

Free Bird Institute Limited
Financial Statements
For the year ended 31 December 2015

Free Bird Institute Limited

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Free Bird Institute Limited

Directors' report

The directors of Free Bird Institute Limited (the "Company") present their report together with the financial statements for the year ended 31 December 2015 and the auditors' report thereon.

Directors

The directors of the Company during the year and at the date of this report are:

Hiroshi Taniguchi
Mereseini Baleilevuka
Yoshinobu Higashi
Waisale Iowane (Appointed 2 November 2015)
Raman Velji (Appointed 21 August 2015)

State of affairs

In the opinion of the Directors, the accompanying statement of financial position gives a true and fair view of the state of affairs of the Company as at 31 December 2015 and the accompanying statement of comprehensive income, statement of changes in equity and statement of cash flows give a true and fair view of the results, changes in equity and cash flows of the Company for the year then ended.

Principal activity

The principal activity of the Company during the year was providing English learning programs, facilitating high school learning to international students and assisting in the management of local students.

Results

The recorded net profit of the Company after income tax expense of \$83,661 (2014: \$77,459) for the year amounted to \$343,245 (2014: \$237,749).

Dividends

The Directors recommend that no dividends be declared or proposed for the year.

Current assets

The Directors took reasonable steps before the Company's financial statements were made out to ascertain that the current assets of the Company were shown in the accounting records at a value equal to or below the value that would be expected to be realised in the ordinary course of business.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributable to the current assets in the financial statements to be misleading.

Receivables

The Directors took reasonable steps before the Company's financial statements were made out to ascertain that all known bad debts were written off and adequate allowance was made for impairment losses.

At the date of this report, the Directors are not aware of any circumstances which would render the above assessment inadequate to any substantial extent.

Related party transactions

All related party transactions have been adequately recorded and disclosed in the financial statements.

Free Bird Institute Limited

Directors' report (continued)

Events subsequent to balance date

There has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Other circumstances


At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements which would render any amounts stated in the financial statements to be misleading.


Unusual circumstances

The results of the Company's operations during the financial year have not in the opinion of the Directors been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the financial statements.

Dated at 15th this Tuesday day of March 2016.

Signed in accordance with a resolution of the Directors.


Director


Director

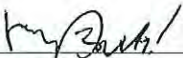
Free Bird Institute Limited
Statement by Directors

In the opinion of the Directors of Free Bird Institute Limited:

- (a) the accompanying statement of comprehensive income of the Company is drawn up so as to give a true and fair view of the results of the Company for the year ended 31 December 2015;
- (b) the accompanying statement of changes in equity of the Company is drawn up so as to give a true and fair view of the changes in equity of the Company for the year ended 31 December 2015;
- (c) the accompanying statement of financial position of the Company is drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 December 2015;
- (d) the accompanying statement of cash flows of the Company is drawn up so as to give a true and fair view of the cash flows of the Company for the year ended 31 December 2015;
- (e) at the date of this statement there are reasonable grounds to believe the Company will be able to pay its debts as and when they fall due; and
- (f) all related party transactions have been adequately recorded in the books of the Company.

Dated at 15th this Tuesday day of March 2016.

Signed in accordance with a resolution of the Directors.



Director



Director



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FREE BIRD INSTITUTE LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of Free Bird Institute Limited, which comprise the statement of financial position as at 31 December 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes 1 to 22 comprising a summary of significant accounting policies and other explanatory information.

Directors' and Management's Responsibility for the Financial Statements

Directors and management are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standard for Small and Medium Sized entities and for such internal control as the directors and management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that the auditor complies with ethical requirements and plans and performs the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Free Bird Institute Limited as at 31 December 2015 and of its financial performance, its changes in equity and its cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium Sized entities.



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FREE BIRD INSTITUTE LIMITED (continued)

Report on Other Legal and Regulatory Requirements

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion:

- i) proper books of account have been kept by the company, so far as it appears from our examination of those books;
- ii) the financial statements are in agreement with the books of account; and
- iii) to the best of our information and according to the explanations given to us the financial statements give the information required by the Fiji Companies Act., 1983 in the manner so required.

