



Free Bird Institute Limited
Market Announcement
Third Quarter Results
30 September 2019



Free Bird Institute Limited
Fiji Islands

MARKET ANNOUNCEMENT

This market announcement contains the unaudited financial results of Free Bird Institute Limited (FBL) for the third quarter ended 30 September 2019. Where necessary, comparative results of the previous reporting period have been re-classed to maintain consistency with the current period reporting.

This market announcement has been authorised for issue on 01 November 2019.



Mereseini Baleilevuka
Director



Roqiqi Korodrau
Company Secretary



Chief Financial Officer's Comments



We are pleased to release the financial results for the quarter ended 30 September 2019 (“Q3”). The financial performance of the third quarter performed relatively well with an increase of 60% in comparison to the same quarter last year. These results bring the total year-to-date profit to \$943,535 before taxes reflecting a 2% increase.

Service fees revenue increased as a direct impact of the Management’s decision to diversify its market outside of Japan. At the end of the nine months, the total student’s from the Japanese market increased by 1% whilst students from the non-Japanese market increased by 55%, a strategy adopted to reduce the reliance on the Japanese market which has been declining over the last couple of months owing to the continuous improvement in Japan’s labour market.

The significant increase in the in-house insurance claims in Q3 includes the provision of an insured event arising in early September which saw the loss of life of one of our students. The Company’s earnings per share is up by 2 cents at the end of the 9 months in comparison to last year.

The Company continues to maintain a strong cash flow position over the period which resulted in an additional \$1.0m being put back into term deposits with various financial institutions in order to yield the best returns for the Company so that it is able to cater for its continuous business expansion.

Moving forward, the Board and Management is also pleased to announce that it will set-up a Japanese Language School Department from 1 January 2020 to cater for the increase in the demands from Japanese Companies wishing to recruit Fijians to work in the various positions at the Narita International Airport. This department will be responsible for the training, up-skilling and preparation of the Fijian candidates that will be selected to work for these Japanese Companies.

We look forward to expanding and growing the business moving forward and on behalf of the Board & Management, I would like to thank the staff of FBL for delivering these results and you our shareholders for your continuous faith in the Board & Management.

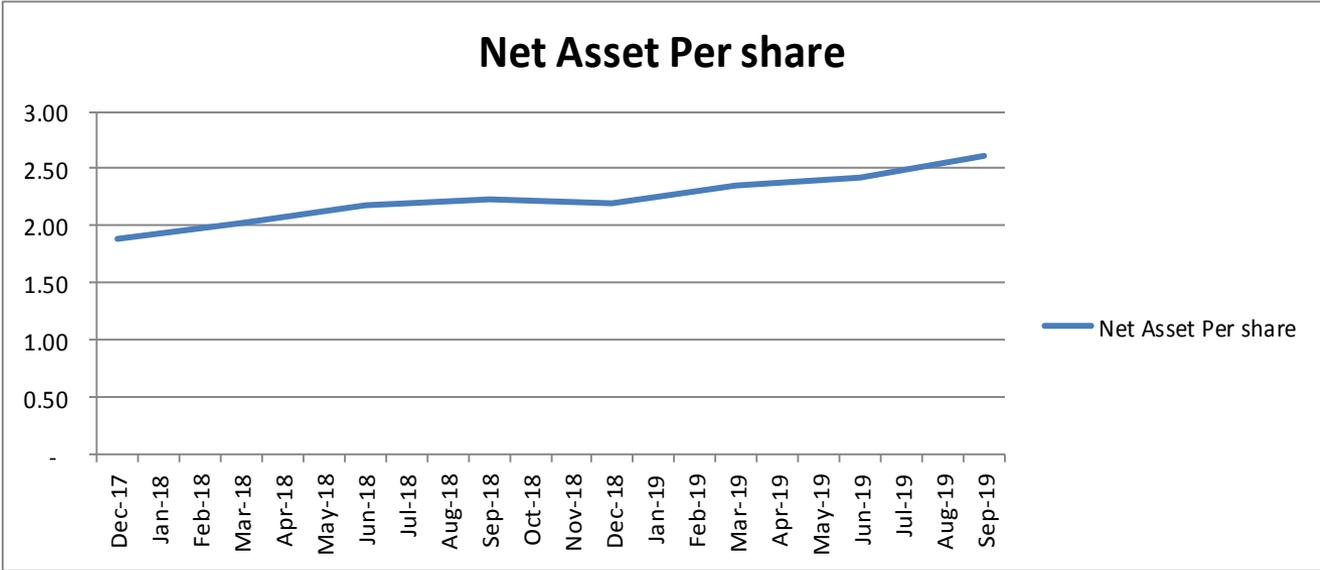
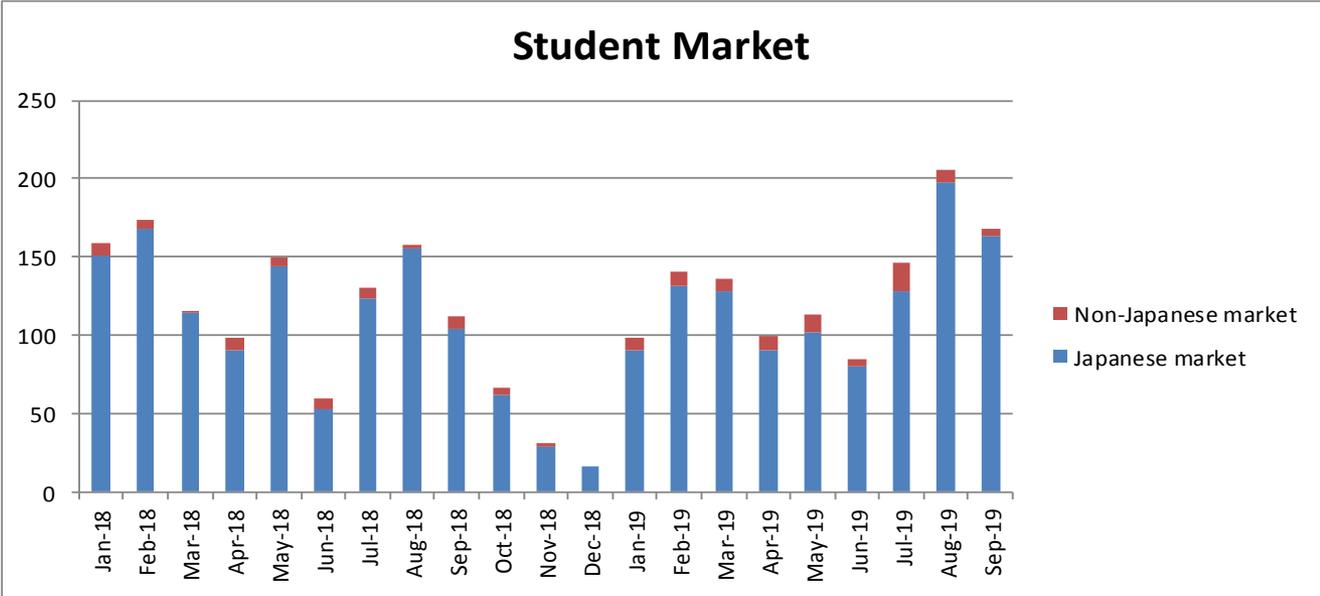
A handwritten signature in blue ink, appearing to read 'Waisale Iowane', is positioned above the printed name.

