



Free Bird

Institute Limited

2016
Annual Report





South Pacific
Stock Exchange

The authority that

Free Bird Institute Limited

Free Bird Institute Limited is a company incorporated in the
Cook Islands and is a member of the South Pacific Stock Exchange (SPSE)
and is listed on the SPSE. The company is a subsidiary of the
Free Bird Institute Limited.



*Free Bird Institute Limited
("FBL" or "the Company") runs the first
English-only language institute ("the
Free Bird Institute" or "the Institute")
in Fiji, catering to foreign students
wishing to learn English.*

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Company Overview

Who we are

Free Bird Institute Limited ("FBL" or "the Company") runs the first English-only language institute ("the Free Bird Institute" or "the Institute") in Fiji, catering to foreign students wishing to learn English.

FBL was the brainchild of Mr Hiroshi Taniguchi, a Japanese businessman and investor in Fiji, who sought to address the strong and growing need for English language tuition amongst the native Japanese population. Seeing Fiji as an exotic and ideal location for this, Mr Taniguchi set out to create the Institute in his adopted homeland.

Operations commenced in 2006 under the trading name "Namaka Public Free Bird Institute" before the Company was incorporated in 2010. Today, the Institute is recognised by the Ministry of Education and maintains two campuses in Nadi and in Lautoka.

What we do

English Language Training

Total Immersion Approach

Foreign students learn English using a "total immersion" approach. This approach involves the learner spending time in an environment operating solely in the target language. The learner therefore learns the language in its natural environment and is able to see and hear expressions, words and phrases

in context, along with physical movements, facial expressions and tone of voice. Coupled with traditional classroom-based learning, this approach is a highly-effective method of learning.

At the same time, FBL seeks to provide students with more than English language skills, by equipping them with important life skills developed from daily exposure in a new country with diverse cultures and experiences.

The ultimate aim is to develop students who are well-equipped to communicate, live and work successfully in an English-speaking country.

FBL achieves this by "immersing" students in the Fiji environment.

- For the duration of their studies, students are based entirely in Fiji where the medium of communication is English.
- FBL provides homestay accommodation to students where they live with their local hosts and experience the diverse culture, traditions and hospitality that Fiji is well known for.
- On campus, there is a strictly-enforced "English-only" policy (EOP).
- All classroom courses are taught solely in English by adept teachers, each of whom holds an English teaching license from the Fiji Teachers Registration Board ("FTRB").



Executive Chairman's Report

Foreign language teaching has become an integral part of the 21st century's life learning process, with billions now learning a foreign language. However, out of this only 0.25% of people learning a foreign language do so abroad in a local, native environment. This was revealed in the 2016 report on "Trends in the Demand for Foreign Languages" published by the International Association of Language Centres (IALC).

This number equates to a little over 2 million people out of which, 67% of this market who study abroad only study the English language. The demand for the English language is expected to continue to grow with the Asian markets driving these numbers as the learning market continues to change rapidly due to globalization. The company recognises this demand and this year continues to capitalise on our unique value proposition to strengthen our financial and operational performance.

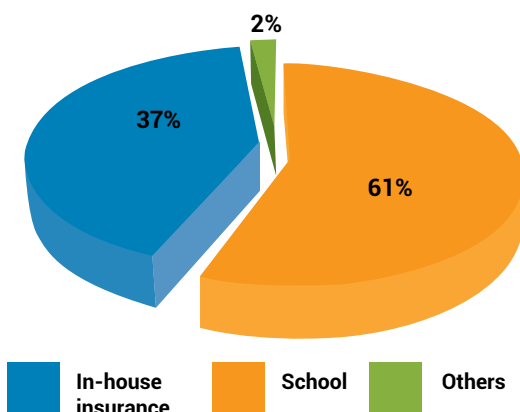
Our Performance in 2016

Our prodigious performance in 2016 continued to reflect this continuous demand for the English language amongst our niche Japanese market showing an increase of 11% in the overall student numbers compared to 2015.

Like all other businesses in the Western Division, the year started off as a recovery period for us after the devastating TC Winston left a trail of disaster with power and water outages. However, we did not let this dampen our spirit and with the backing of a strong and resilient Management team, we remained focus on our goal.

Our performance in 2016 was a record breaking performance from prior years and the introduction of our in-house insurance scheme in February helped boost this result as it gained popularity with the Institute's students. The profit from the scheme which is part of our product integration contributed 37% to the company's EBIT which further enabled a boost of the company's cash flow by 102%. We have provided key operational and financial highlights within this report to show how successful 2016 has been for the Company relative to preceding years.

Profit Centres



Shareholder Value

With the strong increase in net cash flow, the Company continued to further strengthen its balance sheet resulting in an increase in earnings per share by 198% to reach 41 cents.

I am pleased that we are able to increase the shareholder value in 2016 through our strong performance despite the setbacks of the natural disasters faced during the year. Our performance resulted in an increase of 149% and 115% on return on assets and equity respectively for the year.

Listing on the South Pacific Stock Exchange

Following what has been a long and challenging journey for us at restructuring, we have successfully listed the Company on the South Pacific Stock Exchange (SPSE) on 2 February 2017. We are also proud to be the first listed company representing the education sector and the first foreign-owned company to be listed on SPSE and in doing so we welcome the opportunity from local investors to be part of our Company and our success.

We believe that becoming a listed company will set a new benchmark for the Company particularly in the vital areas of corporate governance and overall efficiency of the business.

We anticipate that with the benefits derived from participating in the stock market, we will continue to increase shareholders' wealth.



Economic Conditions

The Reserve Bank of Fiji has initially forecasted GDP growth at 3.6% for 2017 which is a reflection of Fiji's strong economic fundamentals with consumption and investment activity of the country remaining buoyant after the setbacks from TC Winston.

The Japanese Yen continued to show promise in the second and third quarters of 2016 and depreciated against the Fiji dollar by 5.9% as revealed in the Reserve Bank of Fiji's Economic Review (Volume 33 No12.). However, the results of the US presidential election on 8 November 2016 saw the Japanese Yen devalue against the Fiji dollar by 2.67 points by the end of November and closed the year down by a total of 3.67 points.

These macro results did not deter the growth trajectory and financial performance of FBL in 2016. While there were initial concerns of a challenging year owing to TC Winston and global geo-political risks, the resilience of Fijians and continued demand for our services coupled with our internal product integration has led to a highly successful year for FBL.

Forward Looking

We envisage that with an even stronger brand to market on the international arena as a listed Company, we would have an influx of international students visiting our shores and choosing not only our institute to learn English but Fiji as a destination to study English.

With the continuous increase in the demand for the English language in the Asian markets and with our current immersion approach, we anticipate being able to explore other markets and opportunities with the ultimate view of market expansion and diversification. This we firmly believe, will lead to stronger financial performance for the Company and increase shareholder value.

We will continue to develop, implement and improve on our Company policies to ensure that they align with listing requirements and the Corporate Governance code for the capital markets to safeguard the interests of the shareholders and increase the returns to our shareholders.

I wish to take this opportunity to acknowledge with great appreciation those who have made 2016 the impressive financial year that it was.

Vinaka Vakalevu to the Board, Management and staff of FBL.

FBL looks forward to your continued partnership and innovative contributions in 2017.

Hiroshi Taniguchi
Board Chairman & Chief Executive Officer



2016 Operational Highlights

2016 Operational Highlights

February

TC Winston

On 20 and 21 February, Category 5 Severe Tropical Cyclone Winston created a mass of destruction across Fiji. Our Nadi and Lautoka campuses were both affected with roofs being blown off and other facilities being damaged.

As a result of the power outages and water cuts, our employees and students were affected.

Change of Head-Office location

Following the aftermath of Winston, we had to move our head-office from Airport Central Building in Namaka to its current location at Lot 13 Commercial Street, Namaka.

Introduction of new in-house insurance scheme

The company officially started its in-house insurance scheme to its students. This in-house insurance scheme covers travel, medical and accidental insurance and is currently only available to the Japanese students.

April

Homestay Family Consultation with FRCA Officials

Effective 1 January 2016, all homestay families providing accommodation to international students will be subjected to 10% Service Turnover Tax (STT) and 6% Environmental levy from the fees they receive from FBL as homestay fees. The management had organised a consultation session with the officials from the Fiji Revenue and Customs Authority (FRCA) to discuss and educate homestay providers about their obligation and how to calculate and file their returns with FRCA.

June

Promotion of Fiji as a destination in Japan

Yuma Nagasaki, Support Manager at FBL promoted not only FBL as an institute to study English in but also Fiji as a destination through the publishing and launching of his book "Fiji's Happiness Theory". His book was published in November 2015 and through this promotional tour in Osaka, Japan, he attracted a lot of potential students for the institute.





July

Appointment of Adi Litia Qionibaravi as a Non-Executive Independent Director

The Company welcomed the appointment of Adi Litia as an Independent Director to the board.

Visit from Lecturer at Tokyo University

Mr Rikkyo, a lecturer from Tokyo University visited the Institute to explore options of sending his students to learn English at FBL.

October

Welcome back of CEO

The Company welcomed back Hiroshi who was away in Japan for 8 months under-going chemotherapy. Hiroshi is a survivor of stage 4 lymphoma cancer and his therapy was a success. He returned to work in October.

Institute celebrates Pinktober for the first time

Following the success in Hiroshi's treatment and listening to the hard fought battles he encountered, the Management decided to host its first biggest morning tea to raise awareness on Cancer and help fundraise for cancer patients.

December

RBF Conditional Approval for Compliance Listing

On 29 December 2016, FBL received the conditional approval from the Reserve Bank of Fiji (RBF) for Compliance listing on the South Pacific Stock Exchange.

