



Free Bird Institute Limited
Market Announcement
Half Year Financial Results
30 June 2022



Free Bird Institute Limited

Fiji Islands

MARKET ANNOUNCEMENT

This market announcement contains the unaudited financial results of Free Bird Institute Limited (FBL) for the six months period ended 30 June 2022. Where necessary, comparative results of the previous reporting periods have been re-classed to maintain consistency with the current period reporting.

This market announcement has been authorised for issue on 19 August 2022.



Hiroshi Taniguchi
Executive Chairman



Roqiqi Korodrau
Company Secretary



Chief Financial Officer's Comments



We present our financial results of the six months ended 30 June 2022. The financial year began with the welcoming news by the Fijian government that our international borders had opened and this allowed our Japanese students to once again travel to Free Bird Institute via commercial flights.

For the first 6 months of 2022, the school had registered more than 150 language students and close to 100 High School students. This allowed the company to generate \$1.6 million in service fees revenue for the first 6 months of the year compared \$1.3 million for the same period last year, an increase of 24%

Whilst the company did not generate any revenue from Charter Flights or recruitment services in the current year, it still recorded a total revenue of \$1.9 million compared to the \$1.8 million in the same period last year, an increase of 7%.

The total revenue is still well below the total revenue that the Company used to earn pre-Covid. This is due to the high restrictions still put in place by the Japanese government to control the spread of Covid 19. This has resulted in no direct flights to and from Japan which in turn forces our students to take more expensive alternative flights. This has become a barrier for our sales. Furthermore, while we welcome the news that the Fijian government has removed PCR test for international travellers, Japanese travellers are still required to take PCR test when they return and self-quarantine for 3 days which adds to the cost of study abroad (*Note: 3 days quarantine has been subsequently removed in July*)

The weakening Japanese yen continues to have a negative impact on the Company, a result of policies adopted by the Bank of Japan to keep the interest rates in Japan as low as possible. For the first 6 months, the company suffered \$114,k in foreign exchange losses. The weakening Japanese yen also means that study abroad programs becomes more expensive for Japanese students. The company is looking into ways to mitigate the impact of the weakening Japanese yen.

The Net Profit after tax is \$226, 018 a decrease of 12% when compared to the previous year.

When comparing the Earnings Per Share (EPS), shareholders are reminded that in the current year the number of shares had increased to 2,375,298 shares while the EPS in 2021, the company had 2,000,000 shares.

The company Total assets is \$7.5 million an increase by 4% when compared to the audited accounts in December with our Net Assets at \$5.8 million (31.12.2021: \$5.6 million)

Management is working tirelessly to produce a positive return in the next 6 months of the year.

Roqiqi Korodrau
Chief Financial Officer

Dated this 19th day of August 2022.

Statement of profit or loss and other comprehensive income



	Quarter 1 ended 31-Mar-22 (Unaudited)	Quarter 2 ended 30-Jun-22 (Unaudited)	Half-Year ended 30-Jun-22 (Unaudited)	Half-Year ended 30-Jun-21 (Unaudited)	Quarter 2 ended 30-Jun-21 (Unaudited)	Quarter 1 ended 31-Mar-21 (Unaudited)	% Changes for Half-Year	% Changes for Q1	% Changes for Q2
Revenue									
Service fees	727,025	893,935	1,620,960	1,304,289	775,316	528,973	↑ 24%	↑ 37%	↑ 15%
Charter flight services	-	-	-	107,043	107,043	-	↓ -100%	↓ -	↓ -100%
Recruitment Services	-	-	-	74,377	-	74,377	↓ -100%	-	-
	727,025	893,935	1,620,960	1,485,709	882,358	603,350	↑ 9%	↑ 20%	↑ 1%
Other revenue									
In-house insurance premiums	117,979	135,338	253,317	228,094	138,007	90,087	↑ 11%	↓ 31%	↓ -2%
Other income	43,378	48,986	92,364	121,027	98,672	22,355	↓ -24%	↓ 94%	↓ -50%
Total revenue	888,382	1,078,259	1,966,641	1,834,830	1,119,037	715,792	↑ 7%	↓ 24%	↓ -4%
Expenses									
In-house insurance claims	(4,918)	(8,737)	(13,655)	(13,764)	(3,392)	(10,372)	● -1%	● -53%	● 158%
In-house insurance commission expense	(46,439)	(54,779)	(101,218)	(88,589)	(54,164)	(34,425)	● 14%	● 35%	● 1%
Direct operating expenses	(227,837)	(297,454)	(525,291)	(551,064)	(357,293)	(193,771)	● -5%	● 18%	● -17%
Depreciation	(50,493)	(51,893)	(102,386)	(96,045)	(46,790)	(49,255)	● 7%	● 3%	● 11%
Personnel expenses	(285,948)	(399,251)	(685,199)	(637,607)	(344,146)	(293,461)	● 7%	● -3%	● 16%
Other expenses	(72,858)	(80,849)	(153,707)	(120,544)	(62,845)	(57,699)	● 28%	● 26%	● 29%
Total expenses	(688,493)	(892,964)	(1,581,457)	(1,507,613)	(868,630)	(638,983)	● 5%	● 8%	● 3%
Profit from operations	199,889	185,295	385,184	327,216	250,407	76,809	↑ 18%	↓ 160%	↓ -26%
Finance income	11,947	2,405	14,352	38,958	18,426	20,532	↓ -63%	↓ -42%	↓ -87%
Finance cost	(102,779)	(70,739)	(173,518)	(109,901)	(79,829)	(30,072)	● 58%	● 242%	● -11%
Profit before tax	109,057	116,961	226,018	256,274	189,004	67,269	↓ -12%	↓ 62%	↓ -38%
Income tax expense	-	-	-	-	-	-	-	-	-
Net profit after tax	109,057	116,961	226,018	256,274	189,004	67,269	↓ -12%	↓ 62%	↓ -38%
Earnings per share	0.05	0.05	0.10	0.13	0.09	0.03	↓ -26%	↓ 37%	↓ -48%
Net profit margin	12%	11%	11%	14%	17%	9%	↓ -18%	↓ 31%	↓ -36%

Key:-

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

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

Quarter 2 (Q2): refers to the period April to June.

