



Free Bird Institute Limited
Market Announcement
First Quarter Results
31 March 2020



Free Bird Institute Limited
Fiji Islands

MARKET ANNOUNCEMENT

This market announcement contains the unaudited financial results of Free Bird Institute Limited (FBL) for the first quarter ended 31 March 2020. 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 14 May 2020.



Mereseini Baleilevuka
Director



Roqiqi Korodrau
Company Secretary



Chief Financial Officer's Comments



We are pleased to release the results of the first quarter for 2020. The impact of COVID-19 is evident in the overall decline in the revenue for the quarter by 11% in comparison to the same period last year. This was a result of the travel restrictions placed by the Fiji Government earlier to travellers from China and South Korea and later to the rest of the world as a protective measure aimed at reducing and containing the spread of COVID-19 in Fiji.

In response to this, Management has since effectively put in place measures to ensure that operating expenses for the business are prudently managed during this period and where necessary, appropriate actions have been taken gradually such as the reduction of human resources, salary cuts, reduced hours and the likes. The Management has also requested for either a reduction or waiver of rental expenses in the various locations in which it operates and has since received positive feedback from some of the landlords. The increase in depreciation and finance cost expenses are a result of the implementation of IFRS 16 that is reflected in the current period and not at the time of reporting of the comparative results of 2019.

The Company continues to maintain a strong cash flow position and intends to ensure the market that it continues to receive the support from its parent Company in Japan during this difficult time. We have provided alternative learning mode to students who remain in Fiji and continue to provide support to both our students and employees in the best way possible.

Given the uncertainty of the situations surrounding this pandemic, Management is unable to ascertain the extent of the impact of COVID-19 on the business. However, one thing for certain is that we need to continue to change our business and revenue models to align with the current business landscape. We are also following closely the advice and updates of the governments and other relevant stakeholders.

In the meantime, we must continue to keep ourselves and our families safe during this time and look forward to coming out of this situation with the least amount of bruises on the business.

A handwritten signature in blue ink, appearing to read 'Waisale Iowane', is positioned above the name and title of the Chief Financial Officer.

