



Free Bird Institute Limited
Market Announcement
Half Year Financial Results
30 June 2021



Free Bird Institute Limited
Fiji Islands

MARKET ANNOUNCEMENT

This market announcement contains the unaudited financial results of Free Bird Institute Limited (FBL) for the six months period ended 30 June 2021. Where necessary, comparative results of the previous reporting periods have been re-classed to maintain consistency with the current period reporting.

This market announcement has been authorised for issue on 21 July 2021.



Mereseini Baleilevuka
Director



Roqiqi Korodrau
Company Secretary



Chief Financial Officer's Comments



We present our financial results of the six months ended 30 June 2021. A period in which we continue to battle with the impacts of the coronavirus pandemic. We successfully chartered another Air NZ flight on 18 April 21 which saw an additional 108 students come to Fiji. However, towards the end of their 14-day mandatory hotel quarantine upon arrival into Fiji, these students were forced to remain in home isolation as Nadi and Lautoka started to grapple with the second wave of COVID-19. This of course was very unfortunate for our students who based their decision to come to Fiji on that fact that Fiji was COVID-contained, status that we held for over 300 days since the start of the pandemic last year. With their excitement level decreasing by the day, our teams went back into crisis management mode to provide the best possible care and delivery lessons online.

Our total revenue decreased by 46% on the back of decreasing student numbers compared to the same period last year. Unlike this year, most students that were studying in the same period last year, arrived in Fiji between January to March, before there was any declaration of a pandemic. Hence, the student arrivals during the first half of last year was more than double the arrival of the first half this year.

In addition to this, the charter flight income was less by more than 90% this year compared to last year as a result of the changes in demand for international travel. In the first half of last year, our charter flight catered for students who were in Fiji desperately wanting to return to their home countries at the start of the pandemic compared to the charter flight arranged this year to cater for students who are wanting to come and study in Fiji during the pandemic. The demand levels for these two flights differed significantly and as a result, passenger numbers on the two flights were quite contrasting.

As a result of this, Management, as part of its Crisis Management Strategy, continued to prudentially manage the overall company expenses ensuring that it could reduce costs where possible. Most of these cost savings is reflected in the direct operating costs, where the large difference is made up of the difference in charter related costs. Similarly, personnel expenses have reduced as a result of managing the man-power required to deliver our services to a much lower number of students compared to last year. We continue to ensure that our costs are reflective of the revenue in which we earn and accordingly make adjustments as and when required. This is evident in the 47% cost savings that we have achieved during this first half of the year. Whilst our net profit before tax is 53% lower than the same period last year, we have maintained our profit margin at 14% compared to 16% for the same period last year.

We continue to maintain a consistent financial position over the 6 months in comparison to last year with cashflow reducing by 45% mainly due to the delay in payments from agents offshore which is reflected in the increase in Trade and other receivables in the balance sheet. Our strong cash flow position in the past has enabled us to continue to operate without being able to access more debt financing or liquidate our term deposits that we currently hold with financial institutions. We continue to maintain a low and desirable leverage ratio at approximately 25% relying much less on debt financing.

We continue to monitor the Japanese market for the demand to come to Fiji and based on this demand, we will assess the possibility of chartering another flight for these students in the last quarter of this year. In the meantime, we continue to provide our services the best possible way that we can given the currently situation that we are all in.

We continue to thank the various stakeholders for their understanding during these very difficult times and we hope that everyone continues to follow the health advice.

Vinaka and stay safe!

A handwritten signature in blue ink, appearing to read 'Waisale Iowane', is written over a light blue circular background.

Waisale Iowane
Chief Financial Officer

Dated this 21st day of July 2021.

