



Free Bird Institute Limited
Market Announcement
Quarter 3 Financial Results
30 September 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 nine months period ended 30 September 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 03 November 2022.



Hiroshi Taniguchi
Executive Chairman



Roqiqi Korodrau
Company Secretary



Chief Financial Officer's Comments



We are pleased to report our third quarter report for the financial year 2022.

As of 30th September 2022, we have had more than 400 students arriving in Fiji to study either in our Language School or in our High Schools. For the 3rd quarter of the year, we have had over 170 new registered students which was an increase of 14% and 43% when compared to Q2 and Q1 respectively.

The increase in student numbers is attributed to the relaxation of the strict Covid19 policies put in place by both the government of Fiji and Japan, which has relieved our students from paying for additional costs when studying abroad.

This in turn has resulted in the company recording \$1.2 million in total revenue in Q3 which was higher than our Q2 and Q1 revenue by 15% and 39% respectively. In comparison to the prior year our 9 months total revenue had increased by 14%.

This is still far from where we were pre-covid but it is a positive sign that the company is slowly recovering from the impact of Covid19.

While increase in student numbers will result in increase in operational costs, the company's tight cost-cutting controls ensured that the company increase total expenses by only 10%. This is despite the fact that all pay-cuts and reduced hours were restored in the current year.

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. The foreign exchange losses has caused our Finance cost to increase by 65% in the 9 months ended September 2022 when compared to the same period last year.

Our profits before taxes for the 9 months ended September 2022 was an increase of 4% when compared to the same period last year.

The Company's total assets has increased by 8% to \$7.9 million from September 2021 with its net assets increasing by 9% to \$6.1 million as at 30th September 2022.

The Company is looking forward to end the year on a high note.

Roqiqi Korodrau
Chief Financial Officer

Dated this 03rd day of November 2022.

Statement of profit or loss and other comprehensive income



	Quarter 1 ended 31-Mar-22 (Unaudited)	Quarter 2 ended 30-Jun-22 (Unaudited)	Quarter 3 ended 30-Sep-22 (Unaudited)	Year to Date 30-Sep-22 (Unaudited)	Year to Date 30-Sep-21 (Unaudited)	Quarter 3 ended 30-Sep-21 (Unaudited)	Quarter 2 ended 30-Jun-21 (Unaudited)	Quarter 1 ended 31-Mar-21 (Unaudited)	% Change - Year to	% Change for Q3	% Changes for Q2	% Changes for Q1
Revenue												
Service fees	727,025	893,934	1,035,870	2,656,829	2,025,286	720,996	775,317	528,973	↑ 31%	↑ 44%	↑ 15%	↑ 37%
Charter flight	-	-	-	-	163,837	56,794	107,043	-	-	-	-	-
Recruitment Services	-	-	-	-	74,376	-	-	74,376	-	-	-	-
Restaurant sales	31,416	31,999	24,756	88,171	123,061	42,993	75,582	4,486	↓ -28%	↓ -42%	↓ -58%	↑ 600%
	758,441	925,933	1,060,626	2,745,000	2,386,560	820,783	957,942	607,835	↑ 15%	↑ 29%	↓ -3%	↑ 25%
Other revenue												
In-house insurance premiums	117,979	135,338	167,757	421,074	354,634	126,541	138,006	90,087	↑ 19%	↓ 33%	↑ -2%	↑ 31%
Other income	6,669	7,632	2,571	16,872	44,399	12,409	17,329	14,661	↓ -62%	↓ -79%	↓ -56%	↓ -55%
Total revenue	883,089	1,068,903	1,230,954	3,182,946	2,785,593	959,733	1,113,277	712,583	↑ 14%	↓ 28%	↑ -4%	↑ 24%
Expenses												
In-house insurance claims	(4,917)	(8,737)	(5,962)	(19,616)	(18,791)	(5,027)	(3,392)	(10,372)	● 4%	↑ 19%	↓ 158%	↓ -53%
In-house insurance commission expense	(46,440)	(54,778)	(82,936)	(184,154)	(138,566)	(49,976)	(54,164)	(34,426)	● 33%	↑ 66%	↑ 1%	↑ 35%
Direct operating expenses	(224,744)	(291,105)	(306,359)	(822,208)	(870,228)	(314,241)	(354,485)	(201,502)	● -6%	↓ -3%	↑ -18%	↑ 12%
Depreciation	(50,492)	(51,894)	(54,003)	(156,389)	(145,051)	(49,007)	(46,790)	(49,254)	● 8%	↑ 10%	↑ 11%	↑ 3%
Personnel expenses	(285,949)	(398,055)	(344,971)	(1,028,975)	(902,209)	(256,092)	(351,432)	(294,685)	● 14%	↑ 35%	↓ 13%	↓ -3%
Restaurant expenses	(17,290)	(16,296)	(19,135)	(52,721)	(40,973)	(14,849)	(19,229)	(6,895)	● 29%	↓ 29%	↑ -15%	↑ 151%
Other expenses	(58,475)	(69,359)	(78,559)	(206,393)	(129,361)	(48,368)	(39,138)	(41,855)	● 60%	↑ 62%	↑ 77%	↑ 40%
Total expenses	(688,307)	(890,225)	(891,926)	(2,470,458)	(2,245,179)	(737,560)	(868,630)	(638,989)	● 10%	↑ 21%	↑ 2%	↑ 8%
Profit from operations	194,782	178,678	339,028	712,488	540,414	222,173	244,647	73,594	↑ 32%	↓ 53%	↑ -27%	↑ 165%
Finance Income	36,780	11,428	22,635	70,843	121,269	44,346	31,970	44,953	↓ -42%	↓ -49%	↓ -64%	↓ -18%
Finance cost	(122,320)	(73,160)	(66,998)	(262,478)	(159,436)	(20,542)	(87,611)	(51,283)	● 65%	↓ 226%	↑ -16%	↑ 139%
Profit before tax	109,242	116,946	294,665	520,853	502,247	245,977	189,006	67,264	↑ 4%	↓ 20%	↑ -38%	↑ 62%
Earnings per share	0.05	0.05	0.12	0.22	0.25	0.12	0.09	0.03	↓ -13%	↑ 1%	↓ -48%	↑ 37%
Net profit margin	12%	11%	24%	16%	18%	26%	17%	9%	↓ -9%	↓ -7%	↑ -36%	↑ 31%