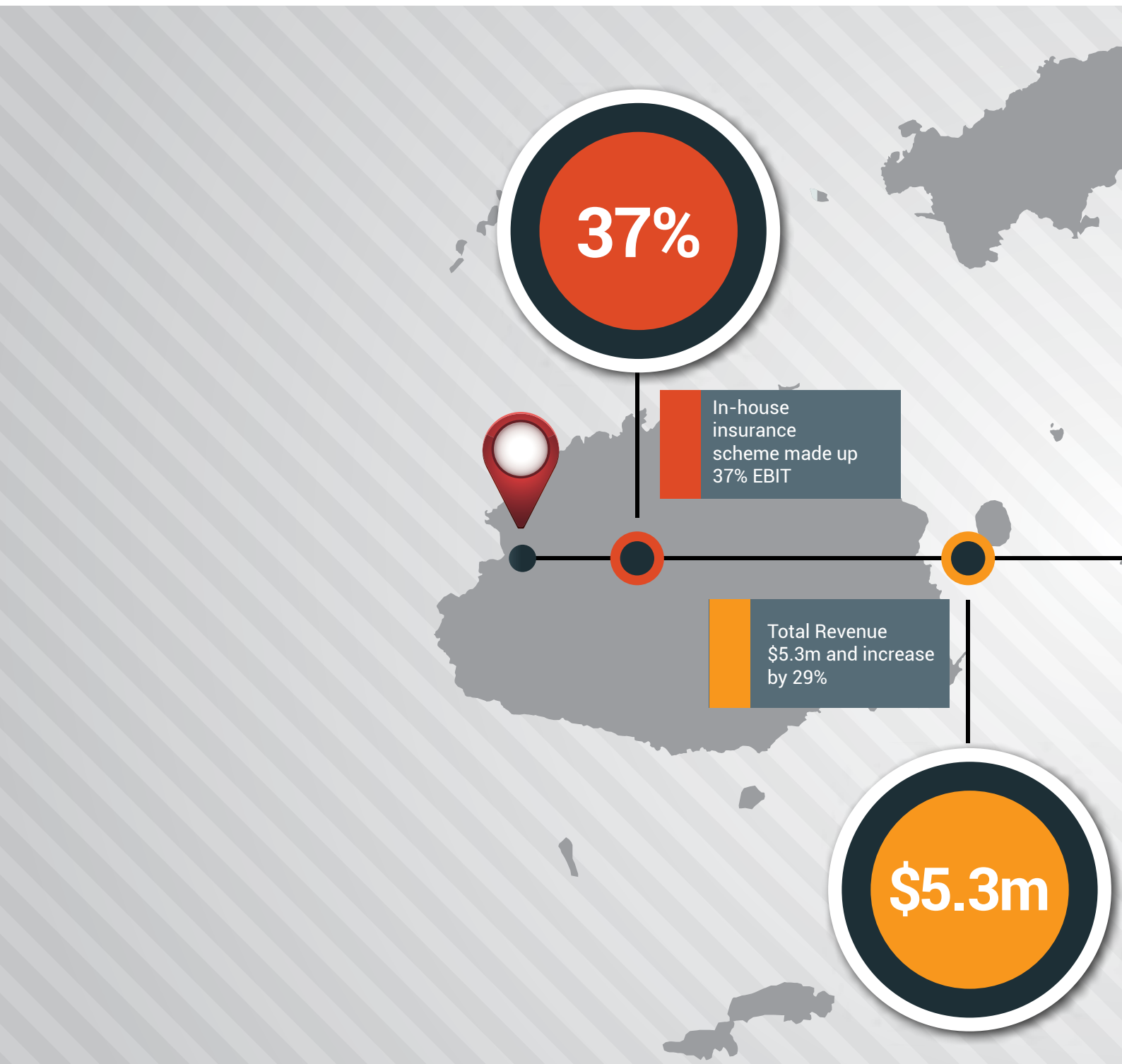




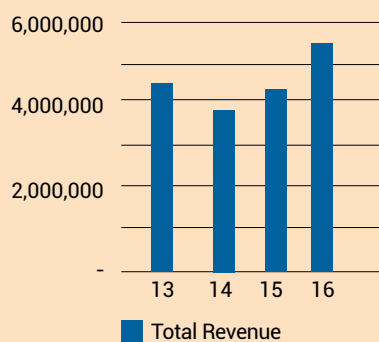
Financial Performance Summary

	2013	2014	2015*	2016
Total Revenue (including interest income)	4,502,433	3,994,320	4,156,275	5,360,215
Net profit after tax	114,750	237,749	276,337	824,394
Cash and cash equivalents	385,594	578,308	982,056	1,987,577
Total assets	3,051,238	3,249,742	3,545,400	4,608,276
Total liabilities	1,676,200	1,636,955	1,401,039	1,639,521
Total Shareholders' Equity	1,375,038	1,612,787	2,144,361	2,968,755
Earnings per share	0.06	0.12	0.14	0.41
Dividend per share	-	-	-	-
Net tangible assets per share	0.69	0.81	1.07	1.48
Profitability measures				
Return on assets	4%	8%	8%	20%
Return on equity	8%	15%	13%	28%
Profit margin	3%	6%	7%	15%
Liquidity measures				
Current ratio	1.22	2.93	3.68	3.10
Quick ratio	1.22	2.93	3.68	3.10
Activity measures				
Trade receivables turnover (Times)	17	13	13	18
Trade Receivables collection period (days)	21	31	27	21
Financial measures				
Debt ratio	0.55	0.50	0.40	0.36
Debt/equity ratio	1.22	1.01	0.65	0.55

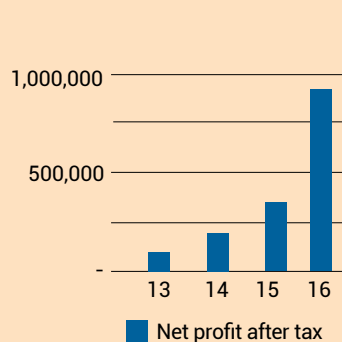
* The 2015 figures reflect the amounts shown in the comparatives of the 2016 Audited Financial Statements which has been adjusted for the transition to full IFRS.



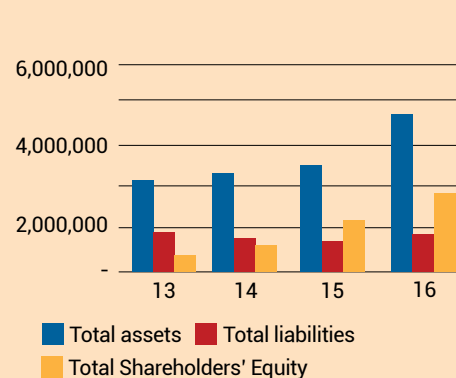
Total Revenue



Net profit after tax

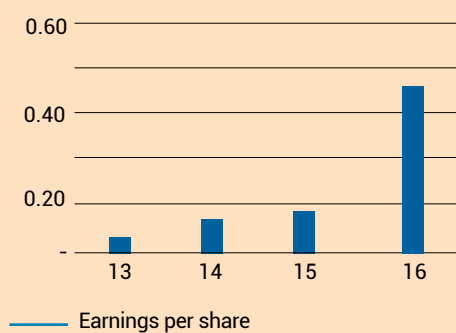


Key Balance Sheet Items

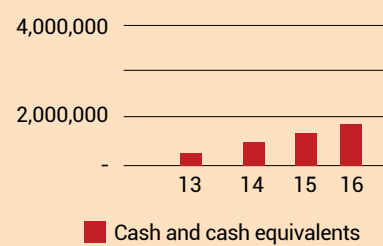




Earnings per share



Cash and cash equivalents



Board of Directors



Hiroshi Taniguchi
Chairman | Chief Executive Officer

Hiroshi is the Founder, Board Chairman and the Chief Executive Officer of the Company. He is also the Founder of the Japanese parent company, SPFB, in which he holds the same positions.

After gaining extensive experience in various business sectors throughout Asia, Hiroshi decided to invest in Fiji, moving here in 2006.

He currently holds 56,800 shares in FBL and has an indirect interest in the Company through SPFB of which he owns 72.61%. His total direct and indirect interests in FBL amount to 57.29%.

Further to the above, Hiroshi also holds directorships in the parent company SPFB, and Lanway Fiji Ltd and is a trustee to the Ba Provincial Free Bird Institute and En Ningenseichou Foundation.



Mereseini Baleilevuka
Executive Director | Chief Operations Officer

Mereseini has been the communication link between Japan and Fiji since 2005. Backed by her extensive knowledge and experience of over 20 years in the education sector in Fiji, she assisted Hiroshi with the establishment of

the Institute here in Fiji and is responsible for the day-to-day operations.

She graduated from the University of the South Pacific with a Bachelor of Arts with majors in Education and English Language/Literature.

She holds 1,000 shares in FBL and has an indirect interest in the Company through SPFB in which she owns 0.05%. She also holds ownership rights and is a registered director in Befund Investment Ltd, an Investment Company and Cowbell Limited which is an English Language school for Chinese students that commenced operations in September 2016.



Waisale Iowane
Executive Director | Chief Financial Officer | Compliance Officer

Waisale holds a Bachelor of Commerce degree with majors in Accounting and Banking from the University of the South Pacific and has over six years in experience out of which four years' experience in chartered accountancy firms, Aliz Pacific and KPMG, where he held Senior

Accountant positions. He subsequently worked at Fiji Airways as the first ever Tax Analyst before joining FBL in late 2015.

He is a provisional member of the Fiji Institute of Accountants and is a current associate member of the Certified Practising Accountants (CPA) in Australia. He was also the Director Financial Services for the Rotaract Club of Nadi New Horizons and a graduate of the Leadership Fiji programme in 2014.

Waisale has no direct or indirect interest in shares of FBL.



Yoshinobu Higashi
Non-Executive Director

Yoshinobu holds a Bachelor of Law degree from Tokyo University, Japan and has held various posts with the Japanese Government including diplomatic postings as the Ambassador for Japan to Geneva, Switzerland and Romania. He was also the Director General for Economy and Political Coordination with

the Japanese Government, a Professor at Tohoku University, Japan and the General Manager of Josai University, Japan.

He holds 25,000 shares in FBL and has an indirect interest in the Company through SPFB in which he owns 0.87% in shareholdings tallying to 0.07% in total interest held in FBL. He also holds directorship with the board of the parent company, SPFB.



Raman Velji
Independent Non-Executive Director

Raman is a Nadi based businessman and an independent non-executive director on FBIL's board. He holds a Bachelor of Arts degree in Linguistics from Pacific University, California and is a licensed Real Estate Broker in the state of Oregon, USA.

Additionally, Raman is employed as an executive director on the Board of Pacific Hotel Brokers. He has no direct or indirect interest in shares of the Company.



Adi Litia Qionibaravi
Independent Non-Executive Director

Adi Litia is an independent director on FBL's board and brings a wealth of knowledge and experience to the board having a professional background in both accountancy, business administration and law. She currently is based in

Suva serving as the General Secretary to the Social Democratic Liberal Party.

She was admitted as a chartered accountant in 1984 with the Fiji Institute of Accountants. She is also a Barrister/Solicitor of the High Court of Fiji, member of the Fiji Law Society, was admitted in 1993 as a Barrister of the Supreme Court of New South Wales and Barrister of the Supreme Court of the Australian Capital Territory – Canberra.

She had served in various company boards including Fiji TV, Fijian Holdings, Telecom (Fiji) Limited, Amalgamated Telecom Holdings and Yasana Holdings.

Adi Litia also holds directorship positions with the Vitivou Forum and the Adi Cakobau School Old Girls Inc. Ltd. She otherwise has no direct or indirect interest in shares of the Company.

Management Team



L-R Sereana Lalakobau – Finance Manager, **Yuma Nagasaki** – Support Manager, **Losalini Tagiteci** – HR & Administration Manager, **Marica Debalevu** – Vice Principal



Corporate Governance Statement

Free Bird Institute Limited (FBL) supports the Corporate Governance Code for the Capital Market issued by the Reserve Bank of Fiji in June 2008. The Code entails 10 core principles with implementation guidance in the form of best practise recommendations.

Whilst the recommendations are not mandatory and cannot, in themselves, prevent corporate failure or mistakes in corporate decision making, they do provide a reference point for enhanced structures to safeguard an entity and optimise performance and accountability.

Principle 1: Role of the Board

The board has adopted a formal Charter which sets out the roles, functions, obligations, rights, responsibilities and powers of the Board. It also highlights the policies and practices of the Board in respect of its duties, functions and responsibilities.