Waisale Iowane
Chief Financial Officer

Dated this 01st day of November 2019.



Brief Overview





Statement of profit or loss and other comprehensive income

	Quarter 3 ended 30-Sep-19	Quarter 2 ended 30-Jun-19	Quarter 1 ended 31-Mar-19	Year to Date	Quarter 3 ended 30-Sep-18	Quarter 2 ended 30-Jun-18	Quarter 1 ended 31-Mar-18	Year to Date
Revenue								
Service fees	1,604,622	1,400,957	1,141,474	4,147,053	1,325,123	1,543,683	1,256,888	4,125,694
In-house insurance premiums	259,257	219,883	186,323	665,462	281,683	230,731	204,353	716,767
Other income	32,813	18,921	17,067	68,802	17,533	14,645	13,592	45,770
Total revenue	1,896,692	1,639,761	1,344,864	4,881,317	1,624,339	1,789,059	1,474,833	4,888,231
Expenses								
In-house insurance claims	(126,774)	(22,813)	(12,013)	(161,600)	(24,352)	(28,170)	(17,283)	(69,805)
In-house insurance commission expense	(102,255)	(87,120)	(74,218)	(263,593)	(96,462)	(91,672)	(81,278)	(269,412)
Direct operating expenses	(479,944)	(419,962)	(361,221)	(1,261,128)	(462,208)	(461,214)	(407,563)	(1,330,985)
Depreciation	(27,811)	(25,927)	(25,387)	(79,126)	(26,405)	(26,581)	(26,179)	(79,165)
Personnel expenses	(647,943)	(628,009)	(455,490)	(1,731,442)	(593,993)	(658,026)	(505,210)	(1,757,229)
Other expenses	(140,785)	(136,364)	(133,957)	(411,106)	(187,030)	(136,781)	(99,355)	(423,166)
Total expenses	(1,525,512)	(1,320,195)	(1,062,286)	(3,907,993)	(1,390,449)	(1,402,444)	(1,136,868)	(3,929,761)
Profit from operations	371,179	319,566	282,578	973,324	233,890	386,615	337,965	958,470
Finance income	41,028	6,965	16,095	64,088	21,687	(23,074)	39,825	38,438
Finance cost	(49,683)	(29,410)	(14,783)	(93,877)	(29,209)	61,244	(107,854)	(75,819)
Profit before tax	362,524	297,121	283,890	943,535	226,368	424,785	269,936	921,089
Income tax expense	-	(63,626)	-	(63,626)	-	(75,224)	-	(75,224)
Net profit after tax	362,524	233,495	283,890	879,909	226,368	349,561	269,936	845,865
Earnings per share	0.18	0.12	0.14	0.44	0.11	0.17	0.13	0.42
Net profit margin	19%	14%	21%	18%	14%	20%	18%	17%

