



# 2024 Annual Report

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Free Bird Institute Limited

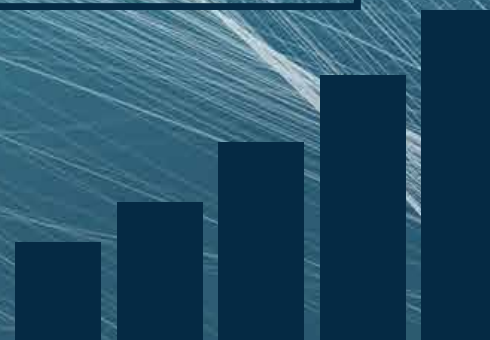






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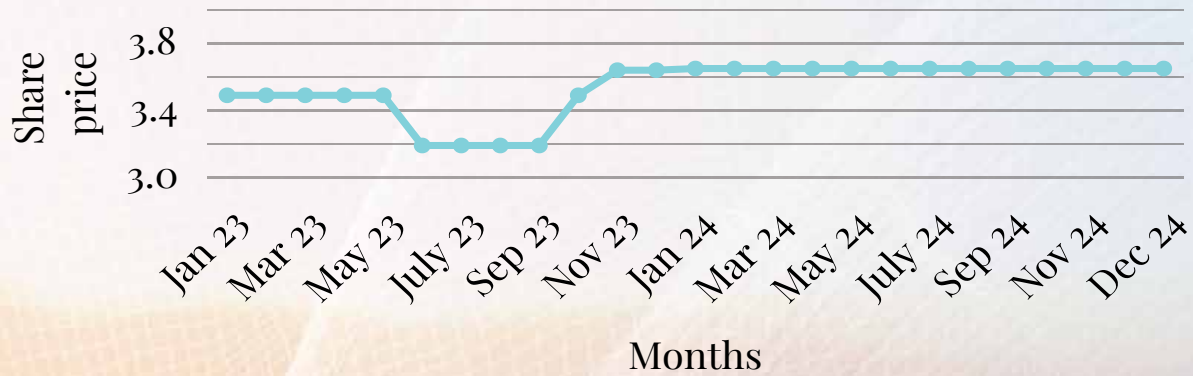
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# Key Highlights

Share Price between 2023 to 2024



**Total Revenue: \$4,074,704**



**Net Assets: \$6,872,648**



**Net Profit before taxes \$762,936**

**Lowest share price in 2024- \$3.64**

**Highest share price in 2024- \$3.65**



**Market share price - 31/12/2024 - \$3.65**



# Five Year Historical Information

	2024	2023	2022	2021	2020
Total revenue (including finance income)	4,074,704	4,343,023	3,938,771	3,635,211	5,134,551
Net profit before tax	762,936	818,102	553,739	452,952	792,158
Net profit before tax % margin	19%	19%	14%	12%	15%
Cash and cash equivalent as a % of total assets	7%	5%	19%	37%	22%
Cash and cash equivalent as a % of total liabilities	28%	21%	79%	162%	76%
Working capital ratio	5.51	5.89	6.67	6.85	4.43
Net asset per share	2.88	2.64	2.46	2.37	2.77
Debt to equity ratio	0.32	0.35	0.32	0.30	0.42
Earnings per share (cents)	24.32	29.49	21.19	17.27	35.52
Closing share price as at 31 December	3.65	3.64	3.49	4.02	3.20
Current assets	6,153,233	5,408,712	4,720,124	4,267,271	4,764,097
Non current assets	2,927,140	3,058,262	3,025,295	3,033,758	3,106,214
Total assets	9,080,373	8,466,974	7,745,419	7,301,029	7,870,311
Current liabilities	1,116,198	917,736	707,601	622,795	1,076,050
Non-current liabilities	1,091,527	1,256,688	1,162,581	1,058,665	1,244,473
Total liabilities	2,207,725	2,174,424	1,870,182	1,681,460	2,320,523
Shareholders' equity	6,872,648	6,292,550	5,875,237	5,619,569	5,549,788

The weakening of the Japanese yen continues to have a significant impact, making studying abroad a more expensive option for many Japanese students. This, combined with the exceptionally low unemployment rate in Japan, has led to many individuals opting to join the workforce locally rather than pursue education overseas.

Despite these challenges, Free Bird Institute (FBI) demonstrated strong resilience. In 2024, the company recorded \$4.07 million in revenue. Through effective cost management and operational discipline, FBI achieved a profit before tax of \$762,936. This was accomplished despite facing considerable foreign exchange losses and absorbing additional costs such as the Diploma scholarship program introduced during the year to upskill our teachers.

In 2024, the company's financial position strengthened further. Total assets grew to \$9.08 million, while shareholders' equity expanded to \$6.87 million. The company maintained a strong working capital ratio of 5.5 times, reflecting solid short-term liquidity, and kept its debt-to-equity ratio at a low 0.32, highlighting prudent financial management.

Roqiqi Korodrau - CFO







# Executive Chairman's Report



Dear Shareholders,

It gives me great pleasure to present the financial performance of your company for the year ended 31 December 2024.

The year 2024 came with its own share of challenges, and I am proud to report that our team successfully navigated through them to deliver yet another profitable year for the company.

We recorded a net profit after tax of \$580,098, representing a decrease of 18% compared to the prior year. Key factors that contributed to this decline included the increase in corporate tax rates, from 15% to 25%, and a rise in our finance costs by \$79,000, largely due to realized foreign exchange losses resulting from the weakening of the Japanese yen.

It is noteworthy that the yen is now at its weakest levels since 1990, and with the Bank of Japan expected to maintain historically low interest rates, we foresee that foreign exchange volatility may continue to be a factor in the near term.

In addition to the increase in costs, the number of Japanese students coming to Fiji declined during the year, resulting in an 8% drop in our service fee income.

However, through disciplined cost management and strategic focus on our core operations, we were able to preserve profitability for our shareholders despite these headwinds.

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## Key Events During the Year

In line with our vision to provide quality education, we made strategic investments in our people by offering Diploma Scholarships to our teachers at the University of the South Pacific. This initiative is designed to enhance the qualifications of our teachers and ensure that our clients continue to receive high-quality services.

In 2024, our parent company in Japan also entered into a Memorandum of Understanding (MOU) with Nadi Sangam Secondary School (NSSS).



NSSS is one of the oldest and most respected educational institutions in Fiji, renowned for its strong cultural values, academic excellence, and history of producing outstanding results.

This partnership will allow our Japanese students to benefit from an environment that fosters both academic achievement and personal growth, taking in all the best that NSSS has to offer.

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#### Returns to Our Shareholders

Given the impact of the weakening Japanese yen and the need to preserve our financial strength, the Board has resolved not to declare a dividend for the financial year 2024.

Instead, we have chosen to retain earnings to support potential future capital projects and maintain flexibility for new opportunities in 2025.

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#### Forward Looking

I remain optimistic about the year ahead.

We have restructured our marketing strategies to become more cost-effective while simultaneously increasing engagement with our target markets.

In 2025, our focus will be on operational excellence, student experience enhancement, and expansion into new market segments.

While external factors such as foreign exchange volatility and international market conditions remain beyond our control, we are confident that our strategic initiatives, disciplined financial management, and dedicated team will continue to drive sustainable growth for your company.

Thank you for your continued trust and support.



.....  
Hiroshi Taniguchi  
Executive Chairman

# Key Operational Highlights

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## Diploma Course

February 2024

The company offered a scholarship program to support its teachers in completing their Diploma studies at the University of the South Pacific. The scholarship covered 70% of tuition fees and required recipients to commit to a three-year service bond with the company.

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## New partnership - Nadi Sagam School

February 2024

The company established a partnership with Nadi Sangam Secondary School to enroll its students, resulting in approximately 20 students being registered at NSS.

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## High School Visit- Salesian Secondary School

August 2024

Japanese high school spent a week in Fiji, studying at Free Bird during their stay. As part of their program, the students also participated in sightseeing activities around Fiji.







# Board of Directors



**Hiroshi Taniguchi**

Executive Chairman

Hiroshi, the founder of both FBL and its parent company, SPFB in Japan, currently serves as the Chief Executive Officer and Executive Chairman of both organizations. With a diverse background across various business sectors in Asia, he made the strategic decision to invest in Fiji and relocated there in 2006. His extensive industry experience has provided him with valuable insights and expertise, playing a key role in the company's success.



**Ken Kawamura**

Non Executive Director

Ken Kawamura brings extensive expertise in marketing strategy consulting, drawing from his experience in Japan. As the Chief Marketing Officer (CMO) of a law firm and a Marketing Consultant at Procmo Co., Ltd., he specializes in serving as an external CMO, driving transformative "moments of change" for businesses.

Ken provides comprehensive support in developing marketing strategies, managing budgets and performance, and participating in executive management committees.







## **Ratu Tevita Momoedonu**

Non Executive Director

Ratu Tevita Momoedonu brings over 15 years of extensive experience in the civil service, coupled with nearly a decade of dedicated service at the Bank of the South Pacific. Before his resignation, he held the position of Western Division president for the People's Alliance Party. Subsequently, he stepped into a pivotal role as the Special Administrator of the Lautoka City Council.

Sadly, he passed away within a week of being appointed as a Director.



## **Sangeeta Singh**

Non Executive Director

Sangeeta Singh has amassed a wealth of experience over the past 20 years, holding significant roles in various sectors including education, insurance, and financial services. She has been instrumental in her role as the Chief Executive Officer at the Fiji Teachers Registration Authority since 2019, following a series of progressive positions at the University of the South Pacific and notable private and public enterprises. Mrs. Singh's academic background is equally impressive, featuring a Master of Arts in Governance and a Masters of Business Administration from USP, which underscores her commitment to continuous professional development.