In brief, the Board shall assume ultimate accountability and responsibility for the performance and affairs of the Company and shall in doing so, effectively represent and promote the legitimate interests of the Company and its members.

Principle 2: Composition of the Board

To ensure that the FBL Board effectively carried out its role, its Board composition displays expertise in all key strategic areas relevant to the Company's operations (beyond Accounting, Finance and Law), diversity in thought as well as diversity in gender composition. This is made possible through the provisions in the Company's Board Charter and also its internal Fit & Proper policy.

As per the formal Board Charter, the Company shall maintain a unitary Board which shall comprise of executive and non-executive directors where the Chairman of the Board shall be the Chief Executive Officer.

The Board of Directors at balance date were as follows:

Hiroshi Taniguchi	Chairman
Mereseini Baleilevuka	Executive Director
Waisale Iowane	Executive Director
Yoshinobu Higashi	Non-Executive Director
Adi Litia Qionibaravi	Non-Executive Independent Director
Raman Velji	Non-Executive Independent Director

In line with our commitment to becoming a listed company, the Board composition explicitly comprises a minimum of 1/3 Independent Directors who are deemed Independent as per the SPSE's Independent Directors Guidance Note.

Meetings of the Board

The Board Charter requires the Board to meet three (3) times per year. Management packs are made available to the Board of Directors on a monthly basis so that they are well informed with the financial performance and position of the company on a regular basis. The Board met 5 times during the 2016 financial year and the members' attendance at these board meetings is provided below.

Meeting dates	18.03.16	22.06.16	27.06.16	06.09.16	2.11.16
Hiroshi Taniguchi	P	P	P	P	P
Mereseini Baleilevuka	P	P	P	P	AP
Waisale Iowane	P	P	P	P	P
Yoshinobu Higashi	P	AP	AP	AP	P
Raman Velji	P	P	P	P	P
Adi Litia Qionibaravi	-	-	-	P	P

Key: P - Present A - Absent AP - Apologies

Principle 3: Appointment of a Chief Executive Officer (CEO)

The CEO is appointed by the FBL Board and the remuneration of the CEO is decided and approved by the Board. The current CEO is Mr Hiroshi Taniguchi.

Principle 4: Board & Company Secretary

The Company secretary is the administrative link between the Board and Management and is responsible for ensuring compliance to Company activities. Alongside this, the Company Secretary also monitors statutory requirements and ensures that the board policy and procedures are being adhered to in a timely manner.

The Company Secretary ensures that the board notices, agendas, briefing material as well as the recording and maintenance of the board meeting minutes are kept. As at the balance date, the Company Secretary is Tupou Ma'ata who is also an Assistant Accountant of FBL.

FBL is committed to ongoing capacity building for its Board Secretary, particularly in light of the codified responsibilities of this position in the Companies Act 2015.

Principle 5: Timely and balanced disclosure

The Company ensures that important financial and non-financial information about the company, in particular its performance, is made available to its shareholders in a timely manner. This includes but is not limited to the provision of annual audited accounts and convening of Annual General Meetings each year to/for Company shareholders. Management also ensures that all statutory filings are complied with.

Moving forward, compliance with important principle will be strengthened further. As a listed entity, the Company will be subjected to the rules and regulations of the South Pacific Stock Exchange and the Reserve Bank of Fiji and as such, market announcements will be made when required along with six monthly reports, audited financial statements as well as annual reports.

Principle 6: Promote ethical and responsible decision-making

FBL promotes and believes that all its directors and employees uphold high standards, honesty and fairness in all aspects of their employment and association with the Company. This is made possible through the internal Fit & Proper Policy which ensures that Board Directors and officers holding key positions are those that have been assessed as having and have clearly demonstrated ethical decision making abilities.

Included in the internal Fit & Proper Policy is a Whistle Blowing provision which gives employees and Directors the freedom to confidentially report certain instances of unethical or irresponsible behaviours to the Reserve Bank of Fiji at any time.

Principle 7: Register of Interests

The Company maintains a register of interest for Directors which records declarations of any business or personal interest which may conflict with their ability to objectively deliver their responsibilities as members of the Board of FBL. This declaration is made on an annual basis.

FBL Board of Directors are not to use any information gained in the course of their duties to promote their private interests or for personal, direct or indirect gain or lay directors open to suspicion of doing so.

Principle 8: Respect the rights of the Shareholders

In implementing this Principle, FBL ensures that all shareholders are given appropriate notice in-lieu for Annual General Meetings and are provided with AGM packs as well as a copy of the relevant year's audited financial statements. This allows for effective dialogue between shareholders and the Board as the Management of the Company.

In addition to the above, the Company has an Open-Door policy for all its shareholders should they wish to raise questions or complaints directly with the Company, so long as such matters are related to their shareholding of the Company.

Moving forward, when FBL becomes a listed entity, it shall make available to the members any material information concerning the Company through market announcements as well as regular reporting as required under the SPSE listing rules.

These announcements and results will be made available on the Company's website.

FBL shall also transfer its Shareholders Register to Central Share Registry Limited which shall be responsible for receiving and addressing all shareholder queries and concerns.

Principle 9: Accountability and audit

FBL is audited annually by an external auditor who is appointed by the shareholders at an AGM. The Auditors report directly to the members and board of FBL.

Management accounts are provided to the Board on a monthly basis to ensure that information relating to the company is relayed to the Board on a timely basis.

Principle 10: Recognise and manage risk

The Board of Directors and Executive Management of the Company continue to identify, monitor, review and assess any material risk that FBL is or could be exposed to. They are also responsible for disclosures on risk management in the annual reports and financial statements. The Board and Executives need to ensure that risk assessments are undertaken at least annually for the purposes of making its public statements on risk management.

The Board is provided with a risk register in the Management packs which includes any risks that Management identifies. Any risk that is identified is then tabled for discussion by the Board for an appropriate action plan to manage any such risks.

FREE BIRD INSTITUTE LIMITED

Financial Statements

For the year ended 31 December 2016

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FREE BIRD INSTITUTE LIMITED

Directors' report

For the year ended 31 December 2016

In accordance with a resolution of the Board of Directors, the directors herewith submit the statement of financial position of Free Bird Institute Limited (the "Company") as at 31 December 2016 and the related statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and report as follows:

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

Raman Velji

Adi Litia Qionibaravi (Appointed 14 July 2016)

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 2016 and the accompanying statement of profit or loss and other 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 activities

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

Results

The recorded net profit of the Company after income tax expense of \$202,091 (2015: \$83,661) for the year amounted to \$824,394 (2015: \$276,337).

Dividends

During the year, no dividends have been declared or proposed for the year (2015: Nil).

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.

Going concern

The Directors consider the Company to be a going concern. The Directors believe that the basis of preparation of the financial statements is appropriate and the Company will be able to continue in operation for at least 12 months from the date of this report.

Events subsequent to balance date

On 2 February 2017, the Company was officially listed on the South Pacific Stock Exchange.

On 22 February 2017, the Company declared dividends of \$100,000 (5 cents per share) with respect to the 2016 financial year.

Other than the above, 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.

Directors' Interests

No director of the Company has, since the end of the previous financial year, received or become entitled to receive a benefit (other than a benefit included in the total amount of emoluments received or due and receivable by directors as shown in the financial statements) by reason of a contract made by the Company or related corporation with the director or with a firm of which he is a member, or with a Company in which he has a substantial financial interest.

Dated at NADI this 12TH day of APRIL 2017.

Signed in accordance with a resolution of the Directors.



Director



Director

FREE BIRD INSTITUTE LIMITED

Statement by Directors

For the year ended 31 December 2016

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

- (a) the accompanying statement of profit or loss and other 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 2016;
- (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 2016;
- (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 2016;
- (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 2016;
- (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;
- (f) all related party transactions have been adequately recorded in the books of the Company and;
- (g) the financial statements have been prepared in accordance with the Companies Act 2015.

Dated at NADI this 12TH day of APRIL 2017.

Signed in accordance with a resolution of the Directors.



Director



Director



Independence Declaration

For the year ended 31 December 2016

AUDITORS INDEPENDENCE DECLARATION UNDER SECTION 395 OF THE COMPANIES ACT 2015

To: the Directors of Free Bird Institute Limited

As required under Section 395 of the Companies Act 2015, we declare that to the best of our knowledge and belief, in relation to the audit for the year ended 31 December 2016 and up to the date of this report there have been:

- (i) no contraventions of the Auditor independence requirements as set out in the Fiji Companies Act 2015 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

12 April 2017
Nadi, Fiji

A handwritten signature in dark ink, appearing to read 'KPMG' with a stylized flourish underneath.

KPMG
Chartered Accountants



Independent Audit Report

For the year ended 31 December 2016

To the Shareholders of Free Bird Institute Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Free Bird Institute Limited ("the Company") which comprise the statement of financial position as at 31 December 2016, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information as set out in notes 1 to 32.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Companies Act 2015 and the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Independent Audit Report

For the year ended 31 December 2016

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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:

- proper books of account have been kept by the Company, sufficient to enable financial statements to be prepared, so far as it appears from our examination of those books; and
- to the best of our knowledge and according to the information and explanations given to us the financial statements give the information required by the Companies Act 2015, in the manner so required.

KPMG
12 April 2017
Nadi, Fiji

Sharvek Naidu, Partner

FREE BIRD INSTITUTE LIMITED

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2016

		2016	2015*
	Note	\$	\$
Revenue			
Service fees		4,807,560	4,138,379
In-house insurance premiums	7	522,157	-
Other income		14,784	12,020
		5,344,501	4,150,399
Expenses			
In-house insurance claims	8	(44,839)	-
Commission expense	9	(226,845)	-
Direct operating expenses	10	(1,623,897)	(1,679,898)
Depreciation	19	(88,687)	(83,619)
Personnel expenses	11	(1,543,621)	(1,375,394)
Other expenses	12	(538,453)	(391,554)
		1,278,159	619,934
Profit from operations			
Finance income	13 (a)	15,714	5,876
Finance cost	13 (b)	(267,388)	(265,812)
Net finance costs		(251,674)	(259,936)
Profit before tax		1,026,485	359,998
Income tax expense	14 (a)	(202,091)	(83,661)
Profit for the year		824,394	276,337
Other comprehensive income, net of income tax		-	-
Total comprehensive income for the year		824,394	276,337
Earnings per share			
Basic and diluted earnings per share	25	\$0.41	\$0.14

* Refer to Note 32

The notes on pages 28 to 50 are an integral part of these financial statements

FREE BIRD INSTITUTE LIMITED

Statement of changes in equity

For the year ended 31 December 2016

	Share capital	(Accumulated losses)/ Retained Earnings	Equity contribution reserve	Total
	\$	\$	\$	\$
Balance at 1 January 2015	2,000,000	(387,213)	255,237	1,612,787
Total comprehensive income for the year				
Profit for the year	-	276,337	-	276,337
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	276,337	-	276,337
Balance at 31 December 2015	2,000,000	(110,876)	255,237	1,889,124
At 1 January 2016	2,000,000	(110,876)	255,237	1,889,124
Total comprehensive income for the year				
Profit for the year	-	824,394	-	824,394
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	824,394	-	824,394
Balance at 31 December 2016	2,000,000	713,518	255,237	2,713,518