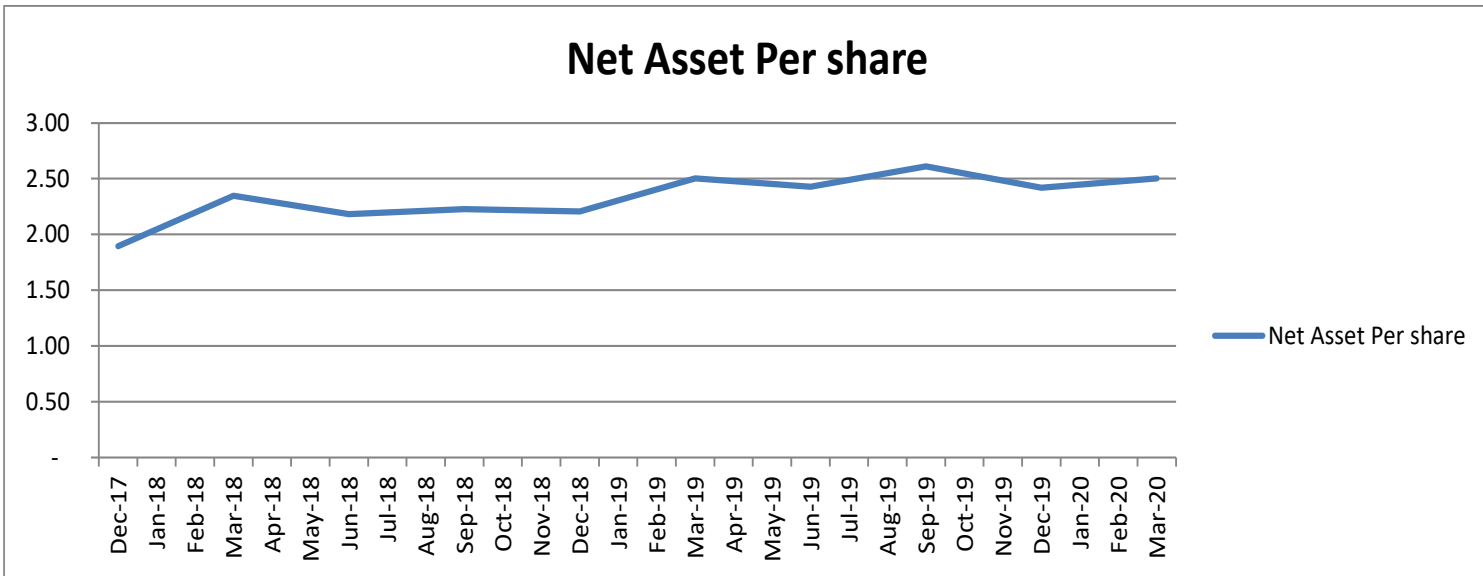
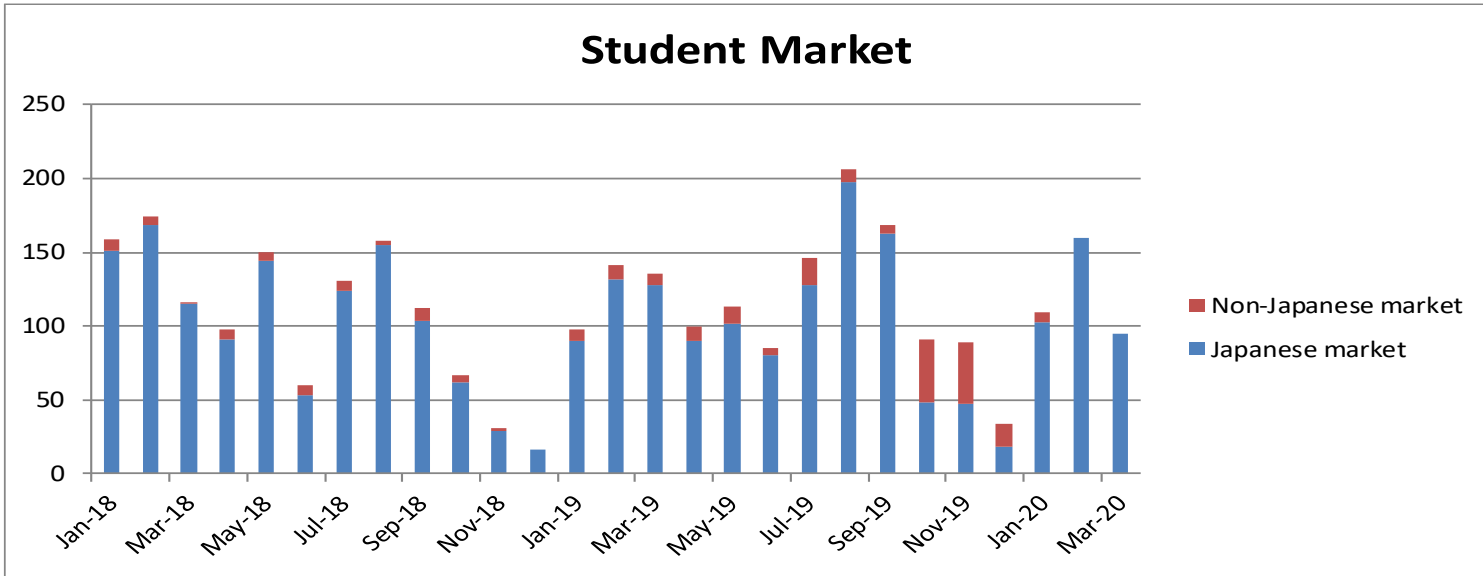
Waisale Iowane

Chief Financial Officer

Dated this 14th day of May 2020.