## **Roqiqi Korodrau**

Company Secretary

Since 2018, Roqiqi has served as the Company Secretary and concurrently held the position of Finance Manager until his promotion to Chief Financial Officer in 2020. With over a decade of experience in finance, he has developed his expertise through roles at esteemed firms such as Ernst & Young and as a Finance Manager in the hospitality sector in the Cook Islands. Prior to his appointment as CFO, Roqiqi demonstrated strong financial acumen and leadership during his tenure of more than four years as Finance Manager. He holds a Bachelor of Commerce degree in Accounting and Information Systems from the University of the South Pacific.

# Corporate Governance Statement

Principle	Requirement	Compliance Status
1. Establish clear responsibilities for board oversight	<b>Separation of duties:</b> Clear separation of duties between Board and Senior Management.	<p>The Board is the focal point of corporate governance in the Company, responsible for setting and reviewing the strategic plan and direction of the Company and provides an oversight role with Management to ensure that such plans are being implemented. Such strategic plans also include the management of risks associated with the Company and ensure that proper safeguards are put in place to minimise or mitigate such risks.</p> <p>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, its shareholders and other relevant stakeholders.</p> <p>The Board delegates and oversees management responsibilities.</p>
	<b>Board Charter:</b> Adopt a Board charter detailing functions and responsibilities of the Board.	<p>The Board has a Charter which sets out the roles, functions, obligations, rights, responsibilities and powers of the Board.</p> <p>It also highlights the policies and practices of the Board in respect of its duties, functions and responsibilities to ensure that the creation, protection and enhancement of shareholder value.</p>
2. Constitute an effective Board	<b>Board Composition:</b> Balanced Board Composition with Executive and Non-Executive directors of which 1/3rd of total number of directors to be independent directors.	<p>The Board composition is structured to add value to the business and promote the best interest of the Company, its shareholders and the relevant stakeholders at large. Thus, the composition must have an appropriate balance of skills, knowledge, experience, independence and diversity to enable the Board to carry out its duties and responsibilities collectively and with a broader perspective.</p> <p>The Board continues to ensure that majority of its members remain non-Executive and remain committed to ensuring that one-third of its members are Independent Non-Executives. The Board promotes that all Directors, whether independent or not, are required to bring independent judgment to bear on Board decisions to ensure an objective decision is exercised so that the Company interests and shareholder interests are placed ahead of all other interests.</p> <p>FBL currently has 1/3 of its directors who are independent. Each board member also possesses the necessary skill and expertise that it believes is best suited for the business in which it operates.</p>
	<b>Gender Diversity:</b> Do you have a policy for promoting gender diversity at Board level and have you achieved your policy goals?	<p>The gender diversity recommendation is inclusive in the Board's charter where the Board must take into consideration an adequate gender mix in its composition where preferably not less than one third of the Board shall be female. Currently, 1/3 of the current Board are women.</p>
	<b>Nomination Committee:</b> Selection, approval, renewal, and succession of Directors to be conducted by Nomination Committee in accordance with Articles of Association of the Company and Fit and Proper Policy of Reserve Bank.	<p>While FBL does not have a Nomination Committee, all appointments and election of directors are confirmed at the Annual General Meeting done each year.</p>
	<b>Board Evaluation:</b> Process of evaluation of performance of the Board, its Committees and individual directors. Evaluation to be linked to key performance indicators of the listed entity.	<p>Whilst the Board charter includes a brief guide into the evaluation of its members including the Company Secretary, the Board is looking to implement a more detailed policy to provide specific guidelines to the evaluation of the Board and its members.</p> <p>The Board looks at implementing this policy in the near future.</p>



Principle	Requirement	Compliance Status
2. Constitute an effective Board (cont'd)	<b>Directors Training:</b> Directors' training and induction procedure to be in place to allow new directors to participate fully and effectively.	<p>Inclusive in its Board Charter, new Board members shall participate in an induction program that is tailored to effectively orient the member of the Company's business, strategy, objective, policies, procedures, operations, senior management, and the business environment.</p> <p>The Company supports on-going training for its Directors and as such invites Directors to the various trainings provided externally where necessary. The Company also ensure that the Directors have the suitable mix of skills, experience, and expertise to carry out its roles and responsibilities.</p>
	<b>Board Sub-committees:</b> Board must have sub-committees which must at a minimum include - ✓ Audit Committee; ✓ Risk Management Committee; and ✓ Nomination/Recruitment Committee	<p>Given the current composition of FBL's Board of Directors, which consists of only five members, all decisions related to audit, risk, nomination, and recruitment matters are made by the Board as a</p> <p>However, FBL has plans in place to establish sub-committees in the near future to ensure more effective oversight and governance of these critical functions.</p>
3. Appointment of Chief Executive Officer/Managing Director	<b>CEO:</b> To appoint a suitably qualified and competent Chief Executive Officer/Managing Director	<p>The CEO is appointed by the Board and the remuneration of the CEO is decided and approved by the Board. The CEO is responsible for the day-to-day management of the Company with all powers, discretions and delegations authorised, from time to time, by the Board.</p>
4. Appointment of a Board and Company Secretary	<b>Company Secretary:</b> Board to appoint a suitably qualified and competent Company Secretary, who is accountable to the Board, through Chair, for all compliance and governance issues.	<p>The Company secretary is the administrative link between the Board and Management and is responsible for ensuring compliance to company activities and is accountable directly to the Board through the Chairman, on all matters to do with the proper functioning of the Board.</p> <p>The Company Secretary also monitors statutory and administrative requirements for the Board to ensure the accuracy and timeliness of reporting under these requirements.</p> <p>The Board has appointed a qualified and suitable candidate to the role of Company Secretary.</p>
5. Timely and balanced disclosure	<b>Annual Reports:</b> Timely and accurate disclosures are made in Annual reports as per Rule 51 of Listing Rules.	<p>Material information is publicly disclosed immediately via market announcements by the Company.</p> <p>The Company also ensures timely and accurate disclosures are made in the Annual Reports as per Rule 51 of Listing Rules.</p>
	<b>Payment to Directors and Senior management:</b> Sufficient information to be provided to shareholders on remuneration paid to Directors and Senior management.	<p>All transactions with all related parties are disclosed in the notes to the financial statements each year.</p>
	<b>Continuous Disclosure:</b> General disclosures or company announcements to be made in a timely manner. The disclosures should be factual without omitting material information and to be expressed in a clear and objective manner to shareholders.	<p>FBL is committed to ensuring that transparent and consistent communication with all its members and relevant stakeholders are made on a timely and orderly manner to guarantee a more informed market when trading its shares. This includes any financial and non-financial information that the Company deems material and the Board is devoted to ensure that it complies with all the continuous listing requirements at all times.</p> <p>FBL proactively communicates such information through the SPX and its website so that all stakeholders are able to get access to this information. In addition to this, the company releases on an annual basis its audited accounts at the end of the financial year as well as its Annual Report. The company's compliance officer also ensures that all statutory filings are made on a timely basis.</p>

Principle	Requirement	Compliance Status
6. Promote ethical and responsible decision-making	<b>Code of Conduct:</b> To establish a minimum Code of Conduct of the listed entity applicable to directors, senior management and employees and conduct regular trainings on the same.	<p>FBL promotes and believes that all its directors and employees must uphold high standards, integrity and fairness in all aspects of their employment and association with the Company. This is made possible through the internal Fit &amp; 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.</p> <p>Included in the internal Fit &amp; 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.</p> <p>The Board has also adopted an Insider Trading Policy designed to take an active role in the prevention of insider trading violations by the Board, its officers, employees and other related individuals. This imposes restrictions on trading in securities while in possession of material non-public information. As such, all covered personnel under this policy are required to obtain a pre-clearance of trades from the Compliance Officer.</p>
7. Register of Interests	<b>Conflicts of Interest:</b> Transactions with related parties resulting in conflict of interest are disclosed and a register is maintained for this purpose.	<p>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.</p> <p>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.</p>
8. Respect the rights of shareholders	<b>Communication with shareholders:</b> To design communication strategy to promote effective communication with shareholders and encourage their participation. Examples: Communication through Annual Reports, Annual General Meetings, or any other means of electronic communication.	<p>In implementing this Principle, FBL ensures that all shareholders are given appropriate notice in-lieu for Annual General Meetings inclusive with the Annual Report which contains relevant information including audited financial statements. This allows for effective dialogue between shareholders, the Board and Management. Additionally, the external auditor is required to attend the AGM and is available to answer shareholder questions in relation to the audit.</p> <p>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. The Board has also subsequently developed a Grievance Redressal Mechanism policy designed to provide efficient services to investors and to effectively address and redress the grievances in a timely manner.</p> <p>FBL has transferred its Shareholders Register to Central Share Registry Pte Limited (CSRL) which shall be responsible for receiving and addressing all shareholder queries and concerns.</p> <p>Shareholders can access information directly through the CSR platform and are able to communicate with the Registry in terms of shareholding queries.</p>
	<b>Website:</b> To create and maintain a Website of the listed entity to communicate effectively with shareholders and other stakeholders. All matters of importance to be updated regularly on the Website.	<p>The Company has a website which contains all market announcements released through the SPX website. This information is updated as and when the announcements are released by SPX to ensure that all shareholders have access to this information on a timely manner. All this information can be accessed by visiting our website on <a href="http://www.fbi.ac.fj">www.fbi.ac.fj</a></p>
	<b>Grievance Redressal Mechanism:</b> To establish a Grievance Redressal Mechanism for Shareholders to address shareholders complaints and grievances.	<p>The Company has a Grievance Redressal Mechanism policy and is formulated to provide efficient services to the investors of FBL and effectively address and redress the grievances of these investors in a timely manner.</p>