The notes on pages 28 to 50 are an integral part of these financial statements

FREE BIRD INSTITUTE LIMITED

Statement of financial position

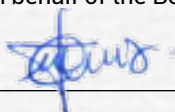
As at 31 December 2016

	Note	2016	2015	1 January 2015*
		\$	\$	\$
Assets				
Current assets				
Cash and cash equivalents	15	1,987,577	982,056	578,308
Trade and other receivables	16	413,726	424,107	398,159
Prepayments	17	40,906	9,822	13,180
Held-to-maturity investments	18	31,440	29,045	20,000
Total current assets		2,473,649	1,445,030	1,009,647
Non-current assets				
Trade and other receivables	16	112,054	58,428	51,100
Held-to-maturity investments	18	50,000	21,440	50,000
Property, plant and equipment	19	1,966,888	1,893,195	1,928,027
Deferred tax asset	14 (c)	5,685	127,307	210,968
Total non-current assets		2,134,627	2,100,370	2,240,095
Total assets		4,608,276	3,545,400	3,249,742
Liabilities				
Current liabilities				
Trade and other payables	20	228,411	145,233	142,117
Payable to related parties	21	47,439	61,681	131,593
Interest bearing borrowings	22	409,935	185,572	220,733
In-house Insurance liabilities	23	82,800	-	-
Current tax liability	14 (d)	29,101	-	-
Total current liabilities		797,686	392,486	494,443
Non-current liability				
Interest bearing borrowings	22	841,835	1,008,553	887,275
Total non-current liability		841,835	1,008,553	887,275
Total liabilities		1,639,521	1,401,039	1,381,718
Shareholders' equity				
Share capital	24 (b)	2,000,000	2,000,000	2,000,000
Retained earnings/ (Accumulated losses)		713,518	(110,876)	(387,213)
Equity contribution reserve	24 (c)	255,237	255,237	255,237
Total shareholders' equity		2,968,755	2,144,361	1,868,024
Total shareholders equity and liabilities		4,608,276	3,545,400	3,249,742


* Refer to Note 32

Signed on behalf of the Board

Director



Director



The notes on pages 28 to 50 are an integral part of these financial statements

FREE BIRD INSTITUTE LIMITED
Statement of cash flows
 For the year ended 31 December 2016

		2016	2015
	Note	\$	\$
Operating activities			
Receipts from customers		4,830,738	4,172,368
Payment to suppliers and employees		(3,795,793)	(3,626,696)
In-house insurance premiums received		320,830	-
In-house insurance Claims paid		(21,225)	-
Interest received	13 (a)	15,714	3,261
Interest paid		(12,724)	(19,798)
Income tax paid	14(d)	(51,368)	-
Net cash from operating activities		1,286,172	529,135
Investing activities			
Acquisition of property, plant and equipment	19	(162,380)	(51,891)
Proceeds from sale of property, plant and equipment		1,009	6,957
Investment in held to maturity investments		(30,955)	-
Net cash used in investing activities		(192,326)	(44,934)
Financing activities			
Repayment of interest bearing borrowings during the year		(88,325)	(80,453)
Net cash used in financing activities		(88,325)	(80,453)
Net increase in cash and cash equivalents		1,005,521	403,748
Cash and cash equivalents at 1 January		982,056	578,308
Cash and cash equivalents at 31 December	15	1,987,577	982,056

The notes on pages 28 to 50 are an integral part of these financial statements

FREE BIRD INSTITUTE LIMITED

Notes to the financial statements

For the year ended 31 December 2016

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 Office 1, Level 1, Lot 13 Commercial Street, Concave Subdivision, Namaka, Nadi.

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

2. Basis of preparation**(a) Statement of compliance**

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRSs) and the requirements of Fiji Companies Act 2015. These are the Company's first financial statements prepared in accordance with IFRSs and IFRS 1 First Time Adoption of International Financial Reporting Standards has been applied.

An explanation of how the transition to IFRSs has affected the reported financial position, financial performance and cash flows of the Company is provided in Note 32.

The financial statements were authorised for issue by the Board of directors on 12th April, 2017.

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis unless otherwise indicated.

(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

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actuals may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The key areas in which critical estimates and judgments are applied are described below:

(i) Claims liabilities arising under in-house insurance contracts

Provision is made for the estimated cost of claims incurred but not settled at the balance date. This provision consists of estimates of both the expected ultimate cost of claims notified to the Company as well as the expected ultimate cost of claims incurred but not reported to the Company ("IBNR"). The estimated cost of claims includes direct expenses that are expected to be incurred in settling those claims.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Company, where more information about the claims is generally available.

IBNR claims may often not be apparent to the insured until certain months after the events giving rise to the claims has happened. In calculating the estimated cost of unpaid claims the Company, reviews the cost of claims paid during the year and subsequent to year end claims lodged and processed. Based on this a provision is determined. This method of provisioning is used as the term of the insurance policies are short term in nature based on the duration of a course the student opts to take. In early 2016, the Company commenced offering in-house insurance products to the students undertaking courses at the school, therefore the historical data is only available from this period.

Notes to the financial statements

For the year ended 31 December 2016

3. Significant accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

(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.

(b) Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and cash at bank at balance date. Cash equivalents are short-term, highly liquid investments with original maturity term of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(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.

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%

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 as services are rendered by employees.

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.

FREE BIRD INSTITUTE LIMITED

Notes to the financial statements

For the year ended 31 December 2016

3. Significant accounting policies (continued)**(e) In-house insurance contracts**

The Company issues contracts that transfer insurance risk or financial risk or both. These contracts are issued to students for the duration that they undertake English learning courses at the Institute. Insurance contracts are those contracts that transfer significant insurance risk. Such contracts also transfer financial risk. As a general guide, the Company defines significant insurance risk as the possibility of having to pay benefits on the occurrence of an insured event.

(i) In-house insurance premium revenue

Premium comprises amounts charged to policyholders. Premiums are collected by the parent company, South Pacific Free Bird Institute Limited (SPFB) and are remitted to the Company after deducting a commission of 40%. Premium is treated as earned from the date of attachment of risk (generally the date a contract is agreed to) over the period of the related insurance contracts in accordance with the pattern of the incidence of risk expected under the contracts.

(ii) Unearned premium

Unearned premium is calculated based on the number of days remaining till the insurance policy expiry date. The unearned portion of the premium is recognised as an unearned premium liability on the statement of financial position.

(iii) Commission

Commission expenses are costs associated with obtaining and recording insurance contracts. The Company's parent SPFB charges a 40% commission for all insurance policies sold on behalf of the Company. These costs are amortised on the same basis as the earning pattern of the premium over the period of the insurance contract to which they relate.

(iv) In-house insurance claims

Claims expense represents claim payments adjusted for the movement in the outstanding claims liability. Allowance for incurred but not recorded (IBNR) on all classes of claims is measured based on a combination in historical data together with industry norms. The estimation of the outstanding claims liability involves a number of key assumptions and is a critical accounting estimate. All reasonable steps are taken to ensure that the information used regarding claims exposures is appropriate.

However, given the uncertainty in establishing the liability, it is likely that the final outcome will be different from the original liability established. Changes in claims estimates are recognised in profit or loss in the year in which the estimates are changed.

(f) Financial instruments

The Company classifies non-derivative financial assets into the following categories, held to maturity financial assets and loans and receivables.

The Company classifies non-derivative into the other financial liabilities category.

(i) Non derivative financial assets and financial liabilities - Recognition and derecognition

The Company initially recognises loans and receivables issued on the date when they are originated. All other financial assets and liabilities are initially recognised on the trade date when the entity 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 in a transaction in which substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

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

FREE BIRD INSTITUTE LIMITED

Notes to the financial statements

For the year ended 31 December 2016

3. Significant accounting policies (continued)**(f) Financial instruments (continued)****(ii) Non derivative financial assets - Measurement****Held to maturity financial assets and loans and receivables**

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest rate method. Loans and receivables comprises trade and other receivables. Held to maturity investments comprises investments in term deposits.

(iii) Non derivative financial liabilities - Measurement

Other non derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

(g) 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.

(h) 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.

(i) Trade and other payables and payables to related parties

Trade and other payables and payable to related parties are stated at cost.

(j) Loans and borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(k) Impairment**(i) Non derivative financial assets**

Financial assets are assessed at each reporting date to determine whether there is objective evidence of impairment. Refer to Note 3(h) for impairment of loans and receivables.

(ii) Non financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss is reverse only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

FREE BIRD INSTITUTE LIMITED

Notes to the financial statements

For the year ended 31 December 2016

3. Significant accounting policies (continued)**(l) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(m) Revenue

Service fees 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 and is recognised when the service is provided. For insurance revenue refer to Note 3(e)(i).

(n) 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.

(o) Dividend distribution

Provision is made for the amount of any dividend declared, determined or publicly recommended by the directors on or before the end of the financial year but not distributed at balance date.

(p) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if certain criteria is met.

(ii) Deferred tax

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 assets are recognised for unused tax losses, unused 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 used. Future taxable profits are determined based on budget of the Company and reversal of temporary differences. 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; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(q) Operating leases

Leases in which a significant portion of risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

FREE BIRD INSTITUTE LIMITED

Notes to the financial statements

For the year ended 31 December 2016

3. Significant accounting policies (continued)**(r) Comparative figures**

Where necessary, amounts relating to prior years have been reclassified to facilitate comparison and achieve consistency in disclosure with current year amounts.

4. Standards issued but not yet effective

A number of new standards and amendments to the standards are effective for annual periods beginning after 1 January 2016 and earlier application is permitted; however the Company has not early adopted the following new or amended standards in preparing these financial statements.

Disclosure initiative (Amendments to IAS 7)

These amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The amendments are effective for annual periods beginning on or after 1 January 2017, with early adoption permitted.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. The standard will provide a single source of requirements for accounting for all contracts with customers (except for some specific exceptions, such as lease contracts, insurance contracts and financial instruments) and will replace all current accounting pronouncements on revenue. New revenue disclosures are also introduced.

IFRS 9 Financial Instruments

IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. The standard partly replaces IAS 39 and introduces requirements for classifying and measuring financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments)

The amendment provides two optional solutions. One solution is a temporary exemption from IFRS 9, effectively deferring its application for some insurers. The other is an overlay approach to presentation to alleviate the volatility that may arise when applying IFRS 9 before the forthcoming insurance contracts standard. The amendments are effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

IFRS 16 Leases

IFRS 16 introduces a single, on balance sheet accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items. The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted for entities that apply IFRS 15 at or before the date of initial application of IFRS 16.

The Company has not performed a preliminary assessment of the potential impact of adoption of the above amendments and new standards on these financial statements.

5. Financial instruments - fair values and risk management**(a) Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

Risk management framework

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board requires that the management report provided to the Board every month contain a list of risks and opportunities. A risk register is maintained by the Company of all those risks identified and potential risks that the Company might be exposed to with regard to the changing business environment, legislation and all other known risks.

FREE BIRD INSTITUTE LIMITED

Notes to the financial statements

For the year ended 31 December 2016

5. Financial instruments - fair values and risk management (continued)**(i) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables.

The carrying amount of financial assets represents the maximum credit exposure.

