€
Fees payable to the Company's auditor for the audit of the financial statements	42,173	56,000
Tax	11,688	-
Other	40,776	-

7. Employees

Employee Benefit Expense	2018	2017
	€	€
Wages and salaries	1,380,687	731,186
Social security costs	136,910	62,887
Defined contribution pension costs	8,961	-
Share option expense	30,145	20,180
Capitalised employee costs	(586,937)	(313,501)
Total Employee Benefit Expense	**969,766**	**500,752**

Average Number of People Employed	2018	2017
Average number of people (including executive Directors) employed:		
Operations	22	15
Administration	3	2
Marketing	2	-
Total Average Headcount	**27**	**17**

8. Directors remuneration

Below is the directors remuneration for the year ended 31 December 2018 and for the year ended 31 December 2017.

	31 December 2018			
Group	Directors' fees	Pension benefits	Options issued	Total
	€	€	€	€
Executive Directors				
David Whelan	114,181	2,017	-	116,198
Sandra Whelan	85,807	2,100	-	87,907
Séamus Larrissey	86,500	2,833	4,779	94,112
Non-executive Directors				
Richard Cooper	96,077	-	13,917	109,994
Michael Boyce	37,143	-	-	37,143
Tony Hanway	23,807	-	-	23,807
	443,515	6,950	18,696	469,191

	31 December 2017			
Group	Directors' fees	Pension benefits	Options issued	Total
	€	€	€	€
Executive Directors				
David Whelan	70,000	-	-	70,000
Sandra Whelan	60,000	-	-	60,000
Séamus Larrissey	34,638	-	2,944	37,582
Non-executive Directors				
Richard Cooper	-	-	-	-
Michael Boyce	-	-	-	-
Tony Hanway	-	-	-	-
At 31 December 2018	164,638	-	2,944	167,582

The options issued are a non-cash amount and are accounted for in line the treatment of the other share options issued to employees under IFRS 2. Further notes on Share Based Payments are included in Note 22.

During the year ended 31 December 2018, Richard Cooper received a fee in relation to the IPO transaction of £50,000.

During the year ended 31 December 2018, Michael Boyce received a fee in relation to consultancy services provided to the company, separate to his role as a Non-Executive Director of £12,031.

9. Extinguishment Costs

	2018	2017
	€	€
Legal and professional fees paid on behalf of redeemable secured loan note holders and cumulative redeemable preference shares holders	51,500	-
Monitoring fee and interest paid post conversion	41,820	-
Warrant Costs	174,651	-
Total Extinguishment Costs	**267,971**	**-**

As part of the reorganisation process which occurred prior to the IPO all loan note holders and cumulative redeemable preference share note holders converted their holdings into ordinary shares. During this process the Group agreed to pay:

- all interest that would have accrued on these loan notes for the 12 month period from the date of Admission had such loan notes remained in issue.
- all monitoring fees that would have accrued for the 12 months period from the date of Admission had such agreements not been terminated.

The group also issued warrants to the loan note holders and cumulative redeemable preference shareholders over such number of new Ordinary Shares in the Company as is equal to 3 per cent. of the issued Ordinary Shares at Admission, exercisable at a 50 per cent. premium to the Issue Price expiring 36 months from Admission.

10. IPO Transaction Costs

	2018	2017
	€	€
Legal and professional fees	237,202	202,940
Total IPO Transaction Costs	**237,202**	**202,940**
Included in Other Reserves	**596,212**	**-**

The transaction costs relate to the admission of the Group to the AIM market of the London Stock Exchange and the ESM market of the Irish Stock Exchange on 12 March 2018.

11. Finance Costs

	2018	2017
	€	€
Interest expense:		
- Notional interest on non-current borrowings	-	34,472
- Interest payable on convertible loan notes	27,105	14,387
- Dividend on redeemable convertible preference shares	1,356	5,219
- Bank charges	1,516	264
Total finance costs	**29,977**	**54,342**
Fair value (loss) / gain on derivative financial liability	**(2,638,063)**	**125,764**

The fair value loss on derivative financial liabilities arose in 2018 from the conversion of convertible debt and preference shares to ordinary equity in Immersive VR Education Limited prior to its acquisition by the Group.