Principle	Requirement	Compliance Status
8. Respect the rights of shareholders (cont'd)	<b>Shareholders' Complaints:</b> To provide the number of shareholders' complaints received and attended to during the year. Provide reasons if any complaint is unresolved or unattended.	There were no complaints received from Shareholders during the year.
	<b>Corporate Sustainability:</b> To adopt a business approach that creates long-term shareholder value by embracing opportunities, managing risks, maximising profits and minimising negative social, economic, and environmental impacts.	The Board ensures that its business strategies and Risk Management Frameworks are put in place to ensure the enhancement of the shareholder's value in the long-term. Such strategies ensure that profits are maximized with the most minimal impact to the society, economy and environment in which we operate in.
9. Accountability and audit	<b>Internal Audit:</b> To appoint an internal auditor or an alternative mechanism to achieve the objectives of risk management, control and governance.	The Board and Management have put in place controls to ensure that risks are minimal. In doing so, the Board also expects Management to provide timely and relevant financial reports monthly which allows the Board to independently verify and identify any indication of risks in its reports. This also allows for effective decisions to be made on a timely manner.
	<b>External Audit:</b> To appoint an external auditor who reports directly to the Board Audit Committee.	FBL is audited annually by an external auditor who report directly to the members and board of FBL. The Auditors are appointed by the shareholders at an AGM.  The external auditors are required to be independent and must make a declaration as such in accordance with Section 395 of the Fiji Companies Act 2015.  This declaration forms part of the Audited Financial Reports issued by FBL.
	<b>Rotation of External Auditor:</b> To appoint the external auditor for a fixed term requiring senior partner of the audit firm to rotate once in every three or less financial years.	The Board supports the notion to rotate the Senior partner of the audit periodically. FBL relies on the independent procedures and declarations by the external auditors to ensure that they remain independent throughout the course of the engagement.
	<b>Audit Committee:</b> To establish an Audit Committee comprising of at least 3 members of which majority are independent and Chair is not Chair of the Board.	The Board is intending to form an Audit & Risk Committee in the near future which will be Chaired by a Non-Executive Director as recommended by the Board Charter. At present, the external auditors present their report to the Board and highlight any material issues that needs to be addressed, All decisions are made by the Board in relation to the recommendations by the auditors and this is delegated to Management to ensuring that these recommendations are implemented.
10. Risk Management	<b>Risk Management Policy:</b> To establish a Risk Management Policy to address risk oversight, risk management and internal control. The Policy to clearly define the roles and responsibilities of the Board, Audit committee, management and internal audit function.	The Board is currently drafting a Risk Management Framework Policy that will provide guidance and oversight to the identification, management, and mitigation of such risks. This will be drafted by the proposed Audit & Risk Committee and hopes to have this implemented in 2025. As a result of the pandemic, the Risk Management Policy will now have to factor in the challenges and lessons learnt from the pandemic in order to minimise risk.
	<b>Whistle Blower Policy:</b> As part of risk management strategy, establish a Whistle Blower Policy by creating a mechanism of reporting concerns of unethical behavior, actual or suspected fraud or violation of the listed entity's code of conduct or ethics policy, SPX Rules or Companies Act.	The Company has a Whistle Blower Policy in place as it prides itself on having a strong values culture that encourages openness, integrity, and accountability. The Board is committed to fostering a culture that allows whistle-blowers to freely and without the fear of detriment, raise concerns regarding situations that they observe that concerns them.





# **FREE BIRD INSTITUTE LIMITED**

## **Financial Statements**

**For the year ended 31 December 2024**

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# **Free Bird Institute Limited**

## **Directors' report**

### **For the year ended 31 December 2024**

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 2024 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 (Chairman)	Kawai Takumi (retired: 25/05/2024)
Yoko Nameki (retired: 25/05/2024)	Ken Kawamura (appointed: 25/05/2024)
Rina Kumar (retired: 25/05/2024)	Sangeeta Singh (appointed: 25/05/2024)
Ratu Tevita Momoeonu (appointed: 25/05/2024; deceased: 30/05/2024)	

#### **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 2024 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 activities of the Company during the year were providing language learning programs, facilitating high school and other educational products to international students, assisting in the management of local students, provision of an in-house insurance scheme, in-house money exchange and a restaurant.

#### **Results**

The recorded net profit of the Company after income tax expense of \$182,838 (2023: \$114,539) for the year amounted to \$580,098 (2023: \$703,563).

#### **Dividends**

There were no dividend declared and paid during the year. (2023: \$0.12/shares totalling \$286,250 declared and paid)

#### **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.



**Free Bird Institute Limited**  
**Directors' report (continued)**  
**For the year ended 31 December 2024**

**Going concern**

The directors considers that the Company will continue as a going concern. The directors believe that the basis of preparation of financial statements is appropriate and the Company will be able to continue its operations for at least 12 months from the date of signing this report.

**Events subsequent to balance date**

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 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.

**Directors' interests**

Interests of directors and any additions thereto during the year and up to the date of this report in the ordinary shares of the Company are as follows:

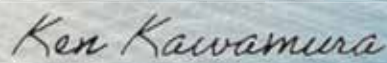
	<u>Beneficially</u>		<u>Non-beneficially</u>	
	<u>Additions</u>	<u>Holding</u>	<u>Additions</u>	<u>Holding</u>
Hiroshi Taniguchi	-	155,000	-	

Dated at Namaka, Nadi this 11<sup>th</sup> day of April 2025.

Signed in accordance with a resolution of the Directors.



**Director**



**Director**

**Free Bird Institute Limited**  
**Statement by Directors**  
**For the year ended 31 December 2024**

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

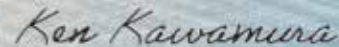
- (a) the accompanying statement of profit or loss and other comprehensive income of the Company is drawn up so as to give a true and fair view of the results of the Company for the year ended 31 December 2024;
- (b) the accompanying statement of changes in equity of the Company is drawn up so as to give a true and fair view of the changes in equity of the Company for the year ended 31 December 2024;
- (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 2024;
- (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 2024;
- (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 Namaka, Nadi this 11th day of April 2025.

Signed in accordance with a resolution of the Directors.



**Director**



**Director**





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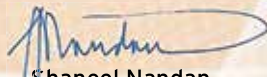
#### **Auditor's Independence Declaration to the Directors of Free Bird Institute Limited**

As lead auditor for the audit of Free Bird Institute Limited for the financial year ended 31 December 2024, I declare to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Companies Act 2015 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Free Bird Institute Limited during the financial year.

  
Ernst & Young  
Chartered Accountants

  
Shaneel Nandan  
Partner  
Nadi, Fiji  
11 April 2025

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## Independent Auditor's Report

To the Shareholders of Free Bird Institute Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Free Bird Institute Limited ("the Company"), which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountant's *Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with, the Companies Act 2015 and the ethical requirements that are relevant to our audit of the financial statements in Fiji and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of the audit report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

#### Revenue recognition – Service fees

Why significant	How our audit addressed the key audit matter
<p>The Company has a service agreement with its parent company and other agents to provide a variety of services to students studying in Fiji. The service agreements outline the service fees earned by the Company for each type of service provided to students. The service fees earned from the parent company comprise most (99.6%) of the Company's service revenue.</p> <p>Service fees are recognised as revenue when the Company delivers the relevant service to the student.</p> <p>We identified revenue recognition related to service fees as a key audit matter due to:</p> <ul style="list-style-type: none"> <li>▶ the significance of the revenue amount</li> <li>▶ the related party nature of the majority of this revenue</li> </ul>	<p>Our audit procedures to assess service fee recognition included the following:</p> <ul style="list-style-type: none"> <li>▶ evaluating the appropriateness of the Company's revenue recognition policies against the requirements of the accounting standards.</li> <li>▶ inspecting the key terms and conditions of the contract with the parent company to assess if there were any terms and conditions that may have affected the accounting treatment of the related service fees.</li> <li>▶ obtaining an understanding of the Company's processes for recognition of each major type of service fees.</li> </ul>

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## Independent Auditor's Report (continued)

### Key Audit Matters (continued)

#### Revenue recognition – Service fees (continued)

Why significant	How our audit addressed the key audit matter
<p>▶ the level of audit effort required to assess the various types of services provided to students, each with differing fees and attributes. We focused on assessing the nature, timing and amount of revenue recognised by the Company in accordance with accounting standard requirements.</p> <p>Disclosures related to service fee revenue are included in Note 3(g) to the financial statements.</p>	<p>▶ performing analytical procedures on service fees by developing an expectation for each type of service using independent inputs (e.g., contracts and student arrivals) and information from the Company's student registration database and comparing such expectations with recorded revenue.</p> <p>▶ recalculating service fee revenue earned from the parent company based on attendance and service information from the student registration database.</p> <p>▶ selecting a sample of students from the student registration database and:</p> <ul style="list-style-type: none"> <li>- agreeing student details to signed application forms.</li> <li>- comparing the details of the services recorded as being provided and the relevant dates to those requested in the application forms.</li> <li>- performing testing to assess whether service fees were recognised in the correct reporting period by reference to the contract and evidence of service delivery.</li> <li>- obtaining evidence of the student's physical presence in the country.</li> </ul> <p>▶ inspecting underlying documentation for manual journal entries impacting recorded service fees.</p> <p>▶ evaluating the adequacy of the disclosures in the financial statements.</p>

#### Other Information

The Directors are responsible for the other information. The other information comprises the information included in the annual report and Directors' report. The annual report is expected to be made available to use after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Independent Auditor's Report (continued)**

### **Responsibilities of the management and those charged with governance for Financial Statements**

The management and Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as the management and Directors determine 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, the management and Directors are 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 the management and Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

### **Auditor's 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 auditor's 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 of Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud and 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 the financial statements.

As part of an audit in accordance with ISA, we exercise professional judgement 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.
- ▶ Conclude on the appropriateness of the Directors' and management 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 material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, the auditor determines those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. The auditor describes these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the auditor determines that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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**Independent Auditor's Report (continued)**

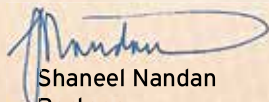
**Report on Other Legal and Regulatory Requirements**

In our opinion, the financial statements have been prepared in accordance with the requirements of the Companies Act 2015 in all material respects, and;

- a) we have been given all information, explanations and assistance necessary for the conduct of the audit; and
- b) the Company has kept financial records sufficient to enable the financial statements to be prepared and audited.



