



Free Bird Institute Limited
Market Announcement
Quarter 3 Financial Results
30 September 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 nine months period ended 30 September 2021. Where necessary, comparative results of the previous reporting periods have been re-classed to maintain consistency with the current period reporting.

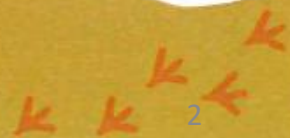
This market announcement has been authorised for issue on 1 October 2021.



Mereseini Baleilevuka
Director



Roqiqi Korodrau
Company Secretary





Chief Financial Officer's Comments

We present our financial results of the third quarter ended 30 September 2021. The last 5-6 months have been a challenge to most businesses including our own, as Fiji grappled with the second wave of the pandemic since April. As a result, it has been quite difficult to continue the same enthusiasm and messaging in the international stage compared to the same period last year. This was because, Fiji had endured over 300+ days of being COVID-free until April. Our marketing strategy has always been that Fiji was a safe destination for students who wish to continue to study English abroad.

Despite the challenges, our teams both in Fiji and Japan have worked tirelessly to continue to pursue the market Fiji to enable these students to come when it is safe to do so. The Fiji Government's efforts to boost the vaccination rate in Fiji was clearly evident in the last three months which has assisted us in our efforts to slowly work behind the scenes to have students come to Fiji. As the Fiji Government released their road map to freedom, this enabled our teams to have a clear approach for marketing Fiji again. This has been evident as we have seen the restrictions easing over the last few weeks once vaccination milestones were reached.

As a result of this, we have been able to secure interests from students in the Japan market to come and study in Fiji and with the approval of Government, we saw our second charter of the year arriving in Nadi on 12 September 2021 carrying more than 50 students. These students will now join the other students who had arrived in Fiji in our last two charter flights.

These charter flight arrangements with Air New Zealand has been pivotal in ensuring the continuity of our business as well as keeping as many of our people employed as possible. We have adapted to the new way of conducting business by providing a hybrid learning environment for our students through face to face learning when it was possible and online learning when severe circumstances change. We have been really grateful to all our teachers and staff who have transitioned well to our new business environment including working from home.

As a result, we have been able to maintain a 16% net profit margin in comparison to 12% for the same period last year. Despite a reduction in the current periods revenue by 30% compared to last year, we have been able to effectively manage our costs and reduced total expenses by 35%. Our Management teams have been at the helm of ensuring that we are spending proportionately to our earnings and it has been quite critical that difficult decisions have had to be made swiftly to ensure the sustainability of our business in the long run.

We continue to remain vigilant of our cash flow and whilst this has reduced by 7% from December, we are adamant that we have been very prudent in our decisions. At the same time, we have effectively reduced our total liabilities by 23% to ensure that we continue to meet our obligations as and when they fall due which has resulted in an increase in our net assets by 8%.

We remain committed positively contribute to the recovery of our economy and we would like to thank all our employees who have been instrumental in getting us to where we are today. We are also grateful for the confidence that the shareholders continue to have in the Board and Management in steering the Company through this pandemic.

Vinaka vakalevu and stay safe!

Waisale Iowane
Chief Financial Officer

Dated this 1st day of October 2021.

