



Free Bird Institute Limited
Market Announcement
Quarter 1 Financial Results
31 March 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 three months period ended 31 March 2021. Where necessary, comparative results of the previous reporting periods have been re-classed to maintain consistency with the current period reporting.

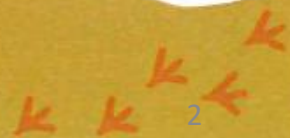
This market announcement has been authorised for issue on 11 May 2021.



Mereseini Baleilevuka
Director



Roqiqi Korodrau
Company Secretary





Chief Financial Officer's Comments

We present our financial results for the first quarter of 2021 and it reflects the continuous impact this pandemic has on our business. Our total revenue decreased by 40% largely driven by the decrease in service fees & in-house insurance income as a result of the decrease in the number of students in comparison to the same period last year. The results for the first quarter last year has little to no impacts of the pandemic as students that were in Fiji during that period would have come to Fiji prior to the start of the pandemic and closure of international borders.

Whilst we chartered an Air NZ flight in late December 2020 for students who are to commence school from 2021, the number of language students enrolled in the first quarter for 2021 decreased by more than 800% in comparison to the same period last year. We had over 300 students enrolled in the first quarter of 2020 compared to only 32 students that were on our charter flight in December 2020. As a result of this decrease, we are only operating our language school from one Campus which is the Namaka campus with very minimal school staff.

Our Lautoka campus has been utilised to cater for our Japanese language classes for the local students who are part of the recruitment services provided on behalf of various Japanese companies. This continued in the first quarter of this year and the revenue of which has been recognised accordingly.

At the start of this year, some employees had their wages and salaries normalised whilst others continued on a 20% salary reduction which includes the Management and Executives. As a result of the low numbers, our human resource capacity has reduced quite significantly which is reflective of the reduction in personnel expenses by 35% in comparison to the same period last year.

The Board and Management have adopted a more adaptive style of leadership that is more fitting for the current situation that we are faced with and continues to explore avenues for cost effective management during this year. We are continuing to see that chartering flights would be the new normal for now given the current situations and we had over 100 students arriving into Fiji last month. However, we continue to face challenges as our main businesses are located in Nadi and Lautoka, both the containment zones as determined by the Ministry of Health. Hence, our campuses and administration officers remain closed as directed by the Ministry of Health, however, classes are currently being offered online to our students.

Our financial position remains strong with adequate cashflows to service our liabilities and debts and cater for operational expenses. We continue to adhere to the advice of the Government and make our decisions in line with that advice.

I would like to take this time on behalf of the Board and Management to thank our stakeholders and employees for being very understanding during this very difficult time.

Waisale Iowane
Chief Financial Officer

Dated this 11th day of May 2021.



Statement of profit or loss and other comprehensive income

	Quarter 1 ended 31-Mar-21 (Unaudited)	Quarter 1 ended 31-Mar-20 (Unaudited)	% Changes	
Revenue				
Service fees	528,973	981,652	↓	-46%
Recruitment Services	74,377	-	↑	100%
	<u>603,350</u>	<u>981,652</u>	↓	-39%
Other revenue				
In-house insurance premiums	90,087	190,787	↓	-53%
Other income	22,354	18,572	↑	20%
Total revenue	<u>715,792</u>	<u>1,191,011</u>	↓	-40%
Expenses				
In-house insurance claims	(10,372)	(8,497)	●	22%
In-house insurance commission expense	(34,425)	(76,519)	●	-55%
Direct operating expenses	(193,771)	(336,272)	●	-42%
Depreciation	(49,255)	(47,985)	●	3%
Personnel expenses	(293,461)	(450,344)	●	-35%
Other expenses	(57,699)	(94,927)	●	-39%
Total expenses	<u>(638,983)</u>	<u>(1,014,545)</u>	●	-37%
Profit from operations	76,809	176,467	↓	-56%
Finance income	20,532	35,851	↓	-43%
Finance cost	(30,072)	(47,363)	●	-37%
Profit before tax	<u>67,269</u>	<u>164,955</u>	↓	-59%
Income tax expense	-	-		
Net profit after tax	<u>67,269</u>	<u>164,955</u>	↓	-59%
Earnings per share	<u>0.03</u>	<u>0.08</u>	↓	-59%
Net profit margin	<u>9%</u>	<u>14%</u>	↓	-32%

