VR EDUCATION HOLDINGS PLC

Annual Report and Financial Statements
for the Period Ended 31 December 2017

Registered Number: 613330

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
for the Period Ended 31 December 2017

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COMPANY INFORMATION

DIRECTORS	Non-Executive Chairman - Richard Cooper (appointed 1 November 2017) Executive Director - David Whelan Executive Director - Sandra Whelan Executive Director - Séamus Larrissey (appointed 29 November 2017) Non-Executive Director - Michael Boyce (appointed 16 February 2018) Non-Executive Director - Tony Hanway (appointed 16 February 2018)
SECRETARY	One Advisory Limited 201 Temple Chambers 3 - 7 Temple Avenue London EC4Y 0DT United Kingdom
REGISTERED OFFICE	Unit 9B Cleaboy Business Park Old Kilmeaden Road Waterford X91 AX83
REGISTERED NUMBER	613330
BANKERS	Allied Irish Banks Dunmore Road Waterford
AUDITOR	PKF Littlejohn LLP 1 Westferry Circus Canary Wharf London E14 4HD United Kingdom

CHAIRMAN'S STATEMENT
for the Period Ended 31 December 2017

I am pleased to present my first report as Non-Executive Chairman of VR Education Holdings plc for the period ended 31 December 2017.

The Company was incorporated on 13 October 2017 and up to 31 December 2017 was not trading. The Company acquired Immersive VR Education Limited in a common control share-for-share transaction on 12 March 2018 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.

Immersive VR Education Limited is a leading virtual reality technology company focused on the education space.

Future Developments in the Business
The admission to the AIM and ESM public markets will assist the Group in its development by:

- granting access to funding to develop and market the ENGAGE platform as well as produce compelling content to sell on the platform;
- raising the Group’s profile which the Directors believe will assist in attracting users to the ENGAGE platform and purchase of the Group’s showcase VR experiences and attracting customers to both ENGAGE Education and ENGAGE Enterprise;
- providing funds through the Placing to accelerate development and growth of the Group and in particular to prepare for launch of the updated ENGAGE platform in H1 2018, as well as for working capital and general corporate purposes;
- providing potential access to future development capital to progress future pipeline projects;
- providing a market on which the Ordinary Shares of the Company can be traded, in order to provide increased liquidity and a market valuation for the Company’s equity which, in conjunction with the employee option schemes, will assist the Company in attracting, retaining and incentivising high calibre employees; and
- allowing for expansion of the Group’s development and executive team.

Richard Cooper
Non-Executive Chairman

STRATEGIC REPORT
for the Period Ended 31 December 2017

The directors present herewith their strategic report for the period ended 31 December 2017.

Results and Dividends

No profit or loss for the period was recorded. No dividends were paid during the period and as no amount was transferred to reserves.

Review of the business and future developments

The review of the business and future developments are set out in the Chairman’s Statement.

Key Performance Indicators

The company does not have any key performance indicators as at 31 December 2017.

Principal Activities and Review of the Business

The principal activity of the company will be as an investment vehicle in the Virtual Reality Sector.

Since the period end the Company has acquired a 100% interest in Immersive VR Education Limited, which completed on 12 March 2018. The Group now exists for the development of the educational Virtual Reality platform ‘Engage’. The group also develops and sells Virtual Reality experiences for the education market.

The group is dedicated to transforming education globally by providing new tools to educators and corporate trainers allowing them to provide high quality, low cost content in a virtual networked social learning environment.

Principal Risks and Uncertainties

The company's only key risk at 31 December 2017 is that the acquisition of Immersive VR Education Limited and the initial public offering would not occur.

STRATEGIC REPORT (continued)
for the Period Ended 31 December 2017

Going Concern

The financial information is presented on the going concern basis.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. As such the directors continue to adopt the going concern basis of accounting in preparing the Financial Information.

David Whelan **Director**	**Séamus Larrissey** **Director**

28 June 2018

DIRECTORS' REPORT
for the Period Ended 31 December 2017

The directors present herewith their annual report and audited financial statements for the period ended 31 December 2017.

Results and Dividends

The results for the period are set out in the Strategic Report on page 4. The directors do not propose to declare a dividend.

Directors

The present directors are as listed on page 3 and, unless otherwise indicated, have served throughout the period.

Directors' and Secretary's interests In shares

The direct and indirect interests of the directors and secretary in the share capital of the company at the beginning and the end of the period were as follows:

	On Incorporation	31/12/2017
	Ordinary Shares	Ordinary Shares
Sandra Whelan	1	1
David Whelan	-	-
Séamus Larrissey	-	-
Richard Cooper	-	-
Michael Boyce	-	-
Tony Hanway	-	-

Substantial Interests

The only shareholder at 31 December 2017 was Sandra Whelan.

Events after the Reporting Period

On 12 March 2018 the company acquired 100% of Immersive VR Education Limited in a common control share for share transaction. VR Education Holdings PLC was then immediately admitted to the AIM and ESM public markets raising €6.75m before fees and expenses.

