

Free Bird Institute Limited

Fiji Islands

25 July 2017

MARKET ANNOUNCEMENT

- Half yearly Financial Statements

The Board of Free Bird Institute Limited (FBL) is pleased to announce the outstanding results of the Company for the six months ended 30 June 2017. The Company recorded an outstanding increase of 82% in its net profit after tax in comparison to the same period last year.

Chief Financial Officer of the Company, Mr Waisale Iowane advised the Board that the Company's net profit after tax for the six months amounted to \$0.64 million for 2017 compared to \$0.42 million for the same period last year.

He added that the main contributing factor to this increase was from its integrated in-house insurance scheme that it launched in February last year. Comparatively, this product has gained popularity amongst the international students which has seen an average of 97% of the students taking up this scheme compared to 62% for the same period last year. This resulted to an increase of 161% in the revenue for this scheme for this period compared to the same period last year.

The Board had approved last month that a total of \$1m to be set aside to provide for any exposure the Company could be subjected to for its in-house insurance. This amount has now been put into a term deposit with a financial institution and has a 3 month maturity date which is being rolled over at maturity. As required under the International Financial Reporting Standards, this short term investment is reported under Cash and Cash equivalents on the balance sheet.

The Company continues to market itself aggressively on the international arena as a listed Company and Institute on the South Pacific Stock Exchange which has seen an increase of 5% in the student arrivals compared to the same period last year. The Chief Operations Officer, Mrs Mereseini Baleilevuka said that for the first time this year, we will be receiving students from Rikkyo University in Tokyo who will be arriving next month. This was after a few Professors from the University had learnt about our Institute and Fiji through a book published by one of our Managers, Mr Yuma Nagasaki. Mr Nagasaki was invited to speak to 4 professors of the University last year to discuss about our Institute and Fiji as a destination to study English for their students.

"We had one of the professors visit our Institute in October last year following my presentation to their team last year" said Mr Nagasaki.

"We have always been receiving students from Kansai University over the past years who come to our Institute to study English during their summer break and we are even more excited to have the students from Rikkyo University join us next month as well for the first time" said Mrs Baleilevuka.

Board Chairman and Chief Executive Officer, Mr Hiroshi Taniguchi added that we would continue to penetrate the market in Japan over the coming months and look towards strengthening our partnerships with our agents in other countries such as South Korea and Taiwan to take advantage of not only what our Institute has to offer but Fiji as a destination to study. This is a result of the continuous increase in the demand for the English language across the Asian markets and we hope to capitalise on this.

On behalf of the Board, we would also like to take this time to thank our shareholders and stakeholders for their extensive support, patience and confidence in FBL.

Yours sincerely



Waisale Iowane
Director



Mereseini Baleilevuka
Director

Free Bird Institute Limited

Unaudited Statement of Profit or Loss and Other Comprehensive Income and Changes in Equity

For the six months ended 30 June 2017

	30 June 2017 (Unaudited)	30 June 2016 (Audited)	12 months movements (%)
Revenue			
Service fees	2,525,626	2,405,748	5%
In-house insurance premiums	459,467	176,320	161%
Finance income	45,002	20,029	125%
Other income	6,101	8,067	-24%
Total revenue	3,036,196	2,610,164	16%
Total operating expenses	(2,279,973)	(1,972,614)	16%
Finance expense	(42,012)	(212,891)	-80%
Net profit before tax	714,211	424,659	68%
Income tax expense	(71,773)	(72,544)	-1%
Net profit after tax	642,438	352,115	82%
Retained earnings at the beginning of the period	2,713,518	1,956,032	39%
Retained earnings at the end of the period	3,355,956	2,308,147	45%
Earnings per share			
Basic Earnings per share	0.32	0.18	82%
Diluted Earnings per share	0.32	0.18	82%

CEO/CFO Comments

The increase in service fees is a direct result of an increase in the number of students for the current period in comparison to the same period last year. The increase in in-house insurance premiums by 161% is a result of an increase in the number of students that have opted to take up our in-house insurance. Our records show that this increase in the number of students equated to 104% increase compared to the same period last year.

The Company continues to manage its exposure in relation to the fluctuations of the Japanese Yen against the Fiji dollar throughout the period. This was done by way of opening up a foreign currency Japanese Yen account with its bankers which led to the decrease in the finance cost of up to 80% from the same period last year. The finance income and costs are inclusive of any net realised and unrealised foreign exchange gains and or losses.