Ernst & Young  
Ernst & Young  
Chartered Accountants



Shaneel Nandan  
Partner  
Nadi, Fiji  
11 April 2025

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**Free Bird Institute Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 31 December 2024**

		<b>2024</b>	<b>2023</b>
	<b>Notes</b>	<b>\$</b>	<b>\$</b>
<b>Revenue from contracts with customers</b>			
Service fees	6	3,302,274	3,575,979
Restaurant	6	38,859	48,501
		<u>3,341,133</u>	<u>3,624,480</u>
<b>In-house insurance</b>			
In-house insurance revenue	7	616,137	629,881
In-house insurance service expenses	9	<u>(342,662)</u>	<u>(341,045)</u>
In-house Insurance service result		273,475	288,836
Other income	8	<u>15,561</u>	<u>56,494</u>
		3,630,169	3,969,810
<b>Non - insurance expenses</b>			
Direct operating expenses	11	(859,234)	(1,023,597)
Depreciation	21 / 22	(229,467)	(228,244)
Personnel expenses	12	(1,179,725)	(1,240,769)
Other expenses	13	(437,752)	(507,749)
<b>Profit from operations</b>		923,991	969,451
Finance income	14 (a)	101,873	32,168
Finance cost	14 (b)	<u>(262,928)</u>	<u>(183,517)</u>
<b>Net finance costs</b>		(161,055)	(151,349)
<b>Profit before tax</b>		762,936	818,102
Income tax expense	15 (a)	<u>(182,838)</u>	<u>(114,539)</u>
<b>Profit for the year</b>		580,098	703,563
Other comprehensive income, net of income tax		-	-
<b>Total comprehensive income for the year</b>		<u><u>580,098</u></u>	<u><u>703,563</u></u>
Basic and diluted earnings per share	28	<u><u>\$ 0.24</u></u>	<u><u>\$ 0.29</u></u>

The notes on page 32 to 64 are an integral part of these financial statements.

**Free Bird Institute Limited**  
**Statement of changes in equity**  
**For the year ended 31 December 2024**

	Share capital \$	Retained Earnings \$	Equity contribution reserve \$	Total \$
At 1 January 2023	3,194,831	2,425,169	255,237	5,875,237
<b>Total comprehensive income for the year</b>				
Profit for the year	-	703,563	-	703,563
Total comprehensive income for the year	-	703,563	-	703,563
<b>Transactions with owners of the Company</b>				
<b>Contributions and distributions</b>				
Dividend declared and paid - refer Note 27 (d)	-	(286,250)	-	(286,250)
Total transactions with owners of the Company	-	(286,250)	-	(286,250)
<b>Balance at 31 December 2023</b>	<b>3,194,831</b>	<b>2,842,482</b>	<b>255,237</b>	<b>6,292,550</b>
At 1 January 2024	3,194,831	2,842,482	255,237	6,292,550
<b>Total comprehensive income for the year</b>				
Profit for the year	-	580,098	-	580,098
Total comprehensive income for the year	-	580,098	-	580,098
<b>Transactions with owners of the Company</b>				
<b>Contributions and distributions</b>				
Dividend declared - refer to Note 27 (d)	-	-	-	-
Total transactions with owners of the Company	-	-	-	-
<b>Balance at 31 December 2024</b>	<b>3,194,831</b>	<b>3,422,580</b>	<b>255,237</b>	<b>6,872,648</b>

The notes on page 32 to 64 are an integral part of these financial statements.



**Free Bird Institute Limited**  
**Statement of financial position**  
**As at 31 December 2024**

		2024	2023
		\$	\$
<b>Assets</b>	<b>Notes</b>		
<b>Current assets</b>			
Cash and cash equivalents	16	628,571	461,682
Trade and other receivables	17	4,909,830	4,311,243
Term deposits	19	591,646	591,646
Prepayments	18	23,186	44,141
<b>Total current assets</b>		<b>6,153,233</b>	<b>5,408,712</b>
<b>Non-current assets</b>			
Trade and other receivables	17	80,029	80,029
Term deposits	19	24,435	24,435
Equity investments	20	21,800	21,400
Right-of-use assets	21	1,149,166	1,239,497
Property, plant and equipment	22	1,630,559	1,663,692
Deferred tax asset	15 (c)	21,151	29,209
<b>Total non-current assets</b>		<b>2,927,140</b>	<b>3,058,262</b>
<b>Total assets</b>		<b>9,080,373</b>	<b>8,466,974</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	23	243,194	216,335
Current tax liabilities	15 (d)	44,915	22,405
Contract liabilities	24	5,594	18,128
Payable to related parties	25	408,470	357,633
In-house insurance contract liabilities	26	239,937	222,849
Lease liabilities	21	162,000	67,054
Employee benefits		12,088	13,332
<b>Total current liabilities</b>		<b>1,116,198</b>	<b>917,736</b>
<b>Non-current liabilities</b>			
Lease liabilities	21	1,091,527	1,256,688
<b>Total non-current liabilities</b>		<b>1,091,527</b>	<b>1,256,688</b>
<b>Total liabilities</b>		<b>2,207,725</b>	<b>2,174,424</b>
<b>Shareholders' equity</b>			
Share capital	27 (b)	3,194,831	3,194,831
Retained earnings		3,422,580	2,842,482
Equity contribution reserve	27 (c)	255,237	255,237
<b>Total shareholders' equity</b>		<b>6,872,648</b>	<b>6,292,550</b>
<b>Total shareholders' equity and liabilities</b>		<b>9,080,373</b>	<b>8,466,974</b>

Signed on behalf of the Board



**Director**



**Director**

The notes on page 32 to 64 are an integral part of these financial statements.

**Free Bird Institute Limited**  
**Statement of cash flows**  
**For the year ended 31 December 2024**

		<b>2024</b>	<b>2023</b>
	<b>Notes</b>	<b>\$</b>	<b>\$</b>
<b>Operating activities</b>			
Receipts from customers		2,758,416	2,023,509
Payment to suppliers and employees		(2,440,793)	(2,625,105)
In-house insurance premiums received		314,270	267,736
In-house insurance claims paid		(32,387)	(27,176)
Interest received		2,852	8,210
Income tax paid	15 (d)	(151,769)	(43,016)
Interest paid on lease liabilities	14(b)	(91,784)	(97,519)
<b>Net cash from/(used in) operating activities</b>		<b>358,805</b>	<b>(493,361)</b>
<b>Investing activities</b>			
Acquisition of property, plant and equipment	22	(110,854)	(56,513)
Proceeds from sale of property, plant and equipment	8/22	5,665	2,174
<b>Net cash used in from investing activities</b>		<b>(105,189)</b>	<b>(54,339)</b>
<b>Financing activities</b>			
Dividends paid	27 (d)	-	(286,250)
Principal payment of lease liabilities	21	(70,215)	(158,179)
<b>Net cash used in financing activities</b>		<b>(70,215)</b>	<b>(444,429)</b>
Net increase/(decrease) in cash and cash equivalents		183,401	(992,129)
Effect of movements in exchange rates on cash held		(16,512)	(20,717)
Cash and cash equivalents at 1 January		461,682	1,474,528
<b>Cash and cash equivalents at 31 December</b>	16	<b>628,571</b>	<b>461,682</b>

The notes on page 32 to 64 are an intergral part of these financial statements.

# **Free Bird Institute Limited**

## **Notes to the financial statements**

### **For the year ended 31 December 2024**

#### **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 activities of the Company during the year were providing language learning programs, facilitating high school and other educational products to international students, assisting in the management of local students, provision of an in-house insurance scheme, in-house money exchange and a restaurant.

#### **2. Basis of preparation**

##### **(a) Statement of compliance**

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) Accounting standards as issued by the International Accounting Standards Board (IASB), and in compliance with the requirements of the Fiji Companies Act 2015.

The financial statements were authorised for issue by the Board of Directors on 11 April 2025.

##### **(b) Basis of measurement**

The financial statements have been prepared on the 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 on-going basis. Revisions to estimates are recognised prospectively.

The key areas in which 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 not often be apparent to the insurer until certain months after the events giving rise to the claims has happened. In calculating the estimated cost of unpaid claims the Company calculates the loss ratio (which is the total claims incurred to date and historically divided by the earned premium) multiplied by the estimated time lag of an incident occurring and being notified to the Company. The resultant percentage is multiplied with the earned premium for the year to calculate the estimated IBNR. The standard requires the inclusion of a risk adjustment when calculating IBNR claims. However, given that the company's IBNR is relatively small—primarily due to all claims being settled within three days of the incident—the risk adjustment has not been applied, as its impact on the IBNR is immaterial.



**Free Bird Institute Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**2. Basis of preparation (continued)**

**(d) Use of estimates and judgments (continued)**

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Depreciation rates	Note 3 b (iii)
Recoverability of deferred tax assets	Note 3n(ii)
Lease term and discount rate	Note 3(o)
Impairment of non-financial assets	Note 3(f) (ii)
Impairment of financial assets	Note 3(f) (i)
In-house insurance claims	Note 3(d)(iv)
Revenue recognition	Note 3(g)

**(e) Going concern**

The directors considers that the Company will continue as a going concern. The directors believe that the basis of preparation of financial statements is appropriate and the Company will be able to continue its operations for at least 12 months from the date of signing this report.

**3. Summary of Accounting Policies**

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

**(a) Cash and cash equivalents**

Cash and cash equivalents comprise of cash on hand and cash at bank at balance date. Cash and 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.

**(b) 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 property, 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 property, 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.

