

Free Bird Institute Limited

Fiji Islands

31 March 2017

MARKET ANNOUNCEMENT

- Delay in the release of the Audited Financial Statements

The board of Free Bird Institute Limited (FBL) wishes to advise its members and the market that there will be a slight delay in the release of its audited financial statements for the year ended 31 December 2016 as required by the SPSE listing rules by or before 31 March 2017.

The Chief Financial Officer, Waisale Iowane stated that during the last financial year, the Company was in the process of placing its shares for trading on the South Pacific Stock Exchange (SPSE) and as a result of this, FBL has public accountability of which it must now report under the full International Financial Reporting Standards (IFRS) as opposed to the IFRS for Small and Medium-sized Entities (IFRS for SMEs) previously used.

Therefore, this will be the Company's first time in adopting the full IFRS which will require FBL to provide transitional disclosures with regards to the change in reporting frameworks which would require a bit more time for Management to ensure that all requirements under the Standards are appropriately met.

Our finance team is working closely with the auditors to ensure that all reporting requirements under full IFRS are fully adhered to in these audited financial statements before it is being released to the market.

The board anticipates that these audited financial statements will be made available within the second week of April. In the interim, we have enclosed in the approved template the unaudited results of the Company for the year ended 31 December 2016.

On behalf of the Board, I would also like to take this time to thank our shareholders and stakeholders for their extensive support, patience and confidence in FBL.

Yours sincerely



Hiroshi Taniguchi
Board Chairman



Waisale Iowane
Director

Free Bird Institute Limited

Fiji Islands

Appendix D: Full Year Unaudited Accounts

FREE BIRD INSTITUTE LIMITED

UNAUDITED PROFIT & LOSS STATEMENT FOR THE FULL YEAR ENDED 31 DECEMBER 2016

	Current *full year F\$	*Increase/ Decrease %	Previous corresponding full year F\$
1. OPERATING REVENUE			
(a) Service fees	4,807,560	16%	4,138,379
(b) In-house insurance revenue	567,839	100%	-
(c) Other revenue	36,992	163%	14,043
(d) Total Operating Revenue	5,412,391	30%	4,152,422
2. (a) Net Profit before Tax	1,139,940	167%	426,906
(b) Income tax Expense	(209,047)	150%	(83,661)
(c) Net Profit after Tax	930,893	171%	343,245
3. (a) Retained Profit at Beginning	(43,968)		(387,213)
(b) Retained profit at year end	886,925		(43,968)
4. Earnings Per Share			
(a) Basic earnings per share	0.47	171%	0.17
(b) Diluted earnings per share	0.47	171%	0.17


Chief Financial Officer's Comments

The increase in the service fees is a direct result of a change in pricing in 2016 as well as the increase in the number of students by 11% compared to 2015. With the success of the introduction of the new in-house insurance scheme in February 2016 primarily for the Japanese market, this saw the scheme contributing to 42% of total EBIT.

Additionally, with the continuous strong cash flow, the board has invested in short term held to maturity investments which has translated to an increase in interest income by 167% in the last financial year based on these unaudited figures.

Inclusive in the calculation of the EBIT is a net unrealised foreign exchange loss of \$164,557 and the board envisages to take more prudent steps in trying to minimise these losses within the next financial year.


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Mereseini Baleilevuka
Director


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Waisale Iowane
Director

**UNAUDITED STATEMENT OF ASSETS, LIABILITIES AND SHAREHOLDERS' EQUITY
FOR THE FULL YEAR ENDED 31 DECEMBER 2016**

	At end of current full year F\$	As shown in last full year F\$
6. CURRENT ASSETS		
(a) Cash and cash equivalents	1,487,577	982,056
(b) Trade and other receivables	587,641	521,402
(c) Held to maturity investments	510,000	-
(d) Total Current Assets	2,585,218	1,503,458
NON-CURRENTS ASSETS		
(e) Held to maturity investments	50,485	21,440
(f) Property, plant and equipment	1,966,888	1,893,195
(g) Deferred tax assets	30,937	127,307
(h) Total Non-Current Assets	2,048,310	2,041,942
(i) Total Assets	4,633,528	3,545,400
7. CURRENT LIABILITIES		
(a) Other payables	241,913	145,233
(b) Payable to related parties	47,439	61,681
(c) Interest-bearing borrowings	230,841	230,841
(d) Provision for in-house insurance claims	23,614	-
(e) Current tax liability	61,308	-
(f) Total Current Liabilities	605,115	437,755
NON-CURRENT LIABILITIES		
(g) Interest-bearing borrowings	1,141,488	1,151,613
(h) Total Non-Current Liabilities	1,141,488	1,151,613
(i) Total Liabilities	1,746,603	1,589,368
(j) NET ASSETS	2,886,925	1,956,032
8. EQUITY		
(a) Share Capital	2,000,000	2,000,000
(c) Retained earnings/ (Accumulated losses)	886,925	(43,968)
(c) Total Equity	2,886,925	1,956,032

Chief Financial Officer's Comments

The overall increase in the Company's total assets has been a direct result of the cash inflows from the premiums received for the new in-house insurance scheme. In addition to this, with the overall increase in short term investments, the Company was able to receive the returns on such investments as high as 4.5% per annum.

Alternatively, the overall increase in liabilities by approximately 10% is a result of the service fees that is paid for the facilitation of the Company's in-house insurance in Japan as well as the associated provisions required to be taken up.

Hence, the result of the strong increase in the Company's asset base has translated to the increase in shareholders' equity of up to approximately 48%.


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Mereseini Balelevuka
Director


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Wajisale Iowane
Director

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE FULL YEAR ENDED 31 DECEMBER 2016**

9. CASH FLOW FROM OPERATING ACTIVITIES

- (a) Receipts from students
- (b) Payments to suppliers and employees
- (c) In-house insurance premiums received
- (d) Claims paid
- (e) Interest received
- (f) Interest paid
- (g) Net Cash Inflow from Operating Activities**

Current full year F\$	Previous corresponding full year F\$
4,754,930	4,172,368
(3,962,687)	(3,626,696)
567,839	-
(21,225)	-
15,714	3,261
(41,555)	(19,798)
1,313,016	529,135

10. CASH FLOWS FROM INVESTING ACTIVITIES

- (a) Acquisition of property plant and equipment
- (b) Proceeds from sale of property plant and equipment
- (c) Held to maturity investments
- (h) Net Cash (Outflow) for Investing Activities**

(162,380)	(51,891)
1,009	6,957
(539,045)	-
(700,416)	(44,934)

11. CASH FLOWS FROM FINANCING ACTIVITIES


- (a) Loans paid during the year
- (f) Net Cash (Outflow) for Financing Activities**

(107,079)	(80,453)
(107,079)	(80,453)
505,521	403,748
982,056	578,308
1,487,577	982,056

12. NET INCREASE IN CASH HELD

- (a) Cash and cash equivalent at the beginning of the year
- (c) Cash and cash equivalent at the end of the year


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Mereseini Baleilevuka
Director


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Waisale Iowane
Director