The Company continues to improve its financial performance for the first six months of 2017 showing an impeccable increase in net profit after tax of 82% compared to the same period last year which results in the same increase to the basic earnings per share for its shareholders.


Waisale Iowane
Director


Mereseini Baleilevuka
Director

Free Bird Institute Limited
Unaudited Statement of Financial Position
As at 30 June 2017


	30 June 2017	31 December 2016	30 June 2016
	(Unaudited)	(Audited)	(Audited)
Assets			
Current assets			
Cash and cash equivalents	2,313,806	1,987,577	1,478,695
Trade and other receivables	506,734	413,726	597,061
Prepayments	138,850	40,906	87,456
Held to maturity investments	31,440	31,440	-
Total current assets	2,990,830	2,473,649	2,163,212
Non-current assets			
Trade and other receivables	165,887	112,054	179,538
Held-to-maturity investments	50,000	50,000	50,485
Property, plant and equipment	1,980,935	1,966,888	1,971,013
Deferred tax asset	3,194	5,685	54,763
Total non-current assets	2,200,016	2,134,627	2,255,799
Total assets	5,190,846	4,608,276	4,419,011
Liabilities			
Current liabilities			
Trade and other payables	510,761	228,411	395,990
Payables to related parties	78,893	47,439	75,366
Interest bearing borrowings	291,142	409,935	230,841
In-house insurance liabilities	23,614	82,800	46,961
Current tax liabilities	37,311	29,101	-
Total current liabilities	941,721	797,686	749,158
Non-current liabilities			
Interest bearing borrowings	737,929	841,835	1,361,706
Total non-current liabilities	737,929	841,835	1,361,706
Total liabilities	1,679,650	1,639,521	2,110,864
Shareholders' equity			
Share capital	2,000,000	2,000,000	2,000,000
Retained earnings	1,255,959	713,518	308,147
Equity contribution reserve	255,237	255,237	-
Total shareholders' equity	3,511,196	2,968,755	2,308,147
Total liabilities and shareholders' equity	5,190,846	4,608,276	4,419,011

CEO/CFO Comments

We continue to strengthen our financial position from our last financial year. This translated to an increase in the Company's net asset by 18% from the last financial year ended 31 December 2016 and a total increase of the Company's net assets by 52% from the same period last year.

The total assets of the Company has increased by 13% from the last financial year end and 17% from the same period last year.

The Company has invested an additional \$500,000 into term deposits to bring the total term deposits set aside to \$1,000,000 to provide for any unforeseen claim that might be made for its in-house insurance products. Given the nature and term of such deposits, they are classified under Cash and Cash Equivalents.


Waisale Iowane
 Director


Mereseini Baleilevuka
 Director

Free Bird Institute Limited
Unaudited Statement of Cash flows
For the six months ended 30 June 2017

	30 June 2017 (Unaudited)	31 December 2016 (Audited)	30 June 2016 (Audited)
Operating activities			
Receipts from customers	2,293,829	4,830,738	2,149,179
Payment to suppliers and employees	(2,325,451)	(3,795,793)	(1,868,983)
In-house insurance premiums received	654,153	320,830	370,432
In-house insurance claims paid	(24,320)	(21,225)	(8,208)
Interest received	20,082	15,714	3,826
Interest paid	(41,245)	(12,724)	-
Income tax paid	(81,913)	(51,368)	-
Net cash from operating activities	495,134	1,286,172	646,246
Investing activities			
Acquisition of property, plant and equipment	(61,894)	(162,380)	(121,186)
Proceeds from sale of property, plant and equipment	-	1,009	624
Investment in held to maturity investments	20,955	(30,955)	(29,045)
Net cash used in investing activities	(40,939)	(192,326)	(149,607)
Financing activities			
Repayment of interest bearing borrowings	(189,249)	(88,325)	-
Repayments received from related parties	61,283	-	-
Net cash used in financing activities	(127,966)	(88,325)	-
Net increase in cash and cash equivalents	326,229	1,005,521	496,639
Cash and cash equivalents at the beginning	1,987,577	982,056	982,056
Cash and cash equivalents at the end	2,313,806	1,987,577	1,478,695



Waisale Iowane
 Director



Merescini Baleilevuka
 Director