**Free Bird Institute Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**3. Summary of Accounting Policies (continued)**

**(b) Property, plant and equipment (continued)**

**(iii) Depreciation (continued)**

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.

**(c) 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. Where amounts are not paid out, a liability is recognised for the amount expected to be paid.

**(d) In-house insurance contracts**

The Company issues contracts that transfer insurance risk. These contracts are issued to students for the duration that they undertake Language learning courses at the Institute and to employees which covers life and medical. Insurance contracts are those contracts that transfer significant insurance 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 revenue**

Premium comprises amounts charged to policyholders excluding taxes and fees collected on behalf of third parties. Premiums for the students are collected by the parent Company, South Pacific Free Bird Company Limited (SPFB) and are remitted to the Company after deducting a commission. Premium is treated as earned from the date of attachment of risk (generally the date a contract commences) over the period of the related insurance contracts.

**(ii) Liability for Remaining Coverage**

Under the Premium Allocation Approach (PAA) outlined in IFRS 17, the Liability for Remaining Coverage (LRC) represents the company's obligation related to insurance coverage that has not yet been provided. Specifically, it comprises premiums that have already been received, plus premiums receivable, associated directly with insurance contract services still to be delivered.

**Free Bird Institute Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**3. Summary of Accounting Policies (continued)**

**(d) In-house insurance contracts (continued)**

**(iii) Insurance acquisition cash flows (IACF)**

Insurance acquisition cash flows are cash flows arising from the costs of selling insurance contracts. The Company recognises commissions as its insurance acquisition cash flows (IACF). These represent costs directly attributable to obtaining and recording insurance contracts. The Company's parent entity, SPFB, charges a commission for each insurance policy sold on the Company's behalf. In accordance with IFRS 17 paragraph 55(a), the Company has elected to expense insurance acquisition cash flows when incurred, as the coverage period for each group of contracts is one year or less.

**(iv) Insurance service expense**

In-house insurance service expense is made up of IACF (refer to 3d (iii)) and in-house insurance claims. In-house insurance claims comprises claims and related expenses paid in the year, changes in the Liability for incurred claims but not reported, claims incurred but not settled at year end together with any other adjustments to claims from previous years.

**(v) Liability for incurred claims**

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

Refer to 3 (q) for the application of IFRS 17 on in-house insurance.

**(e) Financial instruments**

**(i) Recognition and initial measurement**

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

**(ii) Classification and subsequent measurement**

***Financial assets***

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows;
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.



**Free Bird Institute Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**3. Summary of Accounting Policies (continued)**

**(e) Financial instruments (continued)**

**(ii) Classification and subsequent measurement (continued)**

The Company had not elected to present in OCI subsequent changes in the fair value of an investment in an equity instrument that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 Business Combinations applies.

<b>The classification of financial assets as at 31 December 2024 are as follows:</b>	<b>Classification</b>
Cash and cash equivalents (excluding cash on hand)	Amortised
Trade and other receivables	Amortised
Term deposits	Amortised
Shares in Port Denarau Marina Ltd (PDML)	FVTPL

***Financial assets: Business model assessment***

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

***Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest***

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument.

**Free Bird Institute Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**3. Summary of Accounting Policies (continued)**

**(e) Financial instruments (continued)**

**(ii) Classification and subsequent measurement (continued)**

This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

***Financial assets: Subsequent measurement and gains and loss***

Financial assets that are measured at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. Financial assets that are measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

***Financial liabilities: Classification, subsequent measurement and gains and losses***

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

**(iii) Derecognition**

***Financial assets***

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial 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 of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

**Free Bird Institute Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**3. Summary of Accounting Policies (continued)**

**(e) Financial instruments (continued)**

***Financial liabilities***

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

***Offsetting***

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 set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**(f) Impairment**

**(i) Non derivative financial assets**

***Financial instruments and contract assets***

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Company measures loss allowances at 12-month ECLs for all financial assets as:

- trade receivables comprise of a single customer, being the parent, SPFB. Impairment for amounts receivable from related parties have been considered based on qualitative factors;
- cash at bank balances and term deposits for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition;
- immigration and other bonds comprise of receivables from the Department on immigration and other parties that have been determined to have a low credit risk at the reporting date; and
- other receivables comprise of receivables for payments made on behalf of SPFB. Impairment for amounts receivable from related parties have been considered based on qualitative factors.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company considers cash and cash equivalents to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Company considers this to be BB- or higher per rating agency Standards & Poor's (S&P).

12-month ECL's are the portion of ECL's that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECL's is the maximum contractual period over which the Company is exposed to credit risk.



**Free Bird Institute Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**3. Summary of Accounting Policies (continued)**

**(f) Impairment (continued)**

**(i) Non derivative financial assets (continued)**

The Company applied the two stage approach to amounts receivable from related parties to identify significant increases in credit risk. In calculating a provision for expected credit losses, the Company considers what is the probability of the related party defaulting. In assessing the risk of default, the Company considers the following factors:

- actual failure to pay within payment terms of the receivable;
- the related parties credit worthiness and financial position; and
- adverse changes to the overall viability of the related party operations.

Measurement of ECLs

ECL's are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECL's are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise; or
- it is probable that the debtor will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

**(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.

**Free Bird Institute Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**3. Summary of Accounting Policies (continued)**

**(f) Impairment (continued)**

**(ii) Non financial assets (continued)**

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 reversed 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.

**(g) Revenue**

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a service to a customer.

Outlined below is information about the nature and timing of the satisfaction of performance obligations including revenue recognition under IFRS 15 in contracts with customers.

**Service fees**

The Company has a contract with parent, SPFB and other agents to provide various services to the students that are engaged via them. The customers of the Company are the students. The services provided include enrolment, tuition, arranging for visas, providing students with accommodation can be either dormitory or homestay, providing examinations and provision of high school learning. These arrangements in the contract have been determined as separate performance obligations except enrolment activity. The Company has determined these performance obligations qualify as distinct performance obligations, as the customer benefit from the service on its own or together with other resources that are available to customer, and the promise to transfer the service is separately identifiable from other promises in the contract. Furthermore, fulfillment of one performance obligations does not significantly customizes the other nor are interdependent or interrelated on how each obligation is executed.

The transaction price is determined based on the fee rates agreed between the Company and the customers, and level of service rendered. The transaction price includes the non-refundable upfront fees such as enrolment fees as it not considered to be a significant material right.

In relation to arranging visa for students, the company recognises revenue on a net basis based on their role in the transaction as an agent only as they do not control the approval of granting a visa to students and therefore record only the net revenue share they earn.

Invoices are issued monthly and are usually payable within 30 days. The Company has a right to invoice SPFB and other agents at an amount that corresponds directly with its performance to date, hence recognise revenue at that amount.

**Free Bird Institute Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**3. Summary of Accounting Policies (continued)**

**(g) Revenue (continued)**

The Company recognizes revenue when it transfers control of a service to a customer. Revenue recognition for each of the major revenue is as follows:

Revenue Stream	Performance obligation	Timing of recognition
Language teaching revenue	Provision of English language teaching courses	Overtime starting from the commencement of the course to when the course is completed.
High school teaching revenue	Provision of high school studies	Overtime starting from the commencement of the course to when the course is completed.
Dormitory and homestay fees	Provision of accommodation to students.	Revenue from accommodation is recognised overtime during the period of stay.
Enrolment fees	Student registration services	Overtime starting from the commencement of the course to when the course is completed.

Restaurant sales

The restaurant serves in-house students only. It provides lunch meals to high school students who initially deposit their lunch fee to SPFB. At the end of every month, the company invoices SPFB for the provision of lunch.

**(h) 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.

**(i) Trade and other payables, contract liabilities and payables to related parties**

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

**(j) 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 taking into account the risks specific to the liability, its carrying amount is the present value of those cash flows.

**(k) Finance income and finance cost**

Finance income and expenses comprises interest income on term deposits and 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.



**Free Bird Institute Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**3. Summary of Accounting Policies (continued)**

**(k) Finance income and finance cost (continued)**

The Company offers in-house money exchange. In-house money exchange income represents the net value of currencies traded as a result of the Company's operation as an in-house Bureau-de-change. Students and staff exchange their Japanese yen with the Company for Fiji dollars. The Company then deposits the Japanese yen collected into its Japanese yen bank account held locally and transfers the Japanese yen to its Fiji dollar account when the rates are favourable. The gain or loss on the transfer is recognised as a realised exchange gain or loss and included in either finance income or finance expense.

**(l) 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. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction. Foreign currency gains or losses are recognised in profit or loss.

**(m) 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.

**(n) Income tax**

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except for items recognised directly in equity or other comprehensive income.

**(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 are 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. 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.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

**Free Bird Institute Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**3. Summary of Accounting Policies (continued)**

**(n) Income tax (continued)**

**(ii) Deferred tax (continued)**

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.

**(o) Leases**

The Company leases restaurant facilities and the land upon which its educational facilities have been constructed (see Note 21).

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

**i. As a lessee under IFRS 16**

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

**Free Bird Institute Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**3. Summary of Accounting Policies (continued)**

**(o) Leases (continued)**

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. During the year, the lease for Lautoka Delana was modified after the lease repayment had increased.

The Company presents right-of-use assets and lease liabilities as separate line items in the statement of financial position (see note 21).

***Short-term leases and leases of low-value assets***

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of office space that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**(p) Comparative figures**

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

**(q) IFRS 17 - Insurance Contracts**

The measurement principles of the PAA differ from the 'earned premium approach' used by the Company under IFRS 4 in the following key areas:

- The liability for remaining coverage reflects premiums received less deferred insurance acquisition cash flows (if any) and less amounts recognised in revenue for insurance services provided;
- Measurement of the liability for remaining coverage includes the premiums received or receivable at the inception of the group of insurance contracts. The liability is not adjusted for the time value of money as all contracts are less than a year.
- Subsequently, the liability for remaining coverage is reduced as insurance coverage is provided, with insurance revenue recognized in the statement of profit or loss over the coverage period.
- Measurement of the liability for incurred claims (previously claims outstanding and incurred-but-not-reported (IBNR) claims) is measured as the fulfilment cash flows relating to incurred claims. The liability includes the Company's obligation to pay other incurred insurance expenses.