Trade and other receivables

Apart from a small portion, the majority of the Company's revenue are from its parent company, South Pacific Free Bird Company Limited (SPFB) and receivables are of a short term nature. For service fees and in-house insurance premiums, SPFB invoices the students while the Company invoices SPFB at the end of each month. The exposure to credit risk is minimal.

The following table provides information regarding the ageing of the Company's trade and other receivables that are neither past due nor impaired and past due but not impaired:

	2016	2015
	\$	\$
Neither past due nor impaired	424,334	390,614
Past due 1-30 days	-	1,905
Past due 31-60 days	-	-
Past due 61-90 days	3,810	-
Greater than 90 days	97,636	90,016
	525,780	482,535

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full.

Cash and cash equivalents and held to maturity investments

The Company limits its exposure to credit risk by investing in term deposits or holding cash and cash equivalents with banks and other reputable financial institutions.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities. The Company also monitors the level of expected cash inflows on trade receivables together with expected cash outflows on trade and other payables.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

	Contractual cash flows				
	Carrying amount	Total	Up to 1 year	1-2 years	More than 2 years
31 December 2016	\$	\$	\$	\$	\$
Trade and other payables	228,411	228,411	228,411	-	-
Payable to related parties	47,439	47,439	47,439	-	-
Interest bearing borrowings	1,251,770	1,463,408	409,935	287,311	766,162
	1,527,620	1,739,258	685,785	287,311	766,162

FREE BIRD INSTITUTE LIMITED

Notes to the financial statements

For the year ended 31 December 2016

5. Financial instruments - fair values and risk management (continued)**(a) Financial risk management (continued)****(ii) Liquidity risk (continued)**Exposure to liquidity risk (continued)

	Contractual cash flows				
	Carrying amount	Total	Up to 1 year	1-2 years	More than 2 years
31 December 2015	\$	\$	\$	\$	\$
Trade and other payables	145,233	145,233	145,233	-	-
Payable to related parties	61,681	61,681	61,681	-	-
Interest bearing borrowings	1,194,125	1,594,319	148,567	148,567	1,297,185
	1,401,039	1,801,233	355,481	148,567	1,297,185

(iii) Market risk

Market risk is the risk that changes in market price such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising returns.

Interest rate risk

The Company adopts a policy of ensuring that as far as possible its interest rate risk exposure is at a fixed rate. This is achieved by entering into fixed-rate instruments.

Exposure to interest rate risk

The interest rate profile of the Company's interest bearing financial instruments is as follows:

	2016	2015
	\$	\$
Fixed rate instruments		
Held to maturity investments	81,440	70,000
Cash and cash equivalents- short term deposits	500,000	-
Interest bearing borrowings	(1,251,770)	(1,194,125)
	(670,330)	(1,124,125)

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets or financial liabilities at fair value through profit or loss therefore a change in interest rate at the reporting date would not affect profit or loss.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, cash and cash equivalents and borrowings are denominated and the respective currency of the Company. The functional currency of the Company is Fiji Dollar. Sales, borrowings and cash and cash equivalents are denominated in a currency other than the Fiji Dollar.

The Company has a Japanese Yen bank account which it uses to receipt all sales that are Yen based and for payments denominated in Yen. When settlements are required to be done in currencies other than the Japanese Yen, the Company seeks quotations from recognised banks and uses most favourable exchange rates for the purposes of the settlement.

FREE BIRD INSTITUTE LIMITED

Notes to the financial statements

For the year ended 31 December 2016

5. Financial instruments - fair values and risk management (continued)**(a) Financial risk management (continued)****(iii) Market risk (continued)**Exposure to currency risk

The summary quantitative data of the Company's exposure to currency risk is as follows:

	2016	2015
	Yen	Yen
Trade receivables	13,240,934	13,670,124
Interest bearing borrowings	75,093,861	78,163,972

Note the amounts above are in Yen as at 31 December 2016.

The following significant exchange rates have been applied:

	Year end spot rates	
	2016	2015
JPY 1	54.72	56.54

Sensitivity analysis

A 10% strengthening (weakening) of the Yen against the Fiji Dollar at 31 December would have affected the measurement of financial instrument denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Effect in FJD

	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 December 2016				
Financial assets	24,198	(24,198)	(20,165)	20,165
Financial liabilities	(137,233)	137,233	114,361	(114,361)
31 December 2015				
Financial assets	24,178	(24,178)	(20,148)	20,148
Financial liabilities	(138,245)	138,245	115,205	(115,205)

(b) Fair value estimation

The carrying value of trade and other receivables, trade and other payables and interest bearing borrowings are assumed to approximate their fair values.

6. Operating segments**(a) Basis for segmentation**

The Company's reportable segments are strategic business units that offer different products. They are managed separately because each business requires different marketing strategies.

The following summary describes the operations of each reportable segment.

Reportable segments	Operations
Service fees	Provision of English learning programs and facilitating high school learning to international students
In-house insurance	Writing of accidental, medical and travel insurance policies for international students undertaking tuition courses from February 2016.

The Company's Chief Executive Officer reviews the internal management reports of each segment at least monthly.

FREE BIRD INSTITUTE LIMITED

Notes to the financial statements

For the year ended 31 December 2016

6. Operating segments (continued)**(b) Informational about reportable segments**

Information related to each reportable segment is set out below. Segment profit (loss) before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments.

The accounting policies of the operating policies of the operating segments are the same as those described in the summary of significant accounting policies. Free Bird Institute Limited evaluates performance on the basis of profit or loss from operations before income tax expense.

2016	Reportable segments		Total
	Service fees	In-house Insurance	
	\$	\$	\$
External revenue and other income	4,822,344	522,157	5,344,501
Segment profit before tax	760,298	266,187	1,026,485
Interest income	-	15,714	15,714
Interest expense	(91,806)	-	(91,806)
Depreciation expense	(88,687)	-	(88,687)
Segment assets	4,084,892	523,384	4,608,276
Segment liabilities	1,556,721	82,800	1,639,521

2015

In 2015, the Company offered only one product which was service fees hence there were no separate segments

Revenue from South Pacific Free Bird Institute comprises 96% of the Company's total revenues.

7. In-house Insurance premium

	2016	2015
	\$	\$
Gross written insurance premium	627,025	-
Less premiums refunded during the year	(45,682)	-
Less unearned premium movement	(59,186)	-
	522,157	-

8. In-house Insurance claims

	2016	2015
	\$	\$
Gross in-house insurance claims incurred	21,225	-
Claims incurred but not reported	23,614	-
	44,839	-

9. Commission expense

	2016	2015
	\$	\$
Commission expense	250,229	-
Less prepaid commission expense movement	(23,384)	-
	226,845	-

FREE BIRD INSTITUTE LIMITED

Notes to the financial statements

For the year ended 31 December 2016

10. Direct operating expenses

	2016	2015
	\$	\$
Accommodation cost and supplies	10,868	21,558
Classroom supplies	61,370	67,797
Electricity and water	72,305	57,800
Home stay fees	1,232,913	1,258,722
Immigration and government fees	246,441	274,021
	1,623,897	1,679,898

11. Personnel expenses

	2016	2015
	\$	\$
Wages and salaries	1,105,393	1,021,042
Key management compensation - short term benefits	307,332	244,286
- contribution to Fiji National Provident Fund	30,734	24,429
Contributions to Fiji National Provident Fund	73,901	66,251
Fiji National University Levy	20,539	14,422
Other staff costs	5,722	4,964
	1,543,621	1,375,394

12. Other expenses

	2016	2015
	\$	\$
Accounting fees	38,935	19,109
Audit fees	13,500	13,500
Advertising	1,122	53,172
Bank charges	4,836	7,092
Consumables	1,301	5,562
Donations	36,500	-
Directors fees	12,000	-
Education and training	4,520	5,876
Freight, postage and courier	1,781	1,038
Insurance	2,976	2,790
License and rates	38,521	23,335
Gain on sale of motor vehicle	(1,009)	-
Meals and entertainment	11,559	13,164
Motor vehicle expenses	17,407	13,623
Non resident interest withholding tax	2,799	2,245
Office expenses	31,982	6,853
Balance carried forward	218,729	167,359

FREE BIRD INSTITUTE LIMITED

Notes to the financial statements

For the year ended 31 December 2016

12. Other expenses (continued)

	2016	2015
	\$	\$
Balance brought forward	218,729	167,359
Other expense	9,258	12,622
Printing & Stationery	5,754	17,353
Professional fees	64,295	2,500
Rent	132,000	117,756
Repair and maintenance	25,064	14,942
Subscriptions	1,871	619
Telephone and internet	40,027	35,291
Travel & Accommodation	39,729	22,737
Tuition	1,725	375
	538,453	391,554

13. Finance income and finance cost**(a) Finance income**

Interest income

	2016	2015
	\$	\$
Interest income	15,714	5,876

(b) Finance cost

Interest expense on borrowings
Realised foreign exchange loss
Unrealised foreign exchange loss

	2016	2015
Interest expense on borrowings	91,806	81,365
Realised foreign exchange loss	108,864	74,733
Unrealised foreign exchange loss	66,718	109,714
	267,388	265,812

14. Income tax**(a) Income tax expense recognised in the income statement**Current tax expense

Current year
Utilisation of carry forward tax losses
Under provision of deferred tax in prior years

	2016	2015
	\$	\$
Current year	220,793	138,494
Utilisation of carry forward tax losses	(109,557)	-
Under provision of deferred tax in prior years	(30,767)	(138,494)
	80,469	-

Deferred tax expense

Origination and reversal of temporary differences
Under provision of deferred tax in prior years
Effect of change in tax rate from 20% to 10% [refer Note 14 (c)]

	2016	2015
Origination and reversal of temporary differences	146,703	96,577
Under provision of deferred tax in prior years	(30,766)	(12,916)
Effect of change in tax rate from 20% to 10% [refer Note 14 (c)]	5,685	-
	121,622	83,661

Income tax expense

	2016	2015
Income tax expense	202,091	83,661

FREE BIRD INSTITUTE LIMITED

Notes to the financial statements

For the year ended 31 December 2016

14. Income tax (continued)

	2016	2015
	\$	\$
(b) Reconciliation of effective tax rate		
Operating profit before income tax	1,026,485	359,998
Prima facie income tax expense on operating profit before tax at 20% (2015: 20%)	205,297	72,000
Tax effect of permanent differences	21,875	24,577
Effect of change in tax rate for deferred tax assets and liabilities	5,686	-
Under provision of tax losses in prior year	(30,767)	-12,916
Income tax expense	202,091	83,661

	2016	2015	1 January 2015
	\$	\$	\$
(c) Recognised deferred tax asset / (liability)			
Tax losses	-	109,557	210,238
Unrealised Foreign exchange loss	6,672	17,750	730
Property plant and equipment	(987)	-	-
	5,685	127,307	210,968

Movement in temporary differences during the year

	1 January 2016	Recognised in income statement	31 December 2016*
	\$	\$	\$
Tax losses	109,557	(109,557)	-
Unrealised Foreign exchange loss	17,750	(11,078)	6,672
Property plant and equipment	-	(987)	(987)
	127,307	(121,622)	5,685

* Deferred tax asset and liability for 2016 is recognised at a tax rate of 10% following the listing of the Company subsequent to year end.