Statement of profit or loss and other comprehensive income



	Quarter 1 ended 31-Mar-21 (Unaudited)	Quarter 2 ended 30-Jun-21 (Unaudited)	Quarter 3 ended 30-Sep-21 (Unaudited)	Year to date 30-Sep-21 (Unaudited)	Year to date 30-Sep-20 (Unaudited)	Quarter 3 ended 30-Sep-20 (Unaudited)	Quarter 2 ended 30-Jun-20 (Unaudited)	Quarter 1 ended 31-Mar-20 (Unaudited)	% Changes for YTD	% Changes for Q3	% Changes for Q2	% Changes for Q1
Revenue												
Service fees	528,973	775,316	720,995	2,025,284	2,447,052	509,391	956,009	981,652	↓ -17%	↑ 42%	↓ -19%	↓ -46%
Charter flight services	-	107,043	56,794	163,837	1,124,462	-	1,124,462	-	↓ -85%	↑ 0%	↓ -90%	↑ 0%
Recruitment Services	74,377	-	-	74,377	-	-	-	-	↑ 100%	↑ 0%	↑ 0%	↑ 100%
	603,350	882,358	777,790	2,263,498	3,571,514	509,391	2,080,471	981,652	↓ -37%	↑ 53%	↓ -58%	↓ -39%
Other revenue												
In-house insurance premiums	90,087	138,007	126,541	354,635	413,971	99,912	123,273	190,787	↓ -14%	↑ 27%	↑ 12%	↓ -53%
Other income	22,354	98,672	57,751	178,777	22,722	1,964	2,185	18,572	↑ 687%	↑ 2840%	↑ 4415%	↑ 20%
Total revenue	715,792	1,119,037	962,081	2,796,910	4,008,207	611,266	2,205,929	1,191,011	↓ -30%	↑ 57%	↓ -49%	↓ -40%
Expenses												
In-house insurance claims	(10,372)	(3,392)	(5,025)	(18,790)	(19,979)	(4,424)	(7,058)	(8,497)	↓ -6%	↑ 14%	↓ -52%	↑ 22%
In-house insurance commission expense	(34,425)	(54,164)	(49,976)	(138,565)	(165,302)	(39,840)	(48,943)	(76,519)	↓ -16%	↑ 25%	↑ 11%	↓ -55%
Direct operating expenses	(193,771)	(357,293)	(320,737)	(871,801)	(1,755,941)	(167,956)	(1,251,713)	(336,272)	↓ -50%	↑ 91%	↓ -71%	↓ -42%
Depreciation	(49,255)	(46,791)	(49,008)	(145,053)	(144,712)	(47,968)	(48,760)	(47,985)	↑ 0%	↑ 2%	↓ -4%	↑ 3%
Personnel expenses	(293,461)	(344,146)	(249,084)	(886,690)	(1,162,538)	(290,120)	(422,075)	(450,344)	↓ -24%	↓ -14%	↓ -18%	↓ -35%
Other expenses	(57,699)	(62,845)	(63,731)	(184,274)	(191,405)	(51,785)	(44,693)	(94,927)	↓ -4%	↑ 23%	↑ 41%	↓ -39%
Total expenses	(638,983)	(868,630)	(737,561)	(2,245,174)	(3,439,879)	(602,093)	(1,823,241)	(1,014,545)	↓ -35%	↑ 22%	↓ -52%	↓ -37%
Profit from operations	76,809	250,407	224,520	551,736	568,328	9,173	382,688	176,467	↓ -3%	↑ 2348%	↓ -35%	↓ -56%
Finance income	20,532	18,427	46,187	85,146	77,481	6,442	35,188	35,851	↑ 10%	↑ 617%	↓ -48%	↓ -43%
Finance cost	(30,072)	(79,829)	(24,733)	(134,634)	(96,764)	(13,608)	(35,792)	(47,363)	↑ 39%	↑ 82%	↑ 123%	↓ -37%
Profit before tax	67,269	189,005	245,974	502,248	549,045	2,007	382,084	164,955	↓ -9%	↑ 12158%	↓ -51%	↓ -59%
Income tax expense	-	-	(48,009)	(48,009)	(56,191)	-	(56,191)	-				
Net profit after tax	67,269	189,005	197,965	454,239	492,854	2,007	325,893	164,955	↓ -8%	↑ 9766%	↓ -42%	↓ -59%
Earnings per share	0.03	0.09	0.10	0.23	0.25	0.00	0.16	0.08	↓ -8%	↑ 9766%	↓ -42%	↓ -59%
Net profit margin	9%	17%	21%	16%	12%	0%	15%	14%	↑ 32%	↑ 6168%	↑ 14%	↓ -32%

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.

Quarter 3 (Q3): refers to the period July to September.