15 March 2016

Nadi, Fiji

KPMG
Chartered Accountants

Free Bird Institute Limited
Statement of comprehensive income
For the year ended 31 December 2015

	Note	2015 \$	2014 \$
Service fees		4,146,546	3,872,443
Direct costs	4	<u>(2,052,867)</u>	<u>(2,127,938)</u>
		2,093,679	1,744,505
Operating expenses	5	(1,135,980)	(1,207,789)
Administrative expenses	6	<u>(337,765)</u>	<u>(244,397)</u>
Profit from operations		619,934	292,319
Finance income	7 (a)	5,876	121,877
Finance cost	7 (b)	<u>(198,904)</u>	<u>(98,988)</u>
Profit from operations before tax		426,906	315,208
Income tax expense	8 (a)	<u>(83,661)</u>	<u>(77,459)</u>
Profit for the year		343,245	237,749
Other comprehensive income, net of income tax		-	-
Total comprehensive income for the year		<u><u>343,245</u></u>	<u><u>237,749</u></u>

The notes on pages 11 to 21 are an integral part of these financial statements.

Free Bird Institute Limited
Statement of changes in equity
For the year ended 31 December 2015


	Share capital	Accumulated losses	Total
	\$	\$	\$
Balance at 1 January 2014	2,000,000	(624,962)	1,375,038
Total comprehensive income for the year			
Profit for the year	-	237,749	237,749
Other comprehensive income	-	-	-
Balance at 31 December 2014	2,000,000	(387,213)	1,612,787
Total comprehensive income for the year			
Profit for the year	-	343,245	343,245
Other comprehensive income	-	-	-
Balance at 31 December 2015	2,000,000	(43,968)	1,956,032


The notes on pages 11 to 21 are an integral part of these financial statements.

Free Bird Institute Limited
Statement of financial position
As at 31 December 2015

	Note	2015 \$	2014 \$
Assets			
Current assets			
Cash and cash equivalents	9	982,056	578,308
Trade and other receivables	10	521,402	512,439
Held-to-maturity Investments	11	-	20,000
Total current assets		<u>1,503,458</u>	<u>1,110,747</u>
Non-current assets			
Held-to-maturity Investments	11	21,440	-
Property, plant and equipment	12	1,893,195	1,928,027
Deferred tax asset	8 (c)	127,307	210,968
Total non-current assets		<u>2,041,942</u>	<u>2,138,995</u>
Total assets		<u><u>3,545,400</u></u>	<u><u>3,249,742</u></u>
Liabilities			
Current liabilities			
Other payables	13	145,233	142,117
Payable to related parties	14	61,681	131,593
Interest bearing borrowings	15	209,617	104,928
Total current liabilities		<u>416,531</u>	<u>378,638</u>
Non-current liability			
Interest bearing borrowings	15	1,172,837	1,258,317
Total non-current liability		<u>1,172,837</u>	<u>1,258,317</u>
Total liabilities		<u>1,589,368</u>	<u>1,636,955</u>
Shareholders equity			
Share capital	16 (b)	2,000,000	2,000,000
Accumulated losses		(43,968)	(387,213)
Total shareholders equity		<u>1,956,032</u>	<u>1,612,787</u>
Total shareholders equity and liabilities		<u><u>3,545,400</u></u>	<u><u>3,249,742</u></u>

Signed on behalf of the Board


 Director


 Director

The notes on pages 11 to 21 are an integral part of these financial statements.