	1 January 2015	Recognised in income statement	31 December 2015
	\$	\$	\$
Tax losses	210,238	(100,681)	109,557
Unrealised Foreign exchange loss	730	17,020	17,750
	210,968	(83,661)	127,307

Carryforward tax losses expire on 31 December 2016.

	2016	2015	1 January 2015
	\$	\$	\$
(d) Income tax payable			
Opening balance	-	-	-
Current tax liability	220,793	138,494	-
Utilisation of carry forward tax losses	(140,324)	(138,494)	-
Payments made during the year	(51,368)	-	-
Closing balance	29,101	-	-

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Notes to the financial statements

For the year ended 31 December 2016

15. Cash and cash equivalents

	2016	2015	1 January 2015
	\$	\$	\$
Cash on hand	1,336	3,782	4,390
Cash at bank	1,486,241	978,274	573,918
Short term deposits	500,000	-	-
Cash and cash equivalents in the Statement of Cash flows	1,987,577	982,056	578,308

The short term deposits have a maturity of 3 months and interest rate is 4% per annum.

16. Trade and other receivables

Receivable from South Pacific Free Bird - tuition fee	232,638	241,776	267,598
Receivable from South Pacific Free Bird - in-house insurance premium	10,284	-	-
Receivable from related party - Ba Provincial Free Bird Institute	61,283	61,283	61,283
Immigration and other bonds	221,123	178,759	119,996
Other receivables	452	717	382
	525,780	482,535	449,259

Classified in the financial statements as follows:

Current	413,726	424,107	398,159
Non Current	112,054	58,428	51,100
	525,780	482,535	449,259

17. Prepayments

Commission prepaid	23,384	-	-
Other prepayments	17,522	9,822	13,180
	40,906	9,822	13,180

18. Held-to-maturity investment

Term deposits -current	31,440	29,045	20,000
Term deposits -non current	50,000	21,440	50,000
	81,440	50,485	70,000

Term deposits will mature on 25 October 2017, 24 December 2017 and 17 August 2018 with interest rate of 1.7%, 3% and 2.5% respectively (2015: 24 December 2017 and 17 August 2018 and interest rate of 3% and 2.5%).

Term deposits amounting to \$21,440 (2015: 21,440) are held as registered security for immigration bonds paid by the bank on behalf of the Company.

FREE BIRD INSTITUTE LIMITED

Notes to the financial statements

For the year ended 31 December 2016

19. Property, plant and equipment

	Buildings	Motor vehicles	Walkway and Fence	Office equipment & Furniture	Total
	\$	\$	\$	\$	\$
Cost					
Balance as 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	1,891,491	82,563	244,949	168,575	2,387,578
Balance at 1 January 2016	1,891,491	82,563	244,949	168,575	2,387,578
Additions	116,972	19,541	-	25,867	162,380
Disposals	-	-	-	(3,800)	(3,800)
Balance at 31 December 2016	2,008,463	102,104	244,949	190,642	2,546,158
Depreciation					
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 2016	319,683	23,347	37,877	113,476	494,383
Balance at 1 January 2016	319,683	23,347	37,877	113,476	494,383
Depreciation charge for the year	48,685	18,060	6,121	15,821	88,687
Disposals	-	-	-	(3,800)	(3,800)
Balance at 31 December 2016	368,368	41,407	43,998	125,497	579,270
Carrying amount					
At 1 January 2015	1,619,095	35,837	213,197	59,898	1,928,027
At 31 December 2015	1,571,808	59,216	207,072	55,099	1,893,195
At 31 December 2016	1,640,095	60,697	200,951	65,145	1,966,888

20. Trade and other payables

	2016	2015	1 January 2015
	\$	\$	\$
Trade payables	19,625	45,352	28,642
Accruals	161,561	71,672	28,595
Withholding tax payable	13,062	7,553	7,553
Other payables	18,685	9,432	43,692
Tuition fees received in advance	14,025	6,022	22,418
VAT payable	1,453	5,202	11,217
	228,411	145,233	142,117

FREE BIRD INSTITUTE LIMITED

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For the year ended 31 December 2016

21. Related party payable

	2016	2015	1 January 2015
	\$	\$	\$
Payable to South Pacific Free Bird Company Limited	47,439	61,681	131,593

The above payables are unsecured and non interest bearing.

22. Interest bearing borrowings

South Pacific Free Bird Company Limited	1,251,770	1,194,125	1,108,008
Disclosed as follows:			
Current	409,935	185,572	220,733
Non current	841,835	1,008,553	887,275
	1,251,770	1,194,125	1,108,008

Borrowings from South Pacific Free Bird Company Limited are unsecured with monthly repayments of 1,310, 138 Yen (2015: No fixed monthly instalments repayments) with interest charged at a rate of 3% per annum (2015: 3% per annum). During the year, the Company amalgamated the 3 loans into a single loan effective 01/08/2016 for a period of five years.

The interest bearing borrowings have been recognised at their fair value on 1 January 2015, being the present value of the expected future cash flows, discounted using a market-related rate of 7.61% per annum. The difference between the fair value and the nominal value of the amount payable has been credited to Equity Contribution Reserve. Subsequent to 1 January 2015, the loan has been measured at amortised cost using the effective interest rate method over the term to maturity. The liability will increase over the life of the loan to maturity. This accretion in the liability will be recognised in profit or loss as interest expense.

23. In-house Insurance liabilities

	Note	2016	2015	1 January 2015
		\$	\$	\$
Gross				
Claims incurred but not reported	(i)	23,614	-	-
Unearned premium	(ii)	59,186	-	-
		82,800	-	-
Prepaid commission	17 / (iii)	(23,384)	-	-
Total liabilities, gross		59,416	-	-

During the year, the Company commenced operating an in-house insurance scheme to assist international students with their insurance requirements. Premium earnings have been taken to profit or loss on a straight line basis over the term of the insurance which is principally short-term in nature.

Due to the short term nature of the insurance contracts all in-house insurance liabilities have been classified as current.

- (i) This represents a provision for claims incurred but not reported (IBNR). This has been calculated based on the actual claims incurred during the year. This method has been adopted by management given this is a new product the Company has commenced selling during the year and there is limited historical data available to base the provision. The coverage taken by the students only extends to the duration of studies in Fiji and is not a life term. The coverage of the insurance contract starts when students depart the international airport of their country of residence and ends upon arrival at the international airport of country of residence in the case of a normal period of studies. Where students do not return to their country of residence upon completion of studies, the policy ends when they depart Fiji.

FREE BIRD INSTITUTE LIMITED

Notes to the financial statements

For the year ended 31 December 2016

23. In-house Insurance liabilities (continued)

	2016	2015	1 January 2015
	\$	\$	\$
(ii) Unearned premium reconciliation			
Balance at the beginning of the year	-	-	-
Gross premiums received during the year	627,025	-	-
Premiums earned	(522,157)	-	-
Premiums refunded	(45,682)	-	-
Balance at the end of the year	59,186	-	-
(iii) Prepaid commission reconciliation			
Balance at the beginning of the year	-	-	-
Commission expense during the year	250,229	-	-
Amortisation of costs to profit or loss	(226,845)	-	-
Balance at the end of the year	23,384	-	-

Insurance contracts

Insurance contracts are those contracts that transfer significant insurance risk at the inception of the contract. The Company has reviewed all the contracts issued to its students (policyholders) and concluded that they all meet the definition of insurance contracts.

The Company offers five different plans to its students based on the number of days a student would take the insurance cover for. All plans include four types of covers being travel domestic, travel international, medical and accidents.

24. Share capital

	2016	2015	1 January 2015
	\$	\$	\$
(a) Authorised capital			
20,000,000 Ordinary shares	20,000,000	20,000,000	20,000,000
(b) Issued capital			
2,000,000 (2015: 2,000,000)	2,000,000	2,000,000	2,000,000

Shares of the Company do not have a par value.

Reconciliation of issued capital is as follows:

Balance at 1 January	2,000,000	2,000,000	2,000,000
Additional shares issued during the year	-	-	-
Balance at 31 December	2,000,000	2,000,000	2,000,000

Shareholders at 31 December:

South Pacific Free Bird Company Limited	1,500,000	1,500,000	1,600,000
Dilikoti Veisokoyaki	220,550	220,550	-
Capital Advisory Company Limited (Japan)	125,000	125,000	125,000
Hiroshi Taniguchi	56,800	56,800	176,800
Others	97,650	97,650	98,200
	2,000,000	2,000,000	2,000,000

FREE BIRD INSTITUTE LIMITED

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24. Share capital (continued)**(c) Equity contribution reserve**

The equity contribution reserve represents the difference between the nominal value of the amounts payable to related parties and their fair value (refer Note 22) on transition to IFRS on 1 January 2015. As the financing is provided by shareholders acting in their capacity as shareholders, the difference is treated as an equity contribution reserve.

25. Earnings per share

The calculation of earnings per share at 31 December 2016 was based on profit attributable to ordinary shareholders of \$824,394 (2015: \$276,337) and a weighted average number of ordinary shares outstanding of 2,000,000 (2015: 2,000,000) calculated as follows:

	2016	2015
	\$	\$
Profit after income tax for the year	824,394	276,337
Weighted average number of shares outstanding	2,000,000	2,000,000
Basic and diluted earnings per share	\$0.41	\$0.14

26. Related parties**(a) Directors**

The directors in office during the year were:

Hiroshi Taniguchi	Waisale Iowane
Mereseini Baleilevuka	Raman Velji
Yoshinobu Higashi	Adi Litia Qionibaravi (Appointed 14 July 2016)

Directors fees are disclosed in Note 12.

(b) Parent Company

The parent company of Free Bird Institute Limited is South Pacific Free Bird Company Limited, a private Company incorporated in Japan.

The Company is economically and financially dependent on South Pacific Free Bird Company Limited as 96% 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.

(c) Amounts (payable to) / receivable from related parties

	2016	2015
	\$	\$
<u>South Pacific Free Bird Company Limited</u>		
Interest bearing borrowings (note 22)	(1,251,770)	(1,194,125)
Other payables (note 21)	(47,439)	(61,681)
Trade receivables (note 16)	242,922	241,776
<u>Ba Provincial Free Bird Institute Limited</u>		
Trade receivables (note 16)	61,283	61,283

Ba Provincial Free Bird Institute Limited is a related party, as the school is managed on behalf of the parent company by Free Bird Institute Limited

FREE BIRD INSTITUTE LIMITED

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For the year ended 31 December 2016

26. Related parties (continued)**(d) Transactions with related parties**

During the year, the Company entered into various transactions with related parties. The aggregate value of major transactions with related parties during the year is as follows:

	2016	2015
	\$	\$
<u>South Pacific Free Bird Company Limited</u>		
Service fees	4,579,844	3,949,004
In-house Insurance premiums	522,157	-
	2016	2015
	\$	\$
Commission expense	226,845	-
License fees for software use	36,550	23,335
Interest expense on borrowings for the year	91,806	81,365
Repayment of principal and interest on borrowings	101,050	100,251

(e) Transactions with key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly including any director (whether executive or otherwise of that entity).