Statement of profit or loss and other comprehensive income



	Quarter 1 ended 31-Mar-21 (Unaudited)	Quarter 2 ended 30-Jun-21 (Unaudited)	Half-Year ended 30-Jun-21 (Unaudited)	Half-Year ended 30-Jun-20 (Unaudited)	Quarter 2 ended 30-Jun-20 (Unaudited)	Quarter 1 ended 31-Mar-20 (Unaudited)	% Changes for Half- Year	% Changes for Q1	% Changes for Q2			
Revenue												
Service fees	528,973	775,316	1,304,289	1,937,661	956,009	981,652	↓	-33%	↓	-46%	↓	-19%
Charter flight services	-	107,043	107,043	1,124,462	1,124,462	-	↓	-90%	↑	0%	↓	-90%
Recruitment Services	74,377	-	74,377	-	-	-	↑	100%	↑	100%	↑	0%
	603,350	882,358	1,485,709	3,062,123	2,080,471	981,652	↓	-51%	↓	-39%	↓	-58%
Other revenue												
In-house insurance premiums	90,087	138,007	228,094	314,060	123,273	190,787	↓	-27%	↓	-53%	↑	12%
Other income	22,354	98,672	121,026	20,758	2,185	18,572	↑	483%	↑	20%	↑	4415%
Total revenue	715,792	1,119,037	1,834,829	3,396,940	2,205,929	1,191,011	↓	-46%	↓	-40%	↓	-49%
Expenses												
In-house insurance claims	(10,372)	(3,392)	(13,764)	(15,555)	(7,058)	(8,497)	●	-12%	●	22%	●	-52%
In-house insurance commission expense	(34,425)	(54,164)	(88,589)	(125,462)	(48,943)	(76,519)	●	-29%	●	-55%	●	11%
Direct operating expenses	(193,771)	(357,293)	(551,064)	(1,587,985)	(1,251,713)	(336,272)	●	-65%	●	-42%	●	-71%
Depreciation	(49,255)	(46,791)	(96,046)	(96,744)	(48,760)	(47,985)	●	-1%	●	3%	●	-4%
Personnel expenses	(293,461)	(344,146)	(637,607)	(872,419)	(422,075)	(450,344)	●	-27%	●	-35%	●	-18%
Other expenses	(57,699)	(62,845)	(120,543)	(139,620)	(44,693)	(94,927)	●	-14%	●	-39%	●	41%
Total expenses	(638,983)	(868,630)	(1,507,613)	(2,837,786)	(1,823,241)	(1,014,545)	●	-47%	●	-37%	●	-52%
Profit from operations	76,809	250,407	327,216	559,155	382,688	176,467	↓	-41%	↓	-56%	↓	-35%
Finance income	20,532	18,427	38,958	71,039	35,188	35,851	↓	-45%	↓	-43%	↓	-48%
Finance cost	(30,072)	(79,829)	(109,901)	(83,155)	(35,792)	(47,363)	●	32%	●	-37%	●	123%
Profit before tax	67,269	189,005	256,274	547,038	382,084	164,955	↓	-53%	↓	-59%	↓	-51%
Income tax expense	-	-	-	-	-	-						
Net profit after tax	67,269	189,005	256,274	547,038	382,084	164,955	↓	-53%	↓	-59%	↓	-51%
Earnings per share	0.03	0.09	0.13	0.27	0.19	0.08	↓	-53%	↓	-59%	↓	-51%
Net profit margin	9%	17%	14%	16%	17%	14%	↓	-13%	↓	-32%	↓	-2%

Key:-

- ↑ Increase in revenue
- ↓ Decrease in revenue
- Decrease in expense
- Increase in expense

Quarter 1 (Q1): refers to the period January to March.

Quarter 2 (Q2): refers to the period April to June.

Half Year: refers to the six month period January to June.