Key:-

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

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

Statement of Financial Position



	As at 31-Mar-21 (Unaudited)	As at 31-Dec-20 (Audited)	As at 30-Mar-20 (Unaudited)	Movements from Dec 20 to Mar 21	Movements from Mar 20 to Mar 21
Current assets					
Cash and cash equivalents	1,008,980	1,760,687	2,308,803	↓ -43%	↓ -56%
Trade and other receivables	1,634,391	1,167,098	929,831	↑ 40%	↑ 76%
Prepayments	46,665	38,723	119,125	↑ 21%	↓ -61%
Term deposits	1,741,018	1,763,907	40,466	↓ -1%	↑ 4202%
Current tax assets	33,717	33,682	37,387	↑ 0%	↓ -10%
Total current assets	4,464,772	4,764,097	3,435,612	↓ -6%	↑ 30%
Non-current assets					
Trade and other receivables	84,529	84,529	366,504	↓ 0%	↓ -77%
Term deposits	51,934	50,000	1,751,934	↑ 4%	↓ -97%
Equity investments	21,500	21,500	23,100	↑ 0%	↓ -7%
Right of use assets	1,094,512	1,114,422	1,135,240	↓ -2%	↓ -4%
Property, plant and equipment	1,809,033	1,834,172	1,895,077	↓ -1%	↓ -5%
Deferred tax asset	1,591	1,591	9,334	↑ 0%	↓ -83%
Total non-current assets	3,063,098	3,106,214	5,181,190	↓ -1%	↓ -41%
Total assets	7,527,870	7,870,311	8,616,802	↓ -4%	↓ -13%
Current liabilities					
Trade and other payables	104,075	346,769	181,076	● -70%	● -43%
Payable to related parties	24,598	58,946	1,372,618	● -58%	● -98%
Interest bearing borrowings	295,909	289,101	225,324	● 2%	● 31%
In-house insurance liabilities	278,953	311,392	434,868	● -10%	● -36%
Lease liabilities	46,751	54,747	46,751	● -15%	● 0%
Employee benefits	15,095	15,095	-	● 0%	● 100%
Total current liabilities	765,381	1,076,050	2,260,637	● -29%	● -66%
Non-current liabilities					
Lease liabilities	1,112,293	1,117,389	1,126,038	● 0%	● -1%
Interest-bearing borrowings	33,133	127,084	225,769	● -74%	● -85%
Total non-current liabilities	1,145,427	1,244,473	1,351,807	● -8%	● -15%
Total liabilities	1,910,808	2,320,523	3,612,444	● -18%	● -47%
Shareholders' equity					
Share capital	2,000,000	2,000,000	2,000,000	↑ 0%	↑ 0%
Retained earnings	3,361,825	3,294,551	2,749,121	↑ 2%	↑ 22%
Equity contribution reserve	255,237	255,237	255,237	↑ 0%	↑ 0%
Total shareholders' equity	5,617,062	5,549,788	5,004,358	↑ 1%	↑ 12%
Total shareholders' equity and liabilities	7,527,870	7,870,311	8,616,802	↓ -4%	↓ -13%

Key:-

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

Statement of Cash flows



	Three months ended 31-Mar-21 (Unaudited)	Year ended 31-Dec-20 (Audited)	Three months ended 31-Mar-20 (Unaudited)
Operating activities			
Receipts from customers	202,132	4,133,394	1,722,363
Payment to suppliers and employees	(681,968)	(3,837,485)	(1,069,240)
In-house insurance premiums received	(274,450)	177,598	68,995
In-house insurance claims paid	(10,372)	(31,493)	(8,497)
Interest received	137,232	55,815	88,266
Income tax paid	(35)	(70,985)	(662)
Interest paid	(7,502)	(3,730)	(14,012)
Net cash (used)/ from operating activities	(634,962)	423,114	787,213
Investing activities			
Acquisition of property, plant and equipment	(4,206)	(83,112)	(54,875)
Receipts from term deposits	20,955	-	20,955
Net cash from/ (used) in investing activities	16,750	(83,112)	(33,920)
Financing activities			
Advance to related parties	(21,088)	-	-
Repayments of interest bearing borrowings during the period	(73,493)	(76,468)	(33,443)
Payment of lease liabilities	(13,092)	(93,500)	-
Net used in financing activities	(107,673)	(169,968)	(33,443)
Net (decrease)/increase in cash and cash equivalents	(725,885)	170,034	719,850
Effects of movement in exchange rates on cash held	(25,821)	1,700	-
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	1,008,981	1,760,687	2,308,803



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