12. Income Tax Expense

	2018	2017
	€	€
Current tax:	-	
Current tax on loss for the year	-	-
Total current tax	-	**-**
Deferred tax (Note 25)	**-**	**-**
Income Tax Expense	**-**	**-**

The tax assessed for the year differs from that calculated using the standard rate of corporation tax in Ireland (12.5%). The differences are explained below:

	2018	2017
	€	€
Loss Before Tax	(4,943,906)	(623,699)
Tax calculated at domestic tax rates applicable to loss in Ireland of 12.5%	(617,988)	(77,962)
Tax effects of:		
- Depreciation in excess of capital allowances	4,033	3,178
- Expenses not deductible for tax purposes	406,488	29,572
- Tax losses for which no deferred tax asset was recognised	207,467	45,212
Total tax expense	-	**-**

13. Earnings per share (EPS)

Loss attributable to equity holders of the Group:	2018 €	2017 €
Continuing Operations	(4,943,906)	(623,699)
Weighted average number of shares for Basic EPS	193,136,406	1
Basic loss per share from continuing operations	(0.026)	-

14. Property, Plant & Equipment

Group	Leasehold improvements €	Fixtures, fittings and equipment €	Office Equipment €	Total €
Cost of Valuation				
At 1 January 2017	-	3,548	45,505	49,053
Additions	15,601	2,062	38,663	56,326
At 31 December 2017	15,601	5,610	84,168	105,379
Additions	4,740	1,415	46,070	52,225
At 31 December 2018	20,341	7,025	130,238	157,604
Depreciation				
At 1 January 2017	-	1,005	10,453	11,458
Charge (note 6)	3,284	1,122	32,215	36,621
At 31 December 2017	3,284	2,127	42,668	48,079
Charge (note 6)	4,607	1,405	43,972	49,984
At 31 December 2018	7,891	3,532	86,640	98,063
Net Book Amount				
At 31 December 2017	12,317	3,483	41,500	57,300
At 31 December 2018	**12,450**	**3,493**	**43,598**	**59,541**

Depreciation expense of €49,984 (2017: €36,621) has been charged in 'Administrative Expenses'.

15. Intangible Assets

Group	Software in development costs €	Total €
Cost of Valuation		
At 1 January 2017	65,277	65,277
Additions	370,514	370,514
At 31 December 2017	435,791	435,791
Additions	696,059	696,059
At 31 December 2018	1,131,850	1,131,850
Amortisation		
At 1 January 2017	-	-
Charge	-	-
At 31 December 2017	-	-
Charge	175,300	175,300
At 31 December 2018	175,300	175,300
Net Book Value		
At 31 December 2017	435,791	435,791
At 31 December 2018	**956,550**	**956,550**

The software being developed relates to the creation of three virtual reality experiences and an online virtual learning and corporate training platform.

ENGAGE is an online virtual learning and corporate training platform currently in development by the Company. A desktop version was released in December 2018 and a mobile version is expected in H1 2019. Amortisation will commence once the mobile version is launched.

Titanic VR which is available for sale across all major VR capable platforms since November 2018 has commenced being amortised in the period.

Raid on the Ruhr and a Space Shuttle experience are currently in development with expected release during 2019. They are currently not being amortised.

Amortisation expense of €175,300 (2017: €Nil) has been charged in 'Administrative Expenses'.

An impairment review was carried out at the balance sheet date. No impairment arose.

16. Investments in Subsidiaries

Company	€
At Incorporation – 13 October 2017	-
Additions	-
At 31 December 2017	**-**
Additions	15,028,809
At 31 December 2018	**15,028,809**

Investments in subsidiaries are recorded at cost, which is the fair value of the consideration paid.

On 12 March 2018 the Company has acquired all of the issued capital of Immersive VR Education Limited for a consideration of €15,000,000 which was settled by issuing 133,089,739 Ordinary Shares in the Company. The Company incurred expenses totalling €28,809 as part of the transaction.

Name	**Country of incorporation and residence**	**Nature of business**	**Proportion of equity shares held by the company**
Immersive VR Education Limited	Ireland	Virtual Reality Technology	100%

This subsidiary undertaking is included in the consolidation. The proportion of the voting rights in the subsidiary undertaking held directly by the Parent Company does not differ from the proportion of ordinary shares held.