During the year the following persons were the executives and who are also directors of the Company identified as key management personnel with the greatest authority and responsibility for planning, directing and controlling the activities of the Company:

Name	Title
Hiroshi Taniguchi	Chief Executive Officer
Mereseini Baleilevuka	Chief Operations Officer
Waisale Iowane	Chief Financial Officer

Key management compensation is disclosed under Note 11.

27. Operating leases

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

	2016	2015
	\$	\$
Less than one year	132,000	78,000
Between one and five years	483,025	312,000
Greater than five years	2,229,518	2,307,518
	<u>2,844,543</u>	<u>2,697,518</u>

On 28 August 2009, the Company entered into a land lease agreement for a term of 30 years expiring on 20/08/2039. Under the agreement, rent is payable at the rate of \$3,000 per month.

On 3 December 2009, the Company entered into a land lease agreement for a term of 50 years expiring on 3/12/2059. Under the agreement, rent is payable at the rate of \$3,500 per month.

FREE BIRD INSTITUTE LIMITED

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27. Operating leases (continued)

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. In March 2016, the company moved to a new office space with a monthly rental of \$4,500 payable to Sharma Holdings Limited.

The total annual rental amounted to \$132,000 (2015: \$117,756)

28. Commitments

Capital commitments not otherwise provided for in the financial statements amounted to \$Nil (2015: \$Nil).

29. Contingent liabilities

	2016	2015
	\$	\$
Immigration bonds given by Westpac on behalf of the Company	1,905	20,995

30. 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.

31. Subsequent events

On 2 February 2017, the Company was officially listed on the South Pacific Stock Exchange.

On 22 February 2017, the Company declared dividends of \$100,000 (5 cents per share) with respect to the 2016 financial year.

Other than the above, 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.

32 Explanation of transition to IFRS

As stated in Note 2(a), these are the Company's first financial statements prepared in accordance with IFRSs.

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended 31 December 2016, the comparative information presented in these financial statements for the year ended 31 December 2015 and in the preparation of an opening IFRS statement of financial position at 1 January 2015 (the Company's date of transition).

In preparing its opening IFRS statement of financial position, the Company has adjusted amounts reported previously in financial statements in accordance with International Financial Reporting Standard for Small Medium Sized Entities (IFRS for SMEs). An explanation of how transition from IFRS for SME's to IFRSs has affected the Companies financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

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Notes to the financial statements

For the year ended 31 December 2016

32 Explanation of transition to IFRS (continued)**(i) Reconciliation of equity****1 January 2015****Assets****Current assets**

	Note	Previously reported	Effect of transition to IFRS	IFRSs
		\$	\$	\$
Cash and cash equivalents		578,308	-	578,308
Trade and other receivables	(c)	512,439	(114,280)	398,159
Prepayments	(c)	-	13,180	13,180
Held-to-maturity Investments		20,000	-	20,000
Total current assets		1,110,747	(101,100)	1,009,647

Non-current assets

Trade and other receivables	(c)	-	51,100	51,100
Held-to-maturity Investments	(c)	-	50,000	50,000
Property, plant and equipment		1,928,027	-	1,928,027
Deferred tax asset		210,968	-	210,968
Total non-current assets		2,138,995	101,100	2,240,095

Total assets

3,249,742	-	3,249,742
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Liabilities**Current liabilities**

Trade and other payables		142,117	-	142,117
Payable to related parties		131,593	-	131,593
Interest bearing borrowings	(a)	104,928	115,805	220,733
Total current liabilities		378,638	115,805	494,443

Non-current liability

Interest bearing borrowings		1,258,317	(371,042)	887,275
Total non-current liability		1,258,317	(371,042)	887,275

Total liabilities

1,636,955	(255,237)	1,381,718
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Shareholders' equity

Share capital		2,000,000	-	2,000,000
Accumulated losses		(387,213)	-	(387,213)
Equity contribution reserve	(a)	-	255,237	255,237
Total shareholders' equity		1,612,787	255,237	1,868,024

Total shareholders equity and liabilities

3,249,742	-	3,249,742
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FREE BIRD INSTITUTE LIMITED

Notes to the financial statements

For the year ended 31 December 2016

32 Explanation of transition to IFRS (continued)**(i) Reconciliation of equity (continued)****31 December 2015**

	Note	Previously reported	Effect of transition to IFRS	IFRSs
		\$	\$	\$
Assets				
Current assets				
Cash and cash equivalents		982,056	-	982,056
Trade and other receivables	(c)	521,402	(97,295)	424,107
Prepayments	(c)	-	9,822	9,822
Held-to-maturity Investments	(c)	-	29,045	29,045
Total current assets		1,503,458	(58,428)	1,445,030
Non-current assets				
Trade and other receivables	(c)	-	58,428	58,428
Held-to-maturity Investments		21,440	-	21,440
Property, plant and equipment		1,893,195	-	1,893,195
Deferred tax asset		127,307	-	127,307
Total non-current assets		2,041,942	58,428	2,100,370
Total assets		3,545,400	-	3,545,400
Liabilities				
Current liabilities				
Trade and other payables		145,233	-	145,233
Payable to related parties		61,681	-	61,681
Interest bearing borrowings	(a)	230,841	(45,269)	185,572
Total current liabilities		437,755	(45,269)	392,486
Non-current liability				
Interest bearing borrowings	(a)	1,151,613	(143,060)	1,008,553
Total non-current liability		1,151,613	(143,060)	1,008,553
Total liabilities		1,589,368	(188,329)	1,401,039
Shareholders' equity				
Share capital		2,000,000	-	2,000,000
Retained earnings/ (Accumulated losses)	(a)	(43,968)	(66,908)	(110,876)
Equity contribution reserve	(a)	-	255,237	255,237
Total shareholders' equity		1,956,032	188,329	2,144,361
Total shareholders equity and liabilities		3,545,400	-	3,545,400

FREE BIRD INSTITUTE LIMITED

Notes to the financial statements

For the year ended 31 December 2016

32 Explanation of transition to IFRS (continued)**(ii) Reconciliation of comprehensive income for the year ended 31 December 2015**

	Note	Previously reported	Effect of transition to IFRS	IFRSs
		\$	\$	\$
Revenue				
Service fees	(b)	4,146,546	(8,167)	4,138,379
Other income	(b)	-	12,020	12,020
		4,146,546	3,853	4,150,399
Expenses				
Direct operating expenses	(b)	(2,052,867)	372,969	(1,679,898)
Operating expenses	(b)	(1,135,980)	1,135,980	-
Administrative expenses	(b)	(337,765)	337,765	-
Depreciation	(b)	-	(83,619)	(83,619)
Personnel expenses	(b)	-	(1,375,394)	(1,375,394)
Other expenses	(b)	-	(391,554)	(391,554)
		619,934	-	619,934
Finance income		5,876	-	5,876
Finance cost	(a)	(198,904)	(66,908)	(265,812)
		426,906	(66,908)	359,998
Income tax expense		(83,661)	-	(83,661)
		343,245	(66,908)	276,337
Other comprehensive income, net of income tax		-		
		343,245	(66,908)	276,337

Notes to the reconciliation

- (a) Under IFRS for SMEs the interest bearing loans and borrowings were initially recognised at transaction cost and subsequently measured at amortised cost at an interest rate of 3%. Under IFRSs a financial liability is initially recognised at its fair value. If the interest charged on loan is an off-market interest rate the entity recognises the loan at its fair value. The entity accretes discount to profit or loss using the effective interest method.

The rate on the interest bearing borrowings is 3% per annum. This is considered an off-market interest rate. At the date of transition the fair value of the loan has been determined using a market rate of 7.61% and the difference between the fair value and the amount previously recorded has been taken to Equity Contribution Reserve.

- (b) The presentation of the statement of profit and loss has been changed from by "function" to "nature" to conform to the presentation for 2016. This reclassification had no impact on profit or loss income for the year ended 31 December 2015 or on equity as at that date.
- (c) These represent reclassification entries to the statement of financial position.

(iii) Adjustments to statement of cash flows for 2015

There were no differences between the statement of cash flows presented under IFRSs and the statement of cash flows previously reported under IFRS for SMEs.

Listing Requirements of the South Pacific Stock Exchange

(Unaudited and not included anywhere else in this Annual Report)

1. Shareholdings of those persons holding twenty (20) largest blocks of shares as required under section 6.31(iv) of the Listing Rules.

No	Shareholder Name	Number of Shares	Number of Shares
1	South Pacific Free Bird Co Ltd	1,500,000	75.00%
2	Dilikoti Cagi	220,550	11.03%
3	Capital Advisory Co Ltd	125,000	6.25%
4	IBC Co Ltd	62,500	3.13%
5	Hiroshi Taniguchi	56,800	2.84%
6	Yoshinobu Higashi	25,000	1.25%
7	Naulu Baleilevuka	2,000	0.10%
8	Mitsuo Sakashita	1,000	0.05%
9	Mereseini Baleilevuka	1,000	0.05%
10	Magdelene Naidu	650	0.03%
11	Losalini Tagiteci	550	0.03%
12	Sekope Kikau	500	0.03%
13	Bulou Ulamila Rokomoce	450	0.02%
14	Mosese Toganivalu	400	0.02%
15	Litea Bola	250	0.01%
16	Timoci Taukei	200	0.01%
17	Setareki Rakoto	200	0.01%
18	Vaciseva Bolaniwaqa	150	0.01%
19	Marica Debalevu	150	0.01%
20	Vinaisi Koro	150	0.01%

2. A distribution schedule of each class of equity security setting out the number of holders and percentage as required under section 6.31(v) of the Listing rules

	No. of Holders	% holding
Less than 500 shares	44	0.22%
500 to 5,000 shares	7	0.31%
20,001 to 30,000 shares	1	1.25%
50,001 to 100,000 shares	2	5.97%
100,001 to 1,000,000 shares	2	17.25%
Over 1,000,000 shares	1	75.00%

3. Summary of key financial results for the previous five years of the company as required under section 6.31(xii) of the Listing Rules

	2016	2015*	2014	2013	2012	2011
Net profit after tax	824,394	276,337	237,749	114,750	(1,150,060)	562,808
Current assets	2,473,649	1,445,030	1,110,747	763,637	650,900	382,492
Non-current assets	2,134,627	2,100,370	2,138,995	2,287,601	2,360,683	2,135,735
Total assets	4,608,276	3,545,400	3,249,742	3,051,238	3,011,583	2,518,227
Current liabilities	797,686	392,486	378,638	625,471	743,450	433,914
Non-current liabilities	841,835	1,008,553	1,258,317	1,050,729	1,507,843	21,504
Total liabilities	1,639,521	1,401,039	1,636,955	1,676,200	2,251,293	455,418
Shareholders' equity	2,968,755	2,144,361	1,612,787	1,375,038	760,290	2,062,810

* The 2015 figures reflect the amounts shown in the comparatives of the 2016 Audited Financial Statements which has been adjusted for the transition to full IFRS.