Free Bird Institute Limited
Statement of cash flows
For the year ended 31 December 2015

	Note	2015 \$	2014 \$
Operating activities			
Receipts from students		4,172,368	3,853,432
Payment to suppliers and employees		(3,626,696)	(3,571,411)
Interest received		3,261	1,044
Interest paid		(19,798)	-
Cash flows from in operating activities		<u>529,135</u>	<u>283,065</u>
Investing activities			
Acquisition of property, plant and equipment		(51,891)	(40,568)
Proceeds from sale of property, plant and equipment		6,957	11,500
Cash flows used in investing activities		<u>(44,934)</u>	<u>(29,068)</u>
Financing activities			
Advances to related party		-	(61,283)
Loans paid during the year		(80,453)	-
Cash flows used in financing activities		<u>(80,453)</u>	<u>(61,283)</u>
Net increase in cash and cash equivalents		403,748	192,714
Cash and cash equivalents at 1 January		578,308	385,594
Cash and cash equivalents at 31 December	9	<u><u>982,056</u></u>	<u><u>578,308</u></u>

The notes on pages 11 to 21 are an integral part of these financial statements.

Free Bird Institute Limited
Notes to the financial statements
For the year ended 31 December 2015

1. Reporting Entity

Free Bird Institute Limited (the "Company") is domiciled in the Fiji Islands. The address of the Company's registered office is at Level 3, aliz centre, 231 Queens Road, Martintar, Nadi.

The principal activity of the Company during the year was providing English learning programs, facilitating high school learning to international students and assisting in the management of local students.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) and the requirements of the Laws of Fiji.

The financial statements were authorised for issue by the Board of directors on 15 March 2016.

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis except where stated.

(c) Functional and presentation currency

The financial statements are presented in Fiji dollars rounded to the nearest dollar, which is the Company's functional currency.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS for SMEs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have a significant effect on the amounts recognised in the financial statements is included in the following notes:

Note 3 (f) - Recoverability of deferred tax assets

Note 3 (c) - Property, plant and equipment depreciation rates and impairment

3. Significant accounting policies

(a) Foreign currency transactions

Transactions in foreign currencies are translated to Fiji dollars at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to Fiji dollars at the exchange rate at that date. The foreign currency gains or losses on translation are recognised in profit or loss. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

Free Bird Institute Limited
Notes to the financial statements
For the year ended 31 December 2015

3. Significant accounting policies (continued)

(b) Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and cash at bank at balance date.

(c) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within other income/other expenses in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefit embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The cost of the day-to-day servicing of plant and equipment is recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each item of property, plant and equipment.

The depreciation rates for the current and comparative period are as follows:

Building	- 2.5%
Motor vehicle	- 18%
Walkway and fence	- 2.5%
Office equipment	- 7- 40%
Office furniture	- 12%
Machinery and equipment	- 12%

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(d) Employee benefits

Defined contribution plan

All employers are required to make a statutory contribution to an approved superannuation fund which in this case is the Fiji National Provident Fund. These contributions are expensed when incurred.

Free Bird Institute Limited
Notes to the financial statements
For the year ended 31 December 2015

3. Significant accounting policies (continued)

(d) Employee benefits (continued)

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed in profit or loss as the related service is provided.

Annual leave

The Company accrues annual leave during the year and pays out the annual leave liability at the end of the financial year.

(e) Finance income and finance cost

Finance income and expenses comprises interest income on funds invested (held-to-maturity financial assets), interest payable on borrowings, foreign exchange gains and losses. Interest income or expense is recognised using the effective interest rate method. Foreign exchange gains and losses are presented net as either finance income or finance cost.

(f) Income tax

Income tax expense comprises current and deferred tax. Current and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity, or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Free Bird Institute Limited
Notes to the financial statements
For the year ended 31 December 2015

3. Significant accounting policies (continued)

(f) Income tax (continued)

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(g) Trade payables, provisions and other payables

Trade and other payables are stated at cost. A provision is recognised if as a result of a past event, the Company has a legal or constructive obligation that can be estimated, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(h) Financial assets

The Company initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial assets of the Company includes loans and receivables and held to maturity investments.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables.

Held to maturity investments

Held to maturity investments comprise of term deposits which will mature on 17 August 2018.