**Free Bird Institute Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**3. Summary of Accounting Policies (continued)**

**(q) IFRS 17 - Insurance Contracts (continued)**

**Insurance contracts accounting treatment**

***Level of aggregation***

IFRS 17 requires a company to determine the level of aggregation for applying its requirements. The level of aggregation for the Company is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together. Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant risk of becoming onerous, and the remainder.

This means that, for determining the level of aggregation, the Company identifies a contract as the smallest unit. However, the Company makes an evaluation of whether a series of contracts need to be treated together as one unit based on reasonable and supportable information, or whether a single contract contains components that need to be separated and treated as if they were stand-alone contracts.

As such, what is treated as a contract for accounting purposes may differ from what is considered as a contract for other purposes (i.e., legal or management). IFRS 17 also requires that no group for level of aggregation purposes may contain contracts issued more than one year apart.

**Measurement - Premium Allocation Approach**

	<b>IFRS 17 Options</b>	<b>Adopted approach</b>
Premium Allocation Approach (PAA) Eligibility	Subject to specified criteria, the PAA can be adopted as a simplified approach to the IFRS 17 general model	All insurance contracts issued by the Company is for less than 1 year, therefore the company have applied PAA approach for all its insurance contracts.
Insurance acquisition cash flows for insurance contracts issued	Where the coverage period of all contracts within a group is less than one year, insurance acquisition cash flows can be expensed as incurred.	The insurance acquisition cash flows are allocated to related groups of insurance contracts and amortised over the coverage period of the related group.
Liability for Remaining Coverage (LFRC), adjusted for financial risk and time value of money	Where there is no significant financing component in relation to the LFRC, or where the time between providing each part of the services and the related premium due date is no more than a year, an entity is not required to make an adjustment for accretion of interest on the LFRC.	There is no allowance as the premiums are received within one year of the coverage period.
Liability for Incurred Claims, (LFIC) adjusted for time value of money	Where claims are expected to be paid within a year of the date that the claim is incurred, it is not required to adjust these amounts for the time value of money.	The Company has not adjusted the Liability for Incurred Claims (LIC) for the time value of money because all claim-related cash flows are expected to be settled within one year or on demand from the date the claims are incurred.

**Free Bird Institute Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**3. Summary of Accounting Policies (continued)**

**(q) IFRS 17 - Insurance Contracts (continued)**

**Insurance contracts – initial measurement**

The Company applies the premium allocation approach (PAA) to all the insurance contracts that it issues as the coverage period of each contract in the group is one year or less.

**4. Standards issued and are not yet effective**

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2025 and have not been applied in preparing these financial statements. The Company is yet to assess the impact of these standards and intends to adopt the standards no later than the accounting period in which the standards become effective.

Title	Key Requirements	Effective Date
Amendments to IAS 21 - Lack of Exchangeability	To help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not.	01-Jan-25
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	To respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments: <ul style="list-style-type: none"> <li>• clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;</li> <li>• clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;</li> <li>• add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance</li> <li>• update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).</li> </ul>	01-Jan-26
IFRS 18 Presentation and Disclosure in Financial Statements	This standard will introduce new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.	01-Jan-27

**Free Bird Institute Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**5. Risk management**

**(a) Insurance risk**

The Company principally issues the following types of insurance contracts: Life, Travel and Medical. The most significant risks arise from an outbreak of another pandemic, natural disasters, road accidents resulting in serious disability or death. The objective of the Company is to ensure that sufficient reserves are available to cover the liabilities associated with these insurance contracts.

**5. Risk management (continued)**

**(a) Insurance risk (continued)**

The company mitigates this risk by setting aside \$500,000 (2023: \$500,000) for any unforeseen claims that may be made from the Company's in-house insurance scheme. Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are established to reduce the risk exposure of the Company. The Company further enforces a policy of actively managing and promptly settling claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business.

**(b) Sensitivities**

The liability for incurred claims is sensitive to the key assumptions in the table below.

	Change in assumptions	Impact on profit before tax	Impact on equity
		<b>2024</b>	
Weighted avg term to settlement	+10%	0.3	0.3
Expected loss	+10%	3,239	3,239
Inflation rate	+1%	-	-
Weighted avg term to settlement	-10%	(0.3)	(0.3)
Expected loss	-10%	(3,239)	(3,239)
Inflation rate	-1%	-	-
		<b>2023</b>	
Weighted avg term to settlement	+10%	0.3	0.3
Expected loss	+10%	2,718	2,718
Inflation rate	+1%	-	-
Weighted avg term to settlement	-10%	(0.3)	(0.3)
Expected loss	-10%	(2,718)	(2,718)
Inflation rate	-1%	-	-

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 in regards 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 2024**

**5. Risk management (continued)**

**(i) Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions.

Trade and other receivables

For non-related parties, customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions. 95% of the company's receivable is receivable from related parties. For related parties, the Company is confident that all outstanding balances will be fully recovered and settled, as contractual agreements have been signed and implemented by the respective related parties.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns.

Impairment loss on financial assets recognised in profit or loss was as follows:

	2024	2023
	\$	\$
Impairment loss on trade and other receivables	-	60,000
	<b>2024</b>	<b>2023</b>
<u>Movements in the allowance for impairment for trade and other receivable:</u>	<u>\$</u>	<u>\$</u>
Balance at 1 January	60,000	54,875
Movement during the year	(60,000)	5,125
Balance at 31 December	-	60,000

Cash and cash equivalents and term deposits

The Company held cash and cash equivalent of \$628,571 (2023: \$461,682) and term deposits of \$616,081 (2023: \$616,081). Cash and term deposits are held with banks which are rated AA- based on Standard & Poors ratings.

Impairment on cash and cash equivalents and term deposits has been measured on the 12 month expected credit loss basis and reflects short term maturities of the exposures. The Company considers that its cash and cash equivalent and term deposits have low credit risk, except for term deposits held with locally incorporated financial institutions.

The Company did not recognise impairment allowance as at 31 December 2024.

**(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. This risk is mitigated by ensuring that company will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions.

**Free Bird Institute Limited**  
**Notes to the financial statements**  
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**5. Risk management (continued)**

**(ii) Liquidity risk (continued)**

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.

		<b>Contractual cash flows</b>			
	<b>Carrying amount</b>	<b>Total</b>	<b>Up to 1 year</b>	<b>1-2 years</b>	<b>More than 2 years</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>31 December 2024</b>					
Trade and other payables	243,194	243,194	243,194	-	-
Payable to related parties	408,470	408,470	408,470	-	-
Lease liabilities	1,253,527	2,740,981	162,000	138,624	2,440,357
	<u>1,905,191</u>	<u>3,392,645</u>	<u>813,664</u>	<u>138,624</u>	<u>2,440,357</u>
<b>31 December 2023</b>					
Trade and other payables	216,335	216,335	216,335	-	-
Payable to related parties	357,633	357,633	357,633	-	-
Lease liabilities	1,323,742	2,903,425	162,000	138,624	2,602,801
	<u>1,897,710</u>	<u>3,477,393</u>	<u>735,968</u>	<u>138,624</u>	<u>2,602,801</u>

**(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:

<b>Fixed rate instruments</b>	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<u>Financial assets</u>		
Term deposits	616,081	616,081
Cash and cash equivalents - short term deposits	<u>325</u>	<u>25,097</u>
<u>Financial liabilities</u>		
Lease liability	<u>(1,253,527)</u>	<u>(1,323,742)</u>

Cash at bank is non-interest bearing.

**Free Bird Institute Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**5. Risk management (continued)**

**(iii) Market risk (continued)**

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 revenue and interest bearing borrowings are denominated and the respective currency of the Company. The functional currency of the Company is Fiji Dollar. Revenue and interest bearing borrowings are primarily denominated in Japanese Yen.

The Company has a Japanese Yen bank account which it uses to receipt all revenue 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 enters into forward rate arrangement with recognised banks for the purpose of settlement.

Exposure to currency risk

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

	2024	2023
	Yen	Yen
<u>Financial assets</u>		
Trade receivables	279,687,148	243,022,412
	2024	2023
	Yen	Yen
<u>Financial liabilities</u>		
Trade payable to related party	27,269,457	22,824,138

The above amounts are in Yen as at 31 December.

The following significant exchange rates have been applied:

	Year end spot rates
	2024      2023
JPY	66.76      63.82

Sensitivity analysis

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

<u>Effect in FJD</u>	<u>Profit or loss</u>		<u>Equity, net of tax</u>	
	<i>Strengthening</i>	<i>Weakening</i>	<i>Strengthening</i>	<i>Weakening</i>
<u>31 December 2024</u>				
Financial assets	(418,944)	418,944	(377,050)	377,050
Financial liabilities	40,847	(40,847)	36,762	(36,762)



**Free Bird Institute Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**5. Risk management (continued)**

**(b) Financial risk management (continued)**

**(iii) Market risk (continued)**

Currency risk (continued)

Sensitivity analysis (continued)

Effect in FJD

31 December 2023

	<b>Profit or loss</b>		<b>Equity, net of tax</b>	
	<i>Strengthening</i>	<i>Weakening</i>	<i>Strengthening</i>	<i>Weakening</i>
Financial assets	(380,794)	380,794	(342,714)	342,714
Financial liabilities	40,788	(40,788)	36,710	(36,710)

The amounts in brackets above are debits and therefore losses in profit or loss and decreases in equity.