17. Trade and Other Receivables

		Group		**Company**
	2018	**2017**	**2018**	**2017**
	€	**€**	**€**	**€**
Trade receivables	180,129	105,450	-	-
Less: provision for impairment of receivables	-	-	-	-
Trade receivables - net	180,129	105,450	-	-
Amounts due from related parties	-	-	5,058,589	-
Prepayments	178,650	107,778	53,062	-
Other debtors	4,991	23,830	-	18,750
VAT	30,343	1,257	25,198	-
	394,113	238,315	5,136,849	18,750

As at 31 December 2018, trade receivables of €180,129 (2017: €105,450) were deemed fully recoverable. No bad debt provision charge was incurred during 2018 (2017: €Nil).

17. Trade and Other Receivables (continued)

The carrying amounts of the Company's trade and other receivables are denominated in the following currencies:

	Group 2018 €	Group 2017 €	Company 2018 €	Company 2017 €
Euro - Neither past due nor impaired	53,028	20,821	-	-
Dollar - Neither past due nor impaired	127,101	84,629	-	-
	180,129	105,450	-	-

18. Cash and short-term deposits

	Group 2018 €	Group 2017 €	Company 2018 €	Company 2017 €
Cash at bank and on hand	3,485,186	103,577	753,090	6,250
	3,485,186	103,577	753,090	6,250

19. Issued Share Capital and Premium

	Number of shares	Ordinary shares €	Share premium €	Total €
At 01 January 2017	-	-	-	-
Ordinary Shares Issued	1	-	-	-
At 31 December 2017	1	-	-	-
Shares issued as consideration for reverse merger	133,089,739	133,090	14,866,910	15,000,000
Ordinary Shares Issued	60,046,666	60,046	6,720,629	6,780,675
At 31 December 2018	193,136,406	193,136	21,587,539	21,780,675

On 12 March 2018 the Company acquired Immersive VR Education Ltd for a purchase price of €15 million through the issue 133,089,739 new ordinary shares of €0.001 and became the legal parent of the Group. On 12 March 2018 the Company listed on London's AIM market and Dublin's ESM market. As part of the Admission process, the Group raised £6 million (€6,772,773) before expenses, through an oversubscribed placing of 60,000,000 new ordinary shares at a placing price of £0.10 (€0.1127) per share.

20. Other Reserves

	Group	Company
	€	€
At 1 January 2017	104,915	-
Transfer to derivative liabilities	(104,915)	-
Transfer to other reserves arising from accounting treatment of acquisition of subsidiary	137,100	-
Share option expense	20,180	-
At 31 December 2017	157,280	-
At 1 January 2018	157,280	-
Share issue costs	(596,212)	(596,212)
Acquisition of a subsidiary	(11,263,644)	-
Share option expense	387,847	383,849
At 31 December 2017	(11,314,729)	(212,363)

21. Retained Earnings

	Group	Company
	€	€
At 1 January 2017	(198,145)	-
Loss for the year	(623,699)	-
At 31 December 2017	(821,844)	-
At 1 January 2018	(821,844)	-
Loss for the year	(4,943,906)	(687,587)
At 31 December 2017	(5,765,750)	(687,587)

22. Share Based Payments

During the year ended 31 December 2018, VR Education Holdings plc introduced a share-based payment scheme for employee remuneration (“the 2018 Scheme”) to replace the scheme previously in operation within Immersive VR Education Limited (“the 2016 Scheme”). The 2018 Scheme and the 2016 schemes are classified equity settled share based payment plans. Recipients under the scheme are awarded options over ordinary shares of the Company.

On the 12 March 2018, the options under the 2016 Scheme were cancelled as part of the Capital Restructure and Listing process and replaced with options under the 2018 Scheme under the equivalent terms and conditions as the 2016 scheme, and a stock split which gave rise to the issue of 740 shares for every 1 share held. The options granted under the 2016 Scheme had vesting periods of up to 36 months. The replacement of the options did not give rise to any additional income statement expense in 2018.

22. Share Based Payments (continued)

There were 311,108 employee options granted during 2018 at an exercise price of €0.135 per share and these vest subject to continued service by the employee over a period of 3 years. Options expire at the end of a period of 7 years from the Grant Date or on the date on which the option holder ceases to be an employee.