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.

Quarter 3 (Q3): refers to the period July to Sept.

Statement of Financial Position



	As at 30-Sep-22 (Unaudited)	As at 31-Dec-21 (Audited)	As at 30-Sep-21 (Unaudited)	Movements from Dec 21 to Sept 22	Movements from Sept 21 to Sept 22
Current assets					
Cash and cash equivalents	1,486,931	2,728,951	1,642,967	↓ -46%	↓ -9%
Trade and Other receivables	2,633,987	905,367	1,163,170	↑ 191%	↑ 126%
Prepayments	-	49,735	118,073	↓ -100%	↓ -100%
Held-to-maturity investments	541,646	541,646	1,733,757	↑ 0%	↓ -69%
Current Tax asset	92,793	41,572	(22,946)	↑ 123%	↓ -504%
Total current assets	4,755,357	4,267,271	4,635,021	↑ 11%	↑ 3%
Non-current assets					
Trade and Other receivables	131,690	84,529	188,484	↑ 56%	↓ -30%
Held-to-maturity investments	74,435	74,435	74,435	↑ 0%	↓ -7%
Equity investments	20,000	21,400	21,500	↓ -7%	↓ -7%
Right-of-Use	1,148,496	1,034,602	1,054,695	↑ 11%	↑ 9%
Property, plant and equipment	1,768,485	1,799,289	1,766,842	↓ -2%	↑ 0%
Deferred tax asset	19,503	19,503	15,315	↑ 0%	↑ 27%
Total non-current assets	3,162,609	3,033,758	3,121,271	↑ 4%	↑ 1%
Total assets	7,917,966	7,301,029	7,756,292	↑ 8%	↑ 2%
Current liabilities					
Trade and other payables	208,230	122,149	69,500	● 70%	● 200%
Contract Liabilities	22,838	24,481	24,235	● -7%	● -6%
Payable to related parties	-	36,846	-	● -100%	● -100%
Interest bearing borrowing	-	127,604	192,921	● -100%	● -100%
In-house insurance liabilities	258,712	236,168	301,079	● 10%	● -14%
Lease Liability	157,800	58,679	58,679	● 169%	● 169%
Employee benefits	40,000	16,868	30,734	● 137%	● 30%
Total current liabilities	687,580	622,795	677,148	● 10%	● 2%
Non-current liabilities					
Lease Liability	1,089,945	1,058,665	1,075,112	● 3%	● 1%
Total non-current liabilities	1,089,945	1,058,665	1,075,112	● 3%	● 1%
Total liabilities	1,777,525	1,681,460	1,752,260	● 6%	● 1%
Shareholders' equity					
Share capital	3,159,671	3,159,671	2,000,000	↑ 0%	↑ 58%
Retained earnings	2,725,533	2,204,661	3,748,795	↑ 24%	↓ -27%
Equity contribution reserve	255,237	255,237	255,237	↑ 0%	↑ 0%
Total shareholders' equity	6,140,441	5,619,569	6,004,032	↑ 9%	↑ 2%
Total shareholders' equity and liabilities	7,917,966	7,301,029	7,756,292	↑ 8%	↑ 2%

Key:-

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

Statement of Cash flows



	9 months ended 30-Sep-22 (Unaudited)	Year ended 31-Dec-21 (Audited)	9 months ended 30-Sep-21 (Unaudited)
Operating activities			
Receipts from customers	940,011	2,759,337	1,820,334
Payment to suppliers and employees	(2,122,138)	(2,841,900)	(2,190,419)
In-house insurance premiums received	70,215	284,476	221,982
In-house insurance claims paid	(19,616)	(23,795)	(18,790)
Interest received	88,496	203,888	158,451
Income tax paid	(51,221)	(68,645)	(5,105)
Interest paid	(1,576)	-	-
Net cash (used)/ from operating activities	(1,095,829)	313,361	(13,547)
Investing activities			
Acquisition of property, plant and equipment	(64,997)	(76,906)	(17,997)
Receipts from term deposits	-	1,197,826	20,955
Net cash (used)/from investing activities	(64,997)	1,120,920	2,958
Financing activities			
Dividends paid	-	(340,329)	-
Repayments from related parties	76,609	-	(46,884)
Payment of lease liabilities	(44,081)	(90,333)	(38,345)
Net cash from/(used) financing activities	32,528	(430,662)	(85,229)
Net (decrease)/increase in cash and cash equivalents	(1,128,298)	1,003,619	(95,818)
Effects of movement in exchange rates on cash held	(113,722)	(35,355)	(21,902)
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	1,486,931	2,728,951	1,642,967



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