**(iv) Accounting classifications and fair values**

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The categorisation of financial assets measured at fair value as at 31 December 2024 are as follows:

<b>Financial assets measured at fair value</b>	<b>Category</b>
Shares in Port Denarau Marina Ltd (PDML)	Level 1

**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.

<b>Reportable segments</b>	<b>Operations</b>
Service fees	Provision of Language learning programs and facilitating high school and other educational products to international students.
In-house insurance	Writing of life, medical and travel insurance policies for international students. Employee insurance policies is limited to life and medical only.
Restaurant	Sale of food meals, specialising in Japanese udon noodles.

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

**(b) Informational about reportable segments**

Information related to each reportable segment is set out below. Segment profit 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.

**Free Bird Institute Limited**  
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**6. Operating segments (continued)**

		<b>Reportable segments</b>		
	<b>Service fees</b>	<b>In-house insurance</b>	<b>Restaurant</b>	<b>Total</b>
<b>2024</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
External revenue	3,302,274	616,137	38,859	3,957,270
Other income incl foreign exchange gain	113,114	-	-	113,114
Interest income	4,320	-	-	4,320
Interest expense	(91,784)	-	-	(91,784)
Depreciation expense	(229,467)	-	-	(229,467)
Direct, personnel, insurance and other expense	(2,624,100)	(342,662)	(23,755)	(2,990,517)
Segment profit before tax	474,357	273,475	15,104	762,936
Segment assets	7,559,774	1,183,528	13,934	8,757,236
Segment liabilities	1,967,788	239,937	-	2,207,725
<b>2023</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
External revenue	3,575,979	629,881	48,501	4,254,361
Other income	56,494	-	-	56,494
Interest income	32,168	-	-	32,168
Interest expense	(96,768)	-	(751)	(97,519)
Depreciation expense	(225,842)	-	(2,402)	(228,244)
Direct, personnel, insurance and other expense	(2,806,330)	(341,045)	(51,783)	(3,199,158)
Segment profit before tax	535,701	288,836	(6,435)	818,102
Segment assets	7,231,545	1,145,947	89,482	8,466,974
Segment liabilities	1,660,695	513,729	-	2,174,424

**Free Bird Institute Limited**  
**Notes to the financial statements**  
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	Notes	2024	2023
<b>7. In-house insurance revenue</b>		\$	\$
Gross insurance received during the year		654,546	645,866
Premiums refunded during the year		(16,908)	(30,827)
Liability for Remaining Coverage and VAT		(21,501)	14,842
		<u>616,137</u>	<u>629,881</u>
<b>8. Other income</b>		\$	\$
Tour revenue		-	13,090
Gain on disposal of property, plant and equipment		815	2,174
Miscellaneous		14,746	41,230
		<u>15,561</u>	<u>56,494</u>
<b>9. In-house insurance expense</b>		\$	\$
Gross in house insurance claims incurred		32,387	27,176
In-house commission expense	10	310,275	313,869
		<u>342,662</u>	<u>341,045</u>
<b>10. In-house insurance commission expense</b>		\$	\$
Commission expense		<u>310,275</u>	<u>313,869</u>
<b>11. Direct operating expenses</b>		\$	\$
Accommodation cost and supplies		8,577	5,005
Classroom supplies		21,268	16,894
Electricity and water		70,239	59,311
Home stay fees		795,395	853,563
Restaurant expenses		23,755	28,824
(Reversal of Impairment Loss)/Impairment loss		(60,000)	60,000
		<u>859,234</u>	<u>1,023,597</u>
<b>12. Personnel expenses</b>		\$	\$
Wages and salaries		836,922	907,825
Key management compensation - short term benefits		248,292	259,926
Key management compensation- contribution to FNPF		24,829	13,844
Contributions to Fiji National Provident Fund		60,932	45,616
Fiji National University Levy		6,111	7,690
Other staff costs		2,639	5,868
		<u>1,179,725</u>	<u>1,240,769</u>
<b>13. Other expenses</b>		\$	\$
Accounting fees		5,830	3,500
Audit fees		23,000	22,000
Advertising and marketing		1,000	2,262
Bank charges		4,094	4,657
Directors' fees		12,730	21,500
Education and training		1,894	2,111
Balance carried forward		<u>48,548</u>	<u>56,030</u>



**Free Bird Institute Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

<b>13. Other expenses (continued)</b>	<b>Notes</b>	<b>2024</b>	<b>2023</b>
		<b>\$</b>	<b>\$</b>
Balance brought forward		48,548	56,030
Freight, postage and courier		4,145	3,443
Insurance		5,666	5,525
License and rates		3,202	5,600
Meals and entertainment		3,992	8,608
Motor vehicle expenses		23,635	40,444
Office expenses		64,724	118,949
Other expense		99,465	33,924
Printing and stationery		33,869	24,880
Repair and maintenance		23,722	66,354
Subscriptions		52,513	47,009
Telephone and internet		43,600	44,226
Travel and accommodation		30,671	52,757
		<u>437,752</u>	<u>507,749</u>
<b>14. Finance income and finance cost</b>			
<b>(a) Finance income</b>		<b>\$</b>	<b>\$</b>
Interest income		4,320	6,325
Realised foreign exchange gain - in house exchange		21,556	25,843
Realised foreign exchange gain - others		75,997	-
		<u>101,873</u>	<u>32,168</u>
<b>(b) Finance cost</b>		<b>\$</b>	<b>\$</b>
Interest expense on lease liabilities	21	91,784	97,519
Unrealised foreign exchange loss		73,226	78,698
Realised foreign exchange loss		97,918	7,300
		<u>262,928</u>	<u>183,517</u>
<b>15. Income tax</b>			
<b>(a) Income tax expense recognised in the income statement</b>		<b>\$</b>	<b>\$</b>
<u>Current tax expense</u>			
Current year		169,050	117,513
<u>Deferred tax expense</u>			
Origination and reversal of temporary differences		27,532	9,569
Change in tax rate *		(19,473)	(11,061)
Other		5,729	(1,482)
Income tax expense		<u>182,838</u>	<u>114,539</u>

\* In 2024, the income tax rate had increased from 15% to 25%

**Free Bird Institute Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

<b>15. Income tax (continued)</b>	<b>2024</b>	<b>2023</b>
<b>(b) Reconciliation of effective tax rate</b>	<b>\$</b>	<b>\$</b>
Operating profit before income tax	762,936	818,102
Prima facie income tax expense on profit before tax at 25% (2023: 15%)	190,734	122,715
Change in tax rate	(19,473)	(11,061)
Tax effect of non deductible expenses	5,848	4,368
Others	5,729	(1,483)
Income tax expense	<u>182,838</u>	<u>114,539</u>
<b>(c) Recognised deferred tax asset</b>		
Employee benefits	3,021	1,999
Trade receivables	-	9,000
Unrealised foreign exchange gain	(693)	11,770
Right-of-use assets	(287,294)	(185,925)
Lease liability	313,321	198,561
Property plant and equipment	(7,204)	(6,196)
	<u>21,151</u>	<u>29,209</u>

Movement in temporary differences during the year

	<b>1 January 2024</b>	<b>Recognised in income statement</b>	<b>31 December 2024</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Employee benefits	1,999	1,022	3,021
Trade receivables	9,000	(9,000)	-
Unrealised Foreign exchange gain	11,770	(12,463)	(693)
Right-of-use assets	(185,925)	(101,369)	(287,294)
Lease liability	198,561	114,760	313,321
Property plant and equipment	(6,196)	(1,008)	(7,204)
	<u>29,209</u>	<u>(8,058)</u>	<u>21,151</u>
	<b>1 January 2023</b>	<b>Recognised in income statement</b>	<b>31 December 2023</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Employee benefits	1,334	665	1,999
Trade receivables	5,488	3,512	9,000
Unrealised Foreign exchange gain	12,895	(1,125)	11,770
Right-of-use assets	(112,601)	(73,324)	(185,925)
Lease liability	123,133	75,428	198,561
Property plant and equipment	(4,016)	(2,180)	(6,196)
	<u>26,233</u>	<u>2,976</u>	<u>29,209</u>

**Free Bird Institute Limited**  
**Notes to the financial statements**  
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<b>15. Income tax (continued)</b>	<b>2024</b>	<b>2023</b>
<b>(d) Current tax asset/(liability)</b>	<b>\$</b>	<b>\$</b>
Opening balance	(22,405)	51,592
Current tax expense	(169,050)	(117,513)
Resident interest withholding tax	500	500
Payments made during the year	151,768	43,016
Under provision in prior year	(5,729)	-
Closing balance	<u>(44,916)</u>	<u>(22,405)</u>
<b>16. Cash and cash equivalents</b>	<b>\$</b>	<b>\$</b>
Cash on hand	2,921	549
Cash at bank	625,650	436,036
Short term deposits	-	25,097
Cash and cash equivalents in the Statement of Cash flows	<u>628,571</u>	<u>461,682</u>
<b>17. Trade and other receivables</b>		
Receivable from South Pacific Free Bird Company Limited - service fee	3,505,914	3,109,869
Receivable from South Pacific Free Bird Company Limited - in-house insurance premium	654,546	645,866
Immigration and other bonds	322,002	339,147
Other receivables - South Pacific Free Bird Company	28,982	52,200
Other receivables - Ba Provincial Free Bird Institute High School	273,788	190,298
Other receivables - others	204,627	113,892
Gross Trade and other receivable	4,989,859	4,451,272
Less allowance for impairment of trade and other receivables	-	(60,000)
	<u>4,989,859</u>	<u>4,391,272</u>
<u>Classified in the financial statements as follows:</u>		
Current	4,909,830	4,311,243
Non Current	80,029	80,029
	<u>4,989,859</u>	<u>4,391,272</u>
Immigration bonds are on revolving basis, hence, disclosed as current.		
<b>18. Prepayments</b>	<b>\$</b>	<b>\$</b>
Other prepayments	23,186	44,141
	<u>23,186</u>	<u>44,141</u>
<b>19. Term deposits</b>	<b>\$</b>	<b>\$</b>
Current	591,646	591,646
Non current	24,435	24,435
	<u>616,081</u>	<u>616,081</u>

Term deposits will mature on 17 August 2027, 31 August 2027, 25th October 2025 and 24 December 2025, with interest rate between 0.15% to 2.25% (2023:17 August 2024, 31 August 2024, 25th October 2024 and 24 December 2024 with interest rates between 0.25% to 2.25% per annum).