Corporate Directory

Registered Office	Office 1, Level 1, Lot 13 Commercial Street Concave Subdivision, Namaka Nadi Fiji Islands T: +679 6720 379
Postal Address	P.O Box 11065 Nadi Airport Fiji Islands
Campuses	Namaka Campus Lot 3 Nasilivata Road Namaka, Nadi Lautoka Campus 20 Mission Place Lautoka
External Auditors	KPMG Jetpoint Complex Queens Road, Martintar Nadi T: +679 6727 188
Company Solicitors	Reddy & Nandan Lawyers 29 Raojibhai Patel Street Suva T: +679 3310 360
Share Registry	Central Share Registry Limited Level 2, Plaza 1 FNPF Plaza, 33 Ellery Street Suva T: +679 3304 130 Website: www.csr.com.fj Email: registry@spse.com.fj
Company Secretary	Tupou Ma'ata
Compiled by	Waisale Iowane Chief Financial & Compliance Officer Free Bird Institute Limited
Cover Design, Layout, Concept Design & Print	Pasifika Communications 27 Denison Road, Suva T: +679 3307 000

Notice of Annual General Meeting

Notice is hereby given that the 2017 Annual General of the members of Free Bird Institute Limited will be held on the 26th day of May 2017 at the Tanoa Skylodge Conference Room in Nadi from 10am to 12pm for the purpose of transacting the following business:

(Explanatory notes containing information in relation to each of the resolutions below accompany this Notice)

Agenda General Business:

Minutes of the last AGM

To receive, consider and adopt the Minutes of the last Annual General Meeting held on 18 March 2016 as a true and correct record of the meeting.

Ordinary Business

Audited Financial Statements for the year ended 31 December 2016

To receive, consider and adopt the Audited Financial Statements for the year ended 31 December 2016 comprising of the statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, directors' report, statement by the directors and the Report of the Auditors together with the notes comprising significant accounting policies and other explanatory information for the year then ended.

Appointment and Retirement of Directors

To consider and if thought fit, pass the following resolutions as ordinary resolutions:

- (a) **Hiroshi Taniguchi**
Hiroshi retires by rotation in accordance with Article 7.3 of the Company's Article of Association and being eligible offers himself for re-appointment as a Director of the Company.
- (b) **Mereseini Baleilevuka**
Mereseini retires by rotation in accordance with Article 7.3 of the Company's Article of Association and being eligible offers herself for re-appointment as a Director of the Company.
- (c) **Waisale Iowane**
Waisale retires by rotation in accordance with Article 7.3 of the Company's Article of Association and being eligible offers himself for re-appointment as a Director of the Company.
- (d) **Yoshinobu Higashi**
Yoshinobu retires by rotation in accordance with Article 7.3 of the Company's Article of Association and being eligible offers himself for re-appointment as a Director of the Company.

- (e) **Adi Litia Qionibaravi**

The board of Directors appointed Adi Litia on 14 July 2016 as an Independent Director in accordance with Article 80 of the Company's Article of Association and being eligible offers herself for re-appointment as an Independent Director of the Company.

- (f) **Ms Latileta Qoro**

The Board of Directors appointed Ms Qoro on 10 April 2017 as a Director in accordance with Article 7.5 of the Company's Article of Association and being eligible offers herself for re-appointment as a Director of the Company.

- (g) **Mrs Yoko Nameki**

The Board of Directors appointed Mrs Nameki on 10 April 2017 as an Independent Director in accordance with Article 7.5 of the Company's Article of Association and being eligible offers herself for re-appointment as an Independent Director of the Company.

- (h) **Mr Raman Velji**

Mr Velji has tendered his resignation on 12 April 2017 in accordance with Article 7.4(v) of the Company's Article of Association.

Appointment of Auditors

The board proposes that Messrs KPMG be appointed as auditors of the company until the next AGM and that the Board be authorised to fix their remuneration.

Other Business:

Any other business brought up in conformity with the Articles of Association of the Company.

By order of the Board of Directors.



Tupou Ma'ata
Company Secretary
27th April 2017

Explanatory Notes

The following notes are intended to provide shareholders with sufficient information to assess the merits of the resolutions contained in the Notice of the Annual General Meeting.

The Directors recommend that all the Shareholders read these explanatory notes in full before making any decision in relation to the Resolutions.

The following information should be noted in respect of the various matters contained in the Notice of Meeting.

Adoption of Financial Statements

The Audited financial statements for the year ended 31 December 2016 comprising of the statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, Reports of the Directors and Auditors included in the 2017 Annual Report is for the shareholders to read prior to the meeting.

As stipulated in section 401 of the Fiji Companies Act 2015, it is a requirement that the shareholders present at the AGM receive and adopt the Audited financial statements, reports of the directors and Auditors of the Company.

The Chairman of the meeting will allow a reasonable opportunity for shareholders to ask relevant questions about, or make comments on these reports. Shareholders will be given a reasonable opportunity to ask the company/auditor questions about the conduct of the audit and the content of the Directors'/Auditor's Report. Questions that cannot be answered at the AGM needs to be addressed through a market announcement by the Company within a reasonable timeframe.

Election of Directors

The Board proposes that Hiroshi Taniguchi, Mereseini Baleilevuka, Waisale Iowane, Yoshinobu Higashi, Adi Litia Qionibaravi, Latileta Qoro and Yoko Nameki be appointed as directors of the Company. The Board considers that each nominee possesses attributes necessary for the development of the Company.

The background of the existing board members are available the "Board of Directors" section of this Annual report whilst the background of the new and incoming directors is provided for below.

(a) Latileta Qoro

Latileta was the former Chief Executive Officer of the South Pacific Stock Exchange (SPSE). She has extensive experience in the development of the capital markets during her tenure both at the Reserve Bank of Fiji as a Senior Analyst in the Capital Markets Unit as well as the Financial System Development Unit and as a member of the Capital Markets Development Taskforce. Ms Qoro holds a Master of Commerce majoring in Accounting as well as a Bachelor of Economics Degree both from the University of Sydney.

(b) Yoko Ishimoda Nameki

Yoko is the outgoing General Manager in charge of the high school division with the parent company South Pacific Free Bird Co Ltd in Japan. Her work experience and knowledge of the Education sector in Japan spans for more than 12 years. She was also the Director of the Japanese Department of the SISA English Institute Inc in California, USA from 2008 to 2010. Mrs Nameki holds a Bachelor's Degree in Business Management from Fort Hays State University in USA.

Appointment of Auditors

The Board proposes that KPMG, who have provided their consent pursuant to section 425 of the Fiji Companies Act 2015, be appointed as auditors of the Company until the conclusion of the next AGM and that the Board be authorized to fix their remuneration.

Pursuant to section 422 of the Fiji Companies Act 2015, every company shall, at each annual general meeting, appoint an auditor to hold office from the conclusion of that, until the conclusion of the next annual general meeting.

Proxies

If you are unable to attend and vote at the meeting and wish to appoint a person to attend the meeting as your proxy, please complete this form. It is important to note that this form must be received by the Company 48 hours before the date and time of the AGM. Proxy forms received later than this will be invalid. A member entitled to attend and vote is entitled to appoint a proxy. A proxy need not be a member of the company.

The completed proxy form may be:

Mailed to:

The Company Secretary
Free Bird Institute Limited
P.O Box 11065
Nadi Airport
Nadi, Fiji

Or emailed directly to the Company Secretary on email
t.maata@fbi.ac.fj

Proxy Form

I/We

of

Being a shareholder of Free Bird Institute Limited hereby appoint

of

or failing this, the Chairman of the meeting has my/our proxy to vote for me/our behalf at the annual general meeting of the company to be held on 26 May 2017 and at my adjournment thereof.

As witnessed to my/our hand(s) this day of 2017.

Name of shareholder : Signature of shareholder :

Name of witness: Signature of witness:

For Companies:

Director/Company Secretary

Company Seal

Resolution	For	Against	Abstain
To adopt the minutes of the last Annual General Meeting held on 18 March 2016 as true and correct record of the meeting.			
To adopt the Audited financial statements for the year ended 31 December 2016 comprising of the statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, Reports of the Directors and Auditors.			
Ratification of appointment of Hiroshi Taniguchi			
Ratification of appointment of Mereseini Baleilevuka			
Ratification of appointment of Waisale Iowane			
Ratification of appointment of Yoshinobu Higashi			
Ratification of appointment of Adi Litia Qionibaravi			
Ratification of appointment of Latileta Qoro			
Ratification of appointment of Yoko Nameki			
Ratification of resignation of Raman Velji			
Appointment of KPMG as Auditors for the ensuing year until the conclusion of the next AGM and that the Board fix their remuneration.			
(Any other business in conformity with the Articles of Association)			

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy note to vote on that Resolution on a show of hands or on a poll and your vote will not be counted in computing the required majority on a poll. A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked, the proxy made vote as they choose. Where more than one box is marked on an item, the vote will be invalid on that item.

Important Notice

Dear Shareholder

Re: Service of Notices/Documents through electronic mode

The Fiji Companies Act 2015 ("the Act") now permits a Company to send documents such as annual reports or financial statements or notices such as Notice of Meetings of Members via electronic means. Section 143 of the Act stipulates that members will only receive documents or notices via such means if they choose or nominate this option. Members who choose this option will be able to access such information electronically on a website instead of receiving a hard copy of the said documents like Annual reports as stipulated under section 400 of the Act.

The transmission and use of paperless or electronic documents reduces the cost of printing and storage of printed documents. Your Company is committed to protect the environment by reducing our carbon footprint and we are adamant that you will support your company with this initiative. In addition to this, choosing to receive or have access to documents and notices electronically gives you the added advantage of receiving such information from wherever you are and is a more convenient and faster method too.

All electronic documents and notices will be made available on the company's website on www.fbi.ac.fj or on the South Pacific Stock Exchange website on www.spse.com.fj.

If you wish to receive all future notices and documents electronically instead of having the hard printed documents sent to you, please complete the Consent form below and send to us as follows:

- (a) Scanned and emailed to t.maata@fbi.ac.fj
- (b) Posted/ hand delivered to the company's registered address or to:

The Company Secretary
Free Bird Institute Limited
P.O Box 11065
Nadi Airport
Fiji

If you wish to continue to receive the printed hard copies of all notices and documents instead of the greener option by electronic means, no action is required from you to this letter.

We look forward to your support and should you require any further information and or clarification on this matter, please do not hesitate to contact the Company Secretary.



Tupou Ma'ata
Company Secretary
27th April 2017



Consent Form

To: The Company Secretary
Free Bird Institute Limited
P.O Box 11065
Nadi Airport
Fiji

Dear Tupou,

I/We shareholder(s) of Free Bird Institute Limited, agree to receive all notices and documents including the Annual Report, Notice of General Meetings and other shareholders communication, from time to time, in electronic mode and to have access to such documents published on the Company website www.fbi.ac.fj or on South Pacific Stock Exchange website www.spse.com.fj.

Therefore, please register the email address provided below in FBL's records for sending the above communications to.

Name of shareholder:

No. of shares held:

Nominated email address:

Alternate email address:

Date:

Place:

Signature:

For Companies:

.....
Director/Company Secretary

.....
Company Seal



Office 1, First Floor,
Lot 13 Commercial Street, Concave Subdivision,
Namaka, Nadi, Fiji.

www.fbi.ac.fj