Statement of Financial Position



	As at 30-Sep-21 (Unaudited)	As at 31-Dec-20 (Audited)	As at 30-Sep-20 (Unaudited)	Movements from Dec 20 to Sep 21	Movements from Sep 20 to Sep 21
Current assets					
Cash and cash equivalents	1,642,967	1,760,687	1,890,008	↓ -7%	↓ -13%
Trade and other receivables	956,869	1,167,098	533,444	↓ -18%	↑ 79%
Prepayments	118,073	38,723	91,157	↑ 205%	↑ 30%
Term deposits	1,741,018	1,763,907	1,740,466	↓ -1%	↑ 0%
Current tax assets	-	33,682	18,656	↓ -100%	↓ -100%
Total current assets	4,458,927	4,764,097	4,273,731	↓ -6%	↑ 4%
Non-current assets					
Trade and other receivables	410,025	84,529	374,903	↑ 385%	↑ 9%
Term deposits	51,934	50,000	51,934	↑ 4%	↑ 0%
Equity investments	21,500	21,500	23,100	↑ 0%	↓ -7%
Right of use assets	1,054,695	1,114,422	1,098,304	↓ -5%	↓ -4%
Property, plant and equipment	1,766,842	1,834,172	1,836,524	↓ -4%	↓ -4%
Deferred tax asset	15,315	1,591	3,293	↑ 863%	↑ 365%
Total non-current assets	3,320,311	3,106,214	3,388,057	↑ 7%	↓ -2%
Total assets	7,779,238	7,870,311	7,661,788	↓ -1%	↑ 2%
Current liabilities					
Trade and other payables	93,734	346,769	106,756	● -73%	● -12%
Payable to related parties	-	58,946	323,241	● -100%	● -100%
Interest bearing borrowings	192,921	289,101	295,909	● -33%	● -35%
In-house insurance liabilities	301,079	311,392	269,901	● -3%	● 12%
Current tax liabilities	22,946	-	-	● 100%	● 0%
Lease liabilities	46,751	54,747	46,751	● -15%	● 0%
Employee benefits	30,734	15,095	-	● 104%	● 100%
Total current liabilities	688,166	1,076,050	1,042,558	● -36%	● -34%
Non-current liabilities					
Lease liabilities	1,087,040	1,117,389	1,127,308	● -3%	● -4%
Interest-bearing borrowings	-	127,084	159,664	● -100%	● -100%
Total non-current liabilities	1,087,040	1,244,473	1,286,973	● -13%	● -16%
Total liabilities	1,775,206	2,320,523	2,329,531	● -23%	● -24%
Shareholders' equity					
Share capital	2,000,000	2,000,000	2,000,000	↑ 0%	↑ 0%
Retained earnings	3,748,795	3,294,551	3,077,020	↑ 14%	↑ 22%
Equity contribution reserve	255,237	255,237	255,237	↑ 0%	↑ 0%
Total shareholders' equity	6,004,032	5,549,788	5,332,257	↑ 8%	↑ 13%

Key:-

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



Statement of Cash flows

	Six months ended 30-Sep-21 (Unaudited)	Year ended 31-Dec-20 (Audited)	Six months ended 30-Sep-20 (Unaudited)
Operating activities			
Receipts from customers	1,820,334	4,133,394	2,537,640
Payment to suppliers and employees	(2,190,419)	(3,837,485)	(2,367,228)
In-house insurance premiums received	221,982	177,598	192,630
In-house insurance claims paid	(18,790)	(31,493)	(19,979)
Interest received	158,451	55,815	103,375
Income tax paid	(5,105)	(70,985)	(32,081)
Interest paid	-	(3,730)	(38,429)
Net cash (used)/ from operating activities	(13,548)	423,114	375,928
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	(46,884)	-	1,738
Repayments of interest bearing borrowings during the period	-	(76,468)	(28,961)
Payment of lease liabilities	(38,345)	(93,500)	(10,096)
Net (used) in financing activities	(85,229)	(169,968)	(37,318)
Net (decrease)/increase in cash and cash equivalents	(95,818)	170,034	282,496
Effects of movement in exchange rates on cash held	(21,902)	1,700	18,559
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	1,642,967	1,760,687	1,890,008



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