**Free Bird Institute Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

	2024	2023
	\$	\$
<b>20. Equity instruments</b>		
Shares in Port Denarau Marina Ltd (PDML)	21,800	21,400

Shares in PDML are valued at market price and any gains/losses are recorded in the statement of profit or loss.

**21. Leases**

The Company leases office space and land. The leases run for a period of 5-50 years, with an option to renew the lease after that date. Lease payments are renegotiated on renewal to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices.

The leases for the office space and land for Namaka and Lautoka are \$4,500 per month.

<b>Rights-of-use assets</b>	\$	\$
Balance at 1 January	1,239,497	1,126,008
Addition	-	226,877
Disposals	-	(20,655)
Depreciation charge for the year	(90,331)	(92,733)
Balance at 31 December	1,149,166	1,239,497

**Lease Liabilities**

Maturity analysis – contractual undiscounted cash flows	\$	\$
Less than one year	162,000	162,000
One to five years	440,877	495,025
More than five years	2,138,104	2,246,400
Total undiscounted lease liabilities at 31 December	2,740,981	2,903,425

Lease liabilities included in the statement of financial position at 31 December:

	\$	\$
Current	162,000	67,054
Non-current	1,091,527	1,256,688
	1,253,527	1,323,742

	2024	2023
<b>Amounts recognised in profit or loss</b>	\$	\$
Depreciation on ROU Assets	90,331	92,733
Interest on lease liabilities	91,784	97,519
Expenses relating to short-term leases	9,400	17,213
	191,515	207,465

**Amounts recognised in the statement of cash flows**

Total cash outflow for leases	70,215	158,179
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**Extension options**

Some property leases contain extension options exercisable by the Company up to one year before the end of the non-cancellable contract period. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at the lease commencement date whether it is reasonably certain to exercise the extension options.

**Free Bird Institute Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**22. Property, plant and equipment**

	<b>Buildings</b>	<b>Motor vehicles</b>	<b>Walkway and fence</b>	<b>Office equipment &amp; furniture</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Cost</b>					
Balance at 1 January 2023	2,012,923	213,348	244,949	460,541	2,931,761
Additions	20,772	-	-	35,741	56,513
Disposal	-	(27,630)	-	-	(27,630)
Balance at 31 December 2023	2,033,695	185,718	244,949	496,282	2,960,644
Balance at 1 January 2024	2,033,695	185,718	244,949	496,282	2,960,644
Additions	16,652	67,826	-	26,376	110,854
Disposal	-	(29,679)	-	-	(29,679)
Balance at 31 December 2024	2,050,347	223,865	244,949	522,658	3,041,819
<b>Depreciation</b>					
Balance at 1 January 2023	670,215	123,009	80,742	315,105	1,189,071
Depreciation charge for the year	50,627	28,652	6,124	50,108	135,511
Disposals	-	(27,630)	-	-	(27,630)
Balance at 31 December 2023	720,842	124,031	86,866	365,213	1,296,952
Balance at 1 January 2024	720,842	124,031	86,866	365,213	1,296,952
Depreciation charge for the year	50,982	30,039	6,407	51,709	139,136
Disposals	-	(24,829)	-	-	(24,829)
Balance at 31 December 2024	771,824	129,241	93,273	416,922	1,411,259
<b>Carrying amount</b>					
Balance at 1 January 2023	1,342,708	90,339	164,207	145,436	1,742,690
Balance at 31 December 2023	1,312,853	61,687	158,083	131,069	1,663,692
Balance at 31 December 2024	1,278,523	94,624	151,676	105,736	1,630,559

**Free Bird Institute Limited**  
**Notes to the financial statements**  
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	2024	2023
<b>23. Trade and other payables</b>	<b>\$</b>	<b>\$</b>
Trade payables	3,863	15,323
Accruals	119,667	100,213
Withholding tax payable	1,757	34,996
Other payables	117,907	65,803
	<u>243,194</u>	<u>216,335</u>
<b>24. Contract liabilities</b>	<b>\$</b>	<b>\$</b>
Contract liabilities	5,594	18,128

Contract liabilities primarily relates to advance consideration from other agents other than SPFB for tuition services for which revenue is recognised overtime.

<b>25. Payable to related parties</b>	<b>\$</b>	<b>\$</b>
Payable to South Pacific Free Bird Company Limited	<u>408,470</u>	<u>357,633</u>

The above payables are unsecured, on demand and non interest bearing. The amount is inclusive of commission payable of \$278,222 (2023: \$290,880)

<b>26. In-house insurance contract liabilities</b>	<b>\$</b>	<b>\$</b>
<u>Liability for Incurred Claims</u>		
Claims incurred but not reported (i)	1,827	1,827
Liability for Incurred Claims (ii)	140,408	140,408
Liability for Remaining Coverage	<u>97,702</u>	<u>80,614</u>
	<u>239,937</u>	<u>222,849</u>

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. This has been calculated as follows:

Number of days taken to notify claims x loss ratio x earned premium for the year.

365 days

This assessment of IBNR was done by an external Actuarist based in Auckland, New Zealand. The calculated IBNR for 2024 was not materially different compared to 2023. Management therefore, has not made any adjustments to this amount in the current financial year.

- (ii) The claims incurred but not yet paid of \$140,408 pertain to compensation in relation to the death of a student and injury sustained by her daughter in 2017. The designated beneficiary has requested that the disbursement of these funds be temporarily suspended and instead allocated towards efforts aimed at securing justice for the deceased.

**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 life.



**Free Bird Institute Limited**  
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**26. In-house insurance contract liabilities (continued)**

(iii) *Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims*

	2024			
	Liabilities for remaining Coverage		Liabilities for incurred Claims	
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment
Insurance contract liabilities as at 01/01	80,614	-	142,235	-
Insurance contract assets as at 01/01	-	-	-	-
<b>Net insurance contract (assets)/liabilities as at 01/01</b>	<b>80,614</b>	<b>-</b>	<b>142,235</b>	<b>-</b>
Insurance revenue	(616,137)	-	-	-
<b>Insurance service expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Incurred claims and other expenses	-	-	342,662	-
Losses on onerous contracts and reversals of those losses	-	-	-	-
Changes to liabilities for incurred claims	-	-	-	-
Investment components	-	-	-	-
<b>Insurance service result</b>	<b>(616,137)</b>	<b>-</b>	<b>342,662</b>	<b>-</b>
<b>Total changes in the statement of comprehensive income</b>	<b>(616,137)</b>	<b>-</b>	<b>342,662</b>	<b>-</b>
<b>Cash flows</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Premiums received/receivable from SPFB	654,546	-	-	-
Claims and other expenses paid	-	-	(342,662)	-
Insurance acquisition cash flows	-	-	-	-
<b>Total cash flows</b>	<b>654,546</b>	<b>-</b>	<b>(342,662)</b>	<b>-</b>
<b>Other movements</b>	<b>(21,321)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net insurance contract (assets)/liabilities as at 31/12</b>	<b>97,702</b>	<b>-</b>	<b>142,235</b>	<b>-</b>
Insurance contract liabilities as at 31/12	97,702	-	142,235	-
Insurance contract assets as at 31/12	-	-	-	-
<b>Net insurance contract liabilities as at 31/12</b>	<b>97,702</b>	<b>-</b>	<b>142,235</b>	<b>-</b>

**Free Bird Institute Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**26. In-house insurance contract liabilities (continued)**

(iii) *Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims*

	2023				
	Liabilities for remaining	Loss	Liabilities for incurred Claims		
	Excluding	component	Estimates of the	Risk	Total
	loss component		present value of future	adjustment	
			cash flows		
Insurance contract liabilities as at 01/01	99,677	-	142,235	-	241,912
Insurance contract assets as at 01/01	-	-	-	-	-
<b>Net insurance contract (assets)/liabilities as at 01/01</b>	<b>99,677</b>	<b>-</b>	<b>142,235</b>	<b>-</b>	<b>241,912</b>
Insurance revenue	(629,881)	-	-	-	(629,881)
<b>Insurance service expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Incurred claims and other expenses	-	-	341,045	-	341,045
Losses on onerous contracts and reversals of those losses	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	-	-	-
Investment components	-	-	-	-	-
<b>Insurance service result</b>	<b>(629,881)</b>	<b>-</b>	<b>341,045</b>	<b>-</b>	<b>(288,836)</b>
<b>Total changes in the statement of comprehensive income</b>	<b>(629,881)</b>	<b>-</b>	<b>341,045</b>	<b>-</b>	<b>(288,836)</b>
<b>Cash flows</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Premiums received/receivable from SPFB	645,866	-	-	-	645,866
Claims and other expenses paid	-	-	(341,045)	-	(341,045)
Insurance acquisition cash flows	-	-	-	-	-
<b>Total cash flows</b>	<b>645,866</b>	<b>-</b>	<b>(341,045)</b>	<b>-</b>	<b>304,821</b>
<b>Other movements</b>	<b>(35,048)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(35,048)</b>
<b>Net insurance contract (assets)/liabilities as at 31/12</b>	<b>80,614</b>	<b>-</b>	<b>142,235</b>	<b>-</b>	<b>222,849</b>
Insurance contract liabilities as at 31/12	80,614	-	142,235	-	222,849
Insurance contract assets as at 31/12	-	-	-	-	-
<b>Net insurance contract (assets)/liabilities as at