Free Bird Institute Limited
Notes to the financial statements
For the year ended 31 December 2015

3. Significant accounting policies (continued)

(i) Impairment

The carrying amounts of the Company's financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indications exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

(j) Trade and other receivables

Trade and other receivables are recognised initially at the invoice amount. A provision for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade and other receivable is impaired.

(k) Revenue

Revenue comprises the fair value of the consideration received or receivable for tuition fees, homestay fees and other arrangement fees in the ordinary course of the Company's activities. Revenue is shown net of value added tax, rebates and discounts.

(l) Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of direct cost of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

(m) Comparative figures

Where necessary, amounts relating to prior years have been reclassified to facilitate comparison and achieve consistency in disclosure with current year amounts. All figures have been rounded up to the nearest dollar unless otherwise stated.

	2015	2014
4. Direct cost	\$	\$
Accommodation cost and supplies	21,558	25,444
Depreciation - buildings, walkway and fence	53,412	53,189
Electricity and water	57,800	63,761
Home stay fees	1,258,722	1,251,091
Immigration and government fees	274,021	262,741
Security	-	265
Wages and salaries - Expatriates	387,354	471,447
	<u>2,052,867</u>	<u>2,127,938</u>

Free Bird Institute Limited
Notes to the financial statements
For the year ended 31 December 2015

5. Operating expenses	2015	2014
	\$	\$
Bank charges	7,092	3,512
Classroom supplies	67,797	63,742
Education and training	5,876	35,891
Freight, postage and courier	1,038	762
Fringe benefit tax	4,617	5,552
Fiji National University Levy	14,422	13,199
Insurance	2,790	4,608
License and rates	23,335	1,711
Gain on sale of motor vehicle	(3,853)	(840)
Meals and entertainment	13,164	10,985
Motor vehicle expenses	13,623	26,179
Non Resident Interest Withholding Tax	2,245	-
Office expenses	6,853	7,367
Other expense	12,622	19,931
Printing and stationary	17,353	16,921
Professional fees	2,500	8,423
Rent	117,756	102,564
Repairs and maintenance	14,942	32,704
Staff amenities	347	2,473
Subscriptions	619	-
Superannuation	90,680	134,983
Telephone and internet	35,291	42,787
Travel and accommodation	22,737	29,771
Tuition	375	900
Wages and salaries	661,759	643,664
	<u>1,135,980</u>	<u>1,207,789</u>
6. Administrative expenses		
Accounting fees	19,109	23,567
Audit fees	13,500	13,500
Advertising	53,172	554
Consumables	5,562	6,912
Depreciation - motor vehicle and office equipment and furniture	30,207	27,866
Directors remuneration	216,215	168,363
Donations	-	3,635
	<u>337,765</u>	<u>244,397</u>
7. Finance income and finance cost		
(a) Finance income		
Interest income	5,876	1,044
Unrealised Foreign exchange gain	-	120,833
	<u>5,876</u>	<u>121,877</u>

Free Bird Institute Limited
Notes to the financial statements
For the year ended 31 December 2015