Brief Overview





Statement of profit or loss and other comprehensive income

	Quarter 1 ended 31-Mar-20	Quarter 1 ended 31-Mar-19	Q1-20 vs Q1-19	
Revenue				
Service fees	981,652	1,141,474	↓	-14%
In-house insurance premiums	190,787	186,323	↑	2%
Other income	18,572	17,067	↑	9%
Total revenue	1,191,011	1,344,864	↓	-11%
Expenses				
In-house insurance claims	(8,497)	(12,013)	●	-29%
In-house insurance commission expense	(76,519)	(74,218)	●	3%
Direct operating expenses	(336,272)	(361,221)	●	-7%
Depreciation	(47,985)	(25,387)	●	89%
Personnel expenses	(450,344)	(455,490)	●	-1%
Other expenses	(94,927)	(133,957)	●	-29%
Total expenses	(1,014,544)	(1,062,286)	●	-4%
Profit from operations	176,467	282,578	↓	-38%
Finance income	35,851	16,095	↑	123%
Finance cost	(47,363)	(14,783)	●	220%
Profit before tax	164,955	283,890	↓	-42%
Income tax expense	-	-		
Net profit after tax	164,955	283,890	↓	-42%
Earnings per share	0.08	0.14	↓	-42%
Net profit margin	14%	21%	↓	-34%

Key:-

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

Statement of Financial Position



	As at 31-Mar-20	As at 31-Mar-19	Q1-20 vs Q1-19	
Current assets				
Cash and cash equivalents	2,308,803	1,447,135	↑	60%
Trade and other receivables	929,831	525,779	↑	77%
Current tax receivables	37,387	-	↑	100%
Prepayments	119,125	131,007	↓	-9%
Held-to-maturity investments	40,466	10,308	↑	293%
Total current assets	3,435,612	2,114,230	↑	62%
Non-current assets				
Trade and other receivables	366,504	283,290	↑	29%
Financial assets	23,100	-	↑	100%
Held-to-maturity investments	1,751,934	1,751,934	↑	0%
Right of use assets	1,135,240	-	↑	100%
Property, plant and equipment	1,895,077	1,878,867	↑	1%
Deferred tax asset	9,334	120	↑	7678%
Total non-current assets	5,181,189	3,914,210	↑	32%
Total assets	8,616,801	6,028,440	↑	43%
Current liabilities				
Trade and other payables	181,076	218,628	●	-17%
Payable to related parties	1,372,618	41,982	●	3170%
Interest bearing borrowings	225,324	225,324	●	0%
In-house insurance liabilities	434,868	333,340	●	30%
Lease liabilities	46,750	-	●	100%
Current tax liability	-	69,373	●	-100%
Total current liabilities	2,260,636	888,647	●	154%
Non-current liabilities				
Lease liabilities	1,126,038	-	●	100%
Interest-bearing borrowings	225,769	445,557	●	-49%
Total non-current liabilities	1,351,807	445,557	●	203%
Total liabilities	3,612,443	1,334,204	●	171%
Shareholders' equity				
Share capital	2,000,000	2,000,000	↑	0%
Retained earnings	2,749,121	2,438,999	↑	13%
Equity contribution reserve	255,237	255,237	↑	0%
Total shareholders' equity	5,004,358	4,694,236	↑	7%
Total shareholders' equity and liabilities	8,616,801	6,028,440	↑	43%

Key:-

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



Statement of Cash flows

	Quarter 1 ended 31-Mar-20	Quarter 1 ended 31-Mar-19
Operating activities		
Receipts from customers	1,722,363	1,127,263
Payment to suppliers and employees	(1,069,240)	(1,130,962)
In-house insurance premiums received	68,995	207,796
In-house insurance claims paid	(8,497)	(12,013)
Interest received	88,266	16,095
Income tax paid	(662)	(65)
Interest paid	(14,012)	(18,171)
Net cash from operating activities	787,212	189,943
Investing activities		
Acquisition of property, plant and equipment	(54,875)	(5,274)
Investment in held to maturity investments	20,955	(479,353)
Net cash used in investing activities	(33,920)	(484,627)
Financing activities		
Dividends paid	-	-
Repayments of interest bearing borrowings during the period	(33,443)	(65,325)
Net cash used in financing activities	(33,443)	(65,325)
Net increase/ (decrease) in cash and cash equivalents	719,850	(360,009)
Cash and cash equivalents at the beginning of the quarter	1,588,953	1,807,144
Cash and cash equivalents at the end of the quarter	2,308,803	1,447,135



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