Share-based payment expense with Director

On 12 March 2018, VR Education Holdings plc granted options to purchase 1m ordinary shares to Richard Cooper, the Chairman of the Company. The options vest if the market capitalisation of the Company equals 2.5 times the market capitalisation on admission to listing for a consecutive period of 30 days. Except in the event of a change in control (see below) the options, which are exercisable at a price of £0.0001, cannot be exercised for a period of two years and expire on 12 March 2023. The market capitalisation requirement is a "market condition" under IFRS 2 and the valuation of the option, which amounted to €0.668, takes this market condition into account.

In the event of a change in control, in the two years after admission to listing, the options are exercisable at prices ranging from £0.0001 to £0.10. The change in control scenarios gave rise to option values of €0.018 - €0.112.

The movement in employee share options and weighted average exercise prices are as follows for the reporting periods presented:

	2018 Scheme	**2016 Scheme**	
	2018	**2018**	**2017**
At 1 January	-	4,208	-
Capital restructure and Listing process	3,113,920	(4,208)	-
Granted during period	1,311,108	-	4,208
At 31 December	4,425,028	-	**4,208**
Options outstanding at 31 December			
Number of shares	4,425,028	-	4,208
Weighted average remaining contractual life	3.75 years		4.3 years
Weighted average exercise price per share	€0.028		€19.21
Range of exercise price	€0.0001 - €0.135		€19.21
Exercisable at 31 December			
Number of shares	1,997,556		893
Weighted average exercise price per share	€0.026		€19.21

No options were exercised during the period. The weighted average exercise price of options granted during the period was €0.032 (2017: €19.21). The expense recognised in respect of employee share based payment expense and credited to the share based payment reserve in equity was €30,144 (2017: €20,180).

Advisor Warrants

As part of the listing process and as set out in the admission document, the Company issued warrants over 5,018,328 shares at an exercise price of £0.15, subject to expiry on various dates up to 12 March 2023. The warrants were valued under the Black Scholes model. The expense recognised during the period was €162,871 of which €112,381 was recognised in the income statement and €50,490 in equity.

Investor Warrants

As part of the arrangements for the listing process and as set out in the admission document, the Company issued warrants over 5,794,092 shares at an exercise price of £0.15, subject to expiry on 12 March 2023. The warrants were valued under the Black Scholes model. The expense of €174,651 was recognised in the income statement during the period.

The Company has measured the fair value of the services received as consideration for equity instruments of the Company, indirectly by reference to the fair value of the equity instruments. The table below sets out the options and warrants that were issued during the period and the principal assumptions used in the valuation.

	Employee	**Director**	**Advisor**	**Investor**
Number of options / warrants	311,108	1,000,000	5,018,328	5,794,092
Grant date	26 Apr 18	12 Mar 18	12 Mar 18	12 Mar 18
Vesting period	3 years	2 years	-	-
Share price at date of grant	£0.11	£0.10	£0.10	£0.10
Exercise price	€0.135	£0.001-£0.10	£0.15	£0.15
Volatility	57%	54.4-59.2%	54.4-57.3%	57.3%
Option life	7 years	5 years	22 months – 5 years	3 years
Dividend yield	0%	0%	0%	0%
Risk free investment rate	0.14%	0.5-1.16%	0.8-1.16%	0.87%
Fair value per option at grant date	€0.058	€0.018-€0.112	€0.018-€0.030	€0.030
Weighted average remaining contractual life in years	6.3	4.2	2.7	2.2

23. Trade and Other Payables

	2018	Group 2017	2018	Company 2017
	€	€	€	€
Trade Payables	28,263	18,225	9,169	-
PAYE/PRSI	46,923	45,983	16,362	-
Redeemable shares	-	25,000	-	25,000
Accrued Expenses	120,009	293,811	12,492	-
	195,195	383,019	38,023	25,000

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 30-day terms
- PAYE/PRSI payables are non-interest bearing and are normally settled on 30-day terms
- Accrued expenses are non-interest bearing are settled over varying terms throughout the year

24. Non-current Liabilities

	2018	Group 2017	2018	Company 2017
	€	€	€	€
Borrowings				
Redeemable convertible secured loan notes	-	776,155	-	-
Cumulative Convertible Redeemable Preference Shares	-	131,025	-	-
Total Borrowings	-	907,180	-	-
Derivative financial liabilities on conversion feature of redeemable secured loan notes and cumulative redeemable preference shares	-	209,348	-	-
Total Non-current Liabilities	-	1,116,528	-	-

24. Non-current Liabilities

Immediately prior to the acquisition of Immersive VR Education Limited ("IVRE") by the Company on 12 March 2018 the existing redeemable secured loan notes and cumulative redeemable preference shares with IVRE were redeemed for Ordinary Equity of IVRE.