Half Year: refers to the six month period January to June.

Statement of Financial Position



	As at 30-Jun-22 (Unaudited)	As at 31-Dec-21 (Audited)	As at 30-Jun-20 (Unaudited)	Movements from Dec 20 to Jun 21	Movements from Jun 20 to Jun 21
Current assets					
Cash and cash equivalents	815,190	2,728,951	969,849	↓ -70%	↓ -16%
Trade and other receivables	2,220,775	905,367	1,580,287	↑ 173%	↑ 56%
Prepayments	45,364	49,735	59,252	↓ -9%	↓ -23%
Term deposits	1,241,646	541,646	1,741,018	↑ 129%	↓ -29%
Current tax assets	58,496	41,572	38,099	↑ 41%	↑ 54%
Total current assets	4,381,471	4,267,271	4,388,505	↑ 8%	↑ 5%
Non-current assets					
Trade and other receivables	332,210	84,529	360,845	↓ 0%	↓ -77%
Term deposits	53,480	74,435	51,934	↓ -28%	↑ 3%
Equity investments	21,400	21,400	21,500	↑ 0%	↓ 0%
Right of use assets	994,784	1,034,602	1,074,603	↓ -4%	↓ -7%
Property, plant and equipment	1,776,870	1,799,289	1,795,942	↓ -1%	↓ -1%
Deferred tax asset	19,503	19,503	1,591	↑ 0%	↑ 1126%
Total non-current assets	3,198,247	3,033,758	3,306,415	↓ -3%	↓ -11%
Total assets	7,579,718	7,301,029	7,694,920	↑ 4%	↓ -1%
Current liabilities					
Trade and other payables	189,053	146,630	98,936	● 29%	● 91%
Payable to related parties	67,361	36,846	12,608	● 83%	● -634%
Interest bearing borrowings	-	127,604	260,960	● 132%	● 13%
In-house insurance liabilities	369,252	236,168	365,445	● 56%	● 1%
Lease liabilities	46,751	58,679	46,751	● -20%	● 0%
Employee benefits	19,862	16,868	30,735	● 18%	● 100%
Total current liabilities	692,279	622,795	790,219	● 59%	● 25%
Non-current liabilities					
Lease liabilities	1,041,845	1,058,665	1,098,634	● -2%	● -5%
Total non-current liabilities	1,041,845	1,058,665	1,098,634	● -30%	● -32%
Total liabilities	1,734,124	1,681,460	1,888,853	● 3%	● -8%
Shareholders' equity					
Share capital	3,159,671	3,159,671	2,000,000	↓ 0%	↑ 58%
Retained earnings	2,430,686	2,204,661	3,550,830	↑ 10%	↓ -32%
Equity contribution reserve	255,237	255,237	255,237	↑ 0%	↑ 0%
Total shareholders' equity	5,845,594	5,619,569	5,806,067	↑ 4%	↑ 1%
Total shareholders' equity and liabilities	7,579,718	7,301,029	7,694,920	↑ 4%	↓ -1%

Key:-

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

Statement of Cash flows



	Six months ended 30-Jun-22 (Unaudited)	Year ended 31-Dec-21 (Audited)	Six months ended 30-Jun-21 (Unaudited)
Operating activities			
Receipts from customers	350,805	2,759,337	844,836
Payment to suppliers and employees	(1,390,377)	(2,841,900)	(1,505,736)
In-house insurance premiums received	31,230	284,476	(21,626)
In-house insurance claims paid	(13,655)	(23,795)	(13,764)
Interest received	21,099	203,888	151,319
Income tax paid	(16,924)	(68,645)	(4,417)
Interest paid	(1,575)	-	(12,987)
Net cash (used)/ from operating activities	(1,019,397)	313,361	(562,375)
Investing activities			
Acquisition of property, plant and equipment	(40,148)	(76,906)	(17,997)
Receipts from term deposits	(679,045)	1,197,826	20,955
Net cash (used)/from investing activities	(719,193)	1,120,920	2,958
Financing activities			
Dividends paid	-	(340,329)	-
Advance to related parties	-	-	(37,736)
Repayments of interest bearing borrowings during the period	-	-	(141,576)
Payment of lease liabilities	(61,449)	(90,333)	(26,751)
Net (used)/ from financing activities	(61,449)	(430,662)	(206,063)
Net (decrease)/increase in cash and cash equivalents	(1,800,039)	1,003,619	(765,480)
Effects of movement in exchange rates on cash held	(113,722)	(35,355)	(25,358)
Cash and cash equivalents at the beginning of the period	2,728,951	1,760,687	1,760,687
Cash and cash equivalents at the end of the period	815,190	2,728,951	969,849



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