Statement of Financial Position



	As at 30-Jun-21 (Unaudited)	As at 31-Dec-20 (Audited)	As at 30-Jun-20 (Unaudited)	Movements from Dec 20 to Jun 21	Movements from Jun 20 to Jun 21
Current assets					
Cash and cash equivalents	969,849	1,760,687	2,459,373	↓ -45%	↓ -61%
Trade and other receivables	1,580,287	1,167,098	387,130	↑ 59%	↑ 380%
Prepayments	59,252	38,723	126,324	↑ 53%	↓ -53%
Term deposits	1,741,018	1,763,907	1,740,466	↓ -1%	↑ 0%
Current tax assets	38,099	33,682	18,587	↑ 13%	↑ 105%
Total current assets	4,388,505	4,764,097	4,731,880	↓ -2%	↓ -1%
Non-current assets					
Trade and other receivables	360,845	84,529	349,257	↓ 0%	↓ -76%
Term deposits	51,934	50,000	51,934	↑ 4%	↑ 0%
Equity investments	21,500	21,500	23,100	↑ 0%	↓ -7%
Right of use assets	1,074,603	1,114,422	1,116,772	↓ -4%	↓ -4%
Property, plant and equipment	1,795,942	1,834,172	1,866,023	↓ -2%	↓ -4%
Deferred tax asset	1,591	1,591	3,293	↑ 0%	↓ -52%
Total non-current assets	3,306,415	3,106,214	3,410,378	↓ -2%	↓ -11%
Total assets	7,694,920	7,870,311	8,142,258	↓ -2%	↓ -5%
Current liabilities					
Trade and other payables	98,936	346,769	133,466	● -71%	● -26%
Payable to related parties	-	12,608	58,946	● -121%	● -102%
Interest bearing borrowings	260,960	289,101	295,909	● 2%	● 0%
In-house insurance liabilities	365,445	311,392	356,854	● 17%	● 2%
Lease liabilities	46,751	54,747	46,751	● -15%	● 0%
Employee benefits	30,734	15,095	-	● 104%	● 100%
Total current liabilities	790,219	1,076,050	1,540,832	● -23%	● -46%
Non-current liabilities					
Lease liabilities	1,098,634	1,117,389	1,122,232	● -2%	● -2%
Interest-bearing borrowings	-	127,084	148,945	● -128%	● -123%
Total non-current liabilities	1,098,634	1,244,473	1,271,176	● -15%	● -16%
Total liabilities	1,888,853	2,320,523	2,812,008	● -19%	● -33%
Shareholders' equity					
Share capital	2,000,000	2,000,000	2,000,000	↑ 0%	↑ 0%
Retained earnings	3,550,830	3,294,551	3,075,014	↑ 8%	↑ 15%
Equity contribution reserve	255,237	255,237	255,237	↑ 0%	↑ 0%
Total shareholders' equity	5,806,067	5,549,788	5,330,250	↑ 5%	↑ 9%
Total shareholders' equity and liabilities	7,694,920	7,870,311	8,142,258	↓ -2%	↓ -5%

Key:-

- ↑ Increase in asset/equity
- ↓ Decrease in asset/equity
- Decrease in liability
- Increase in liability



Statement of Cash flows

	Six months ended 30-Jun-21 (Unaudited)	Year ended 31-Dec-20 (Audited)	Six months ended 30-Jun-20 (Unaudited)
Operating activities			
Receipts from customers	844,836	4,133,394	2,081,424
Payment to suppliers and employees	(1,505,738)	(3,837,485)	(1,812,254)
In-house insurance premiums received	(21,626)	177,598	111,158
In-house insurance claims paid	(13,764)	(31,493)	(15,555)
Interest received	151,319	55,815	102,685
Income tax paid	(4,417)	(70,985)	(32,012)
Interest paid	(12,987)	(3,730)	(26,941)
Net cash (used)/ from operating activities	(562,377)	423,114	408,505
Investing activities			
Acquisition of property, plant and equipment	(17,997)	(83,112)	(56,114)
Receipts from term deposits	20,955	-	-
Net cash from/ (used) in investing activities	2,959	(83,112)	(56,114)
Financing activities			
Advance (to)/from related parties	(37,736)	-	552,983
Repayments of interest bearing borrowings during the period	(141,576)	(76,468)	(39,682)
Payment of lease liabilities	(26,751)	(93,500)	(15,172)
Net (used)/ from financing activities	(206,062)	(169,968)	498,129
Net (decrease)/increase in cash and cash equivalents	(765,480)	170,034	850,520
Effects of movement in exchange rates on cash held	(25,358)	1,700	19,900
Cash and cash equivalents at the beginning of the period	1,760,687	1,588,953	1,588,953
Cash and cash equivalents at the end of the period	969,849	1,760,687	2,459,373



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