7. Finance income and finance cost (continued)		2015	2014
		\$	\$
(b) Finance cost			
Interest expense on borrowings		35,421	28,355
Realised Foreign exchange loss		74,733	70,633
Unrealised Foreign exchange loss		88,750	-
		<u>198,904</u>	<u>98,988</u>
8. Income tax			
(a) Income tax expense recognised in the income statement			
Deferred tax expense		83,661	77,459
Income tax expense		<u>83,661</u>	<u>77,459</u>
(b) Reconciliation of effective tax rate			
Operating profit before income tax		426,906	315,208
Prima facie income tax expense on operating profit before tax at 20% (2014: 20%)		85,381	63,042
Tax effect of permanent differences		11,195	14,417
Underprovision of tax losses in prior year		(12,915)	-
Income tax expense		<u>83,661</u>	<u>77,459</u>
(c) Recognised deferred tax asset / (liability)			
Tax losses		109,557	210,238
Unrealised Foreign exchange loss		17,750	730
		<u>127,307</u>	<u>210,968</u>
Movement in temporary differences during the year			
		Recognised in	31 December
	1 January 2015	income	2015
	\$	statement	\$
Tax losses	210,238	(100,681)	109,557
Unrealised Foreign exchange loss	730	17,020	17,750
	<u>210,968</u>	<u>(83,661)</u>	<u>127,307</u>
9. Cash and cash equivalents			
Cash on hand		3,782	4,390
Cash at bank		978,274	573,918
Cash and cash equivalents in the Statement of Cash flows		<u>982,056</u>	<u>578,308</u>
10. Trade and other receivables			
Trade receivables		303,059	328,881
Bond		208,521	170,175
Prepayments		9,822	13,383
		<u>521,402</u>	<u>512,439</u>
11. Held-to-maturity investment			
Term deposits disclosed in the statement of financial position as follows:			
Current assets		-	20,000
Non-current assets		21,440	-
		<u>21,440</u>	<u>-</u>

Term deposits will mature on 17 August 2018 and interest is accrued at the rate of 2.5% (2014: 3%) per annum.

Free Bird Institute Limited
Notes to the financial statements
For the year ended 31 December 2015

12. Property, plant and equipment

	Buildings	Motor vehicles	Walkway and Fence	Office equipment & Furniture	Total
	\$	\$	\$	\$	\$
Cost					
Balance as at 1 January 2014 (re-stated)	1,891,491	46,770	244,949	142,409	2,325,619
Additions	-	27,163	-	13,405	40,568
Disposals	-	(13,000)	-	-	(13,000)
Balance at 31 December 2014	<u>1,891,491</u>	<u>60,933</u>	<u>244,949</u>	<u>155,814</u>	<u>2,353,187</u>
Balance at 1 January 2015	1,891,491	60,933	244,949	155,814	2,353,187
Additions	-	39,130	-	12,761	51,891
Disposals	-	(17,500)	-	-	(17,500)
Balance at 31 December 2015	<u>1,891,491</u>	<u>82,563</u>	<u>244,949</u>	<u>168,575</u>	<u>2,387,578</u>
Depreciation					
Balance as at 1 January 2014 (re-stated)	225,109	16,246	25,628	77,132	344,115
Depreciation charge for the year	47,287	8,850	6,124	18,784	81,045
Disposals	-	-	-	-	-
Balance at 31 December 2014	<u>272,396</u>	<u>25,096</u>	<u>31,752</u>	<u>95,916</u>	<u>425,160</u>
Balance as at 1 January 2015	272,396	25,096	31,752	95,916	425,160
Depreciation charge for the year	47,287	12,647	6,125	17,560	83,619
Disposals	-	(14,396)	-	-	(14,396)
Balance at 31 December 2015	<u>319,683</u>	<u>23,347</u>	<u>37,877</u>	<u>113,476</u>	<u>494,382</u>
Carrying amount					
At 1 January 2014	<u>1,666,382</u>	<u>30,524</u>	<u>219,321</u>	<u>65,277</u>	<u>1,981,504</u>
At 31 December 2014	<u>1,619,095</u>	<u>35,837</u>	<u>213,197</u>	<u>59,898</u>	<u>1,928,027</u>
At 31 December 2015	<u>1,571,808</u>	<u>59,216</u>	<u>207,072</u>	<u>55,099</u>	<u>1,893,195</u>

During the year, the company re-classified amounts disclosed as cost and accumulated depreciation between various categories to amend classification in prior years and agree amounts to the asset register. There was no change in the overall written down value.