DIRECTORS' REPORT
for the Period Ended 31 December 2017

Corporate Governance

The directors are considering the impact of adopting the QCA Code of Corporate Governance and the appropriateness of this once the Company is admitted to AIM.

Directors' Responsibilities Statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable Irish law and regulations.

Irish Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with accounting standards issued by the Financial Reporting Council including IFRS.

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the profit or loss of the company for the financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy and enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

DIRECTORS' REPORT
for the Period Ended 31 December 2017

Accounting Records

The measures that the Directors have taken to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, include the provision of appropriate resources to maintain adequate accounting records throughout the company, including the employment of appropriately qualified personnel and the maintenance of computerised accounting systems.

The accounting records of the Company are held at their registered office at Unit 9, Cleaboy Business Park, Waterford, Ireland.

Disclosure of information to the Auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

On behalf of the board

David Whelan	**Séamus Larrissey**
Director	**Director**

28 June 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VR EDUCATION HOLDINGS PLC

Opinion

We have audited the financial statements of VR Education Holdings PLC (the 'company') for the year ended 31 December 2017 which comprise statements such as: the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its results for the year then ended;

- have been properly prepared in accordance with IFRSs as adopted by the European Union;

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our application of materiality

Materiality applied to the Company financial statements was £1,250. This amount represents 5% of gross assets held at the year end. Our application was considered appropriate based on where the areas of risk arise in the Company. We apply the concept of materiality in planning and performing our audit, and in evaluating the effect of misstatement. At the planning stage materiality is used to determine the financial statement areas that are included within the scope of our audit.

An overview of the scope of our audit
As part of the design of our audit, we determined materiality, as above, and addressed risks of material misstatement in the financial statements. In particular, we look at where the Directors made subjective judgements. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In our assessment of the financial statements for the period ended 31 December 2017, there were deemed to be no key audit matters to be addressed.

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report
This report is made solely to the company's members, as a body, in accordance with our engagement letter dated 25 June 2018. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Alistair Roberts (Registered Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

1 Westferry Circus
Canary Wharf
London E14 4HD

28 June 2018

STATEMENT OF COMPREHENSIVE INCOME
for the Period Ended 31 December 2017

	Note	2017
Revenue		-
Administrative Expenses		-
Operating Result		-
Finance Income/(Expense)		-
Result Before Taxation		-
Income Tax		-
Total Comprehensive Profit/(Loss) for the Period		-
Earnings per share:		
Basic and diluted (€)	**8**	-

STATEMENT OF FINANCIAL POSITION
At 31 DECEMBER 2017

	Note	2017
ASSETS		
Current Assets		
Trade and other receivables	4	18,750
Cash and short term deposits	5	6,250
Total Assets		25,000
EQUITY AND LIABILITIES		
Capital and Reserves		
Issued share capital	6	-
Total Equity		**-**
Current Liabilities		
Redeemable Shares	7	25,000
Total Liabilities		**25,000**
Total Equity and Liabilities		**25,000**

On behalf of the board

David Whelan
Director

Séamus Larrissey
Director

28 June 2018

STATEMENT OF CHANGES IN EQUITY
for the Period Ended 31 December 2017

	Attributable to Equity Shareholders		
	Share Capital €	**Retained Earnings €**	**Total €**
At incorporation on 13 October 2017	-	-	-
Total comprehensive income for the period ended 31 December 2017	-	-	-
Share capital issued net of issued costs	-	-	-
	-	-	-

STATEMENT OF CASH FLOWS
for the Period Ended 31 December 2017

	Note	2017
Cash Flows from Operating Activities		-
Cash Flows from Investing Activities		-
Cash Flows from Financing Activities		
Proceeds from issuance of redeemable shares		6,250
Net increase in cash and cash equivalents		**6,250**
Cash and cash equivalents at beginning of year		-
Cash and cash equivalents at end of period		**6,250**

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

The Company was incorporated on 13 October 2017 as VR Education Holdings PLC in Ireland with Registered Number 613330 under the Companies Act 2014.

The address of its registered office is Unit 9 Cleaboy Business Park, Old Kilmeaden Road, Waterford, X91 AX83, Ireland.

2. Basis of Preparation

The Financial Information of VR Education Holdings PLC have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations (IFRS IC) as issued by the International Accounting Standards Board as adopted by the European Union and the Companies Act 2014 applicable to companies reporting under IFRS.

The Financial Information has been prepared under the historical cost convention, as modified by the revaluation of land and buildings, available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of the Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best estimate of the amount, event or actions, actual results ultimately may differ from those estimates.

The preparation of Financial Information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

3. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of the Financial Information are set out below.

Going Concern
The financial information is presented on the going concern basis.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. As such the directors continue to adopt the going concern basis of accounting in preparing the Financial Information.

NOTES TO THE FINANCIAL STATEMENTS

3. Summary of Significant Accounting Policies (continued)

Foreign Currency Translation

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

The Financial Information is presented in euro (€), which is the Company'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 Company 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 operatingcycle
• 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 forat 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 Company classifies all other liabilities as non-current.

NOTES TO THE FINANCIAL STATEMENTS

3. Summary of Significant Accounting Policies (continued)

Fair value measurement

The Company measures financial instruments such as derivatives at fair value at each balance sheet date.

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 orliability

The principal or the most advantageous market must be accessible by the Company. 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 Company 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.

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 Company 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 Company’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 Company’s equity holders.

NOTES TO THE FINANCIAL STATEMENTS

3. Summary of Significant Accounting Policies (continued)

New standards, interpretations and amendments adopted by the Company
The Company has adopted all applicable IFRS's in force as at 31 December 2017. At 31 December 2017, the following new and revised IFRSs relevant to the company are issued but are not yet effective:

	Effective Date
IFRS 9 Financial Instruments	01-Jan-18
IFRS 15 Revenue from Contracts with Customers	01-Jan-18
IFRS 16 Leases	01-Jan-19
IAS 7 (amendments) Disclosure of changes in liabilities arising from financing activities	01-Jan-17
IAS 12 (amendments) Recognition of Deferred Tax Assets for Unrealised Losses	01-Jan-17
Annual Improvements to IFRSs: 2014-2016 cycle *	01-Jan-17

* Not yet endorsed for use in EU.

IFRS 9 will impact the recognition, measurement and disclosures of financial instruments. The Company is currently assessing the impact of the revisions on the Company's financial position, a process expected to be finalised during the year ending 31 December 2018. Until such assessment is completed it is not practical to provide an estimate of the full effect of IFRS 9.

IFRS15 'Revenue from Contracts with Customers' sets out new revenue recognition criteria that will be applicable from 1 January 2018 and its effect is dependent on the Company generating revenue in the period. The Company is currently in the process of assessing the impact of the implementation of this standard and therefore the full effect of the standard has not yet been determined.

IFRS 16 'Leases'. IFRS 16 requires lessees to recognise a lease liability reflecting future lease p payments and a 'right of use asset' for virtually all lease contracts. This is effective for the period beginning on 1 June 2018, with earlier adoption permitted if IFRS 15 'Revenue from contracts with customers' is also applied. The Company has not yet assessed the full effect of this standard.

Of the other IFRSs and IFRICs, none are expected to have a material effect on future Company financial statements.

NOTES TO THE FINANCIAL STATEMENTS

4. Trade and Other Receivables

	2017
Other Receivables	18,750
	18,750

5. Cash and short-term deposits

	2017
Cash at bank and on hand	6,250
	6,250

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31 December:

	2017
Cash at bank and on hand	6,250
	6,250
Bank overdrafts	-
Cash and cash equivalents	6,250

6. Issued Share Capital and Premium

	Number of shares	Ordinary Shares €	Share Premium €	Total €
At Incorporation	1	-	-	-
At 31 December 2017	**1**	**-**	**-**	**-**

On incorporation, the Company issued 1 ordinary share of €0.001 for consideration of €0.001 cash.

7. Trade and Other Payables

	2017
Redeemable Shares	25,000
	25,000

NOTES TO THE FINANCIAL STATEMENTS

8. Earnings Per Share

The calculation for earnings per share (basic and diluted) for the relevant period is based on the profit after income tax attributable to equity Shareholder for the period from incorporation on 13 October 2017 to 31 December 2017 and is as follows:

Loss attributable to equity shareholders (€)	-
Weighted average number of shares	1
Loss per founder share (€)	-

9. Related Party Transactions

On incorporation, the company issued 1 €0.001 ordinary share to Sandra Whelan.

On 13 December 2017 Richard Cooper subscribed to €25,000 Redeemable Shares, of which €6,250 was paid up as at 31 December 2017.

10. Ultimate Controlling Party

At 31 December 2017 the ultimate controlling party was Sandra Whelan who held the only share issued in the company.

11. Events after the Reporting Period

On 5 March 2018 at a general board meeting of the Company shareholders voted in favour of the following:

- Acquisition of Immersive VR Education Limited in a common control share-for-share transaction conditional upon admission of the Group on London's AiM market and Dublin's ESM market.

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.

Acquisition of Immersive VR Education Limited

Subsequent to shareholder approval noted above, on 12 March 2018 the Company entered into a share-for-share common control transaction with Immersive VR Education Limited ("IVRE") for the acquisition of the entire share capital of IVRE.

NOTES TO THE FINANCIAL STATEMENTS

11. Events after the Reporting Period (continued)

Total Consideration	**Shares**
Shares issued	133,089,740

Recognised amounts of identifiable assets acquired and liabilities assumed based on Immersive VR Education Limited balance sheet as at 12 March 2018

	€
Non-current assets	
Property, plant & equipment	51,796
Intangible assets	504,487
	556,283
Current assets	
Trade & other receivables	198,645
Cash & cash equivalents	107,643
	306,288
Current Liabilities	
Trade & other payables	515,273
	515,273
Fair value of total net assets	347,298