The 2016 Kernel Loan Agreement which resulted in Kernel holding €240,000 in redeemable secured loan notes was redeemed at €19.21 for 12,493 ordinary shares in IVRE. As part of the acquisition of IVRE by the Company, Kernel were issued 9,244,820 ordinary shares in the Company, using a share swap ratio of 740 to 1.

The 2017 Kernel Loan Agreement which resulted in Kernel holding €400,000 in redeemable secured loan notes was redeemed at €83.916 for 4,767 ordinary shares in IVRE. As part of the acquisition of IVRE by the Company, Kernel were issued 3,527,580 ordinary shares in the Company, using a share swap ratio of 740 to 1.

The 2017 Suir Valley Ventures Loan Agreement which resulted in Suir Valley Ventures holding €288,000 in redeemable secured loan notes was redeemed at €19.21 for 14,992 ordinary shares in IVRE. As part of the acquisition of IVRE by the Company, Suir Valley Ventures were issued 11,094,080 ordinary shares in the Company, using a share swap ratio of 740 to 1.

The 2017 Enterprise Ireland Agreement which resulted in Enterprise Ireland holding €250,000 in Cumulative Convertible Redeemable Preference Shares was redeemed at €19.21 for 13,014 ordinary shares in IVRE. As part of the acquisition of IVRE by the Company, Enterprise Ireland were issued 9,630,360 ordinary shares in the Company, using a share swap ratio of 740 to 1.

Derivative financial liabilities on conversion feature of redeemable secured loan notes and cumulative redeemable preference shares		**Group**		**Company**
	2018	**2017**	**2018**	**2017**
	€	**€**	**€**	**€**
Balance as at beginning of period	209,348	-	-	-
Transfer from other reserves		104,915	-	-
Movement in current period	2,638,063	104,433	-	-
Redemption of loan notes and preference shares	(2,847,411)	-	-	-
Balance as at end of period	-	209,348	-	-

25. Deferred Tax

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Company did not recognise deferred income tax assets of €410,683 (2017: €79,597) in respect of losses and depreciation in excess of capital allowances amounting to €3,285,467 (2016: €636,773) that can be carried forward against future taxable income.

26. Related Parties

During the year the Directors received the following emoluments:

	Group		Company	
	2018	2017	2018	2017
Directors	€	€	€	€
Aggregate emoluments	450,465	164,638	406,787	-
Share option expense	18,696	2,944	18,696	-
	469,161	167,582	425,483	-

Included in the above is an amount of €96,077 (2017: €Nil) paid to Luclem Estates and Advisory Limited, a company in which Richard Cooper, a director of the Company, is also a director. These fees relate to Richard Cooper's consultancy services to the Company. As at 31 December 2018 €Nil was outstanding.

27. Operating Leases

The Company leases a motor vehicle and office space under non-cancellable operating lease agreements with lease terms between three years and four years nine months.

The lease expenditure charged to the income statement during the year is disclosed in Note 6.

Future minimum rentals payable under non-cancellable operating leases as at 31 December are, as follows:

	Group		Company	
	2018	2017	2018	2017
Motor Vehicles	€	€	€	€
Within one year	6,570	6,570	-	-
After one year but not more than five years	3,285	9,854	-	-
	9,855	16,424	-	-

27. Operating Leases (continued)

Land and buildings	Group 2018 €	Group 2017 €	Company 2018 €	Company 2017 €
Within one year	25,000	25,000	-	-
After one year but not more than five years	53,125	78,125	-	-
	78,125	103,125	-	-

28. Ultimate controlling party

The directors believe that there is no ultimate controlling party as no one shareholder has control of the Company.

29. Subsequent Events

The Company has evaluated all events and transactions that occurred after 31 December 2018 up to the date of signing of the financial statements.

No material subsequent events have occurred that would require adjustment to or disclosure in the financial statements.

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