Free Bird Institute Limited
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	2015	2014
	\$	\$
13. Other payables		
Accruals	71,672	72,287
Withholding tax payable	7,553	7,553
Other payables	60,806	51,060
VAT payable	5,202	11,217
	<u>145,233</u>	<u>142,117</u>
14. Related party payable		
Payable to South Pacific Free Bird Company Limited	<u>61,681</u>	<u>131,593</u>
15. Interest bearing borrowings		
South Pacific Free Bird Company Limited	<u>1,382,454</u>	<u>1,363,245</u>
<u>Disclosed as follows:</u>		
Current	209,617	104,928
Non current	<u>1,172,837</u>	<u>1,258,317</u>
	<u>1,382,454</u>	<u>1,363,245</u>
Borrowings from South Pacific Free Bird Company Limited are unsecured with interest charged at a rate of 3% per annum. The loans are due on December 2018.		
16. Share capital		
(a) Authorised capital		
20,000,000 Ordinary shares of \$1.00 each	<u>20,000,000</u>	<u>20,000,000</u>
(b) Issued capital		
2,000,000 (2014: 2,000,000) Ordinary shares of \$1.00 (2014: \$1.00) each	<u>2,000,000</u>	<u>2,000,000</u>
<u>Reconciliation of issued capital is as follows:</u>		
Balance at 1 January	2,000,000	2,000,000
Additional shares issued during the year	-	-
Balance at 31 December	<u>2,000,000</u>	<u>2,000,000</u>
<u>Shareholders at 31 December:</u>		
South Pacific Free Bird Company Limited	1,500,000	1,600,000
Dilikoti Veisokoyaki	220,550	-
Capital Advisory Company Limited (Japan)	125,000	125,000
Hiroshi Taniguchi	56,800	176,800
Others	97,650	98,200
	<u>2,000,000</u>	<u>2,000,000</u>

Free Bird Institute Limited
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17. Related parties

(a) Directors

The directors in office during the year were:

Hiroshi Taniguchi
 Mereseini Baleilevuka
 Yoshinobu Higashi
 Waisale Iowane (Appointed 2 November 2015)
 Raman Velji (Appointed 21 August 2015)

Directors salaries are disclosed in Note 6.

	2015	2014
	\$	\$
(b) Amounts (payable to) / receivable from related parties		
Interest bearing borrowings (note 15)	(1,289,569)	(1,290,553)
Interest payable to parent entity (note 15)	(92,885)	(72,692)
Other payables (note 14)	(61,681)	(131,593)
Trade receivables (note 10)	<u>303,059</u>	<u>328,881</u>

(c) Transactions with related parties

During the year, the Company entered into various transactions with related parties which were on negotiated terms and conditions. The aggregate value of major transactions with related parties during the year is as follows:

Interest on borrowings	35,421	28,355
Trade sales	<u>3,949,004</u>	<u>3,774,812</u>

The Company is economically and financially dependent on South Pacific Free Bird Institute Limited as 95% of sales are generated through the holding Company. The Company has received a written undertaking from its parent Company that it will continue to provide economical and financial support as necessary to the Company for a period not less than 12 months from the date of the signing of the financial statements.

(d) Transactions with key management personnel

Key management personnel comprises of the Directors. Transactions with key management personnel are on terms that are no more favourable than those available, or which might reasonably be expected to be available on similar transactions to third parties at arms length.

Key management compensation is disclosed under Note 6 as Directors salaries.

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18. Operating leases

At the end of the reporting period, the future minimum lease payments for properties under operating lease are payable as follows:

	2015	2014
	\$	\$
Less than one year	78,000	78,000
Between one and five years	312,000	312,000
Greater than five years	2,307,518	2,385,518
	<u>2,697,518</u>	<u>2,775,518</u>

The company rented office space from Airports Fiji Limited from January to July 2015 at \$2,835 per month and from Yogesh Chandra Navin from August to December 2015 at \$4,500 per month.

19. Commitments

Capital commitments not otherwise provided for in the financial statements amounted to \$Nil (2014: \$Nil).

20. Contingent liabilities

Contingent liabilities at year end amounted to Nil.

21. Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the return of capital to shareholders, issue new shares or sell assets to reduce debt.

22. Subsequent events

There has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Company, the results of its operations or the state of affairs of the Company in subsequent financial years.