Statement of Financial Position



	Quarter 3 ended 30-Sep-19	Quarter 2 ended 30-Jun-19	Quarter 1 ended 31-Mar-19	Quarter 3 ended 30-Sep-18	Quarter 2 ended 30-Jun-18	Quarter 1 ended 31-Mar-18
Current assets						
Cash and cash equivalents	1,118,651	590,942	1,447,134	1,719,133	3,208,580	2,158,037
Trade and other receivables	868,612	1,159,639	525,779	500,695	615,231	1,046,271
Current tax receivables	15,364	0	0	0	0	0
Prepayments	134,823	107,477	131,007	154,944	235,245	127,118
Held-to-maturity investments	32,808	10,308	10,308	10,000	10,000	10,000
Total current assets	2,170,258	1,868,366	2,114,229	2,384,772	4,069,057	3,341,426
Non-current assets						
Trade and other receivables	285,195	262,337	283,290	286,738	242,907	242,712
Held-to-maturity investments	2,251,934	2,272,889	1,751,934	1,251,934	50,485	50,485
Property, plant and equipment	1,892,668	1,920,480	1,878,867	1,922,046	1,937,793	1,960,560
Deferred tax asset	2,362	2,362	120	0	0	0
Total non-current assets	4,432,159	4,458,067	3,914,210	3,460,718	2,231,185	2,253,757
Total assets	6,602,417	6,326,433	6,028,439	5,845,490	6,300,242	5,595,183
Current liabilities						
Trade and other payables	404,345	307,227	218,628	157,101	290,625	218,022
Payable to related parties	47,621	47,621	41,982	41,982	249,518	12,331
Interest bearing borrowings	225,324	225,324	225,324	225,324	225,324	225,324
In-house insurance liabilities	358,754	466,318	333,340	368,825	482,684	367,332
Current tax liability	0	23,441	69,373	47,235	61,264	29,967
Total current liabilities	1,036,044	1,069,932	888,647	840,466	1,309,414	852,975
Non-current liabilities						
Deferred tax liability	0	0	0	3,053	3,053	4,376
Interest-bearing borrowings	346,118	398,770	445,557	549,524	621,697	681,314
Total non-current liabilities	346,118	398,770	445,557	552,577	624,749	685,690
Total liabilities	1,382,162	1,468,702	1,334,204	1,393,043	1,934,163	1,538,665
Shareholders' equity						
Share capital	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Retained earnings	2,965,018	2,602,494	2,438,999	2,197,210	2,110,842	1,801,281
Equity contribution reserve	255,237	255,237	255,237	255,237	255,237	255,237
Total shareholders' equity	5,220,255	4,857,731	4,694,236	4,452,447	4,366,079	4,056,518
Total shareholders' equity and liabilities	6,602,417	6,326,433	6,028,439	5,845,490	6,300,242	5,595,183

Statement of Cash flows



	Quarter 3 ended 30-Sep-19	Quarter 2 ended 30-Jun-19	Quarter 1 ended 31-Mar-19	Quarter 3 ended 30-Sep-18	Quarter 2 ended 30-Jun-18	Quarter 1 ended 31-Mar-18
Operating activities						
Receipts from customers	1,460,685	819,412	907,618	1,413,360	1,857,756	717,788
Payment to suppliers and employees	(872,024)	(1,107,272)	(923,533)	(1,598,298)	(926,293)	(1,077,456)
In-house insurance premiums received	160,081	286,694	235,702	222,295	244,932	141,929
In-house insurance claims paid	(126,774)	(22,813)	(12,013)	(24,352)	(28,170)	(17,283)
Finance income/(cost)	25,946	(6,130)	13,385	(61,292)	(1,694)	18,445
Income tax paid	(38,805)	(111,799)	-	(14,029)	(45,055)	(1,555)
Interest paid	(11,468)	(12,232)	(13,279)	(15,200)	(29,446)	(17,359)
Net cash from/(used) operating activities	597,641	(154,140)	207,880	(77,515)	1,072,029	(235,491)
Investing activities						
Acquisition of property, plant and equipment	-	(67,540)	(5,274)	(10,658)	(3,815)	(8,238)
Investment in held to maturity investments	(1,545)	(500,000)	(500,000)	(1,201,449)	-	-
Net cash used in investing activities	(1,545)	(567,540)	(505,274)	(1,212,106)	(3,815)	(8,238)
Financing activities						
Dividends paid	-	(70,000)	-	(140,000)	(40,000)	-
Repayments of interest bearing borrowings during the period	(68,389)	(64,511)	(62,614)	(59,825)	22,326	(57,666)
Net cash used in financing activities	(68,389)	(134,511)	(62,614)	(199,825)	(17,674)	(57,666)
Net increase/ (decrease) in cash and cash equivalents	527,708	(856,192)	(360,008)	(1,489,447)	1,050,540	(301,395)
Cash and cash equivalents at Beginning of each quarter	590,942	1,447,134	1,807,144	3,208,580	2,158,040	2,459,435
Cash and cash equivalents at End of Quarter	1,118,650	590,942	1,447,134	1,719,134	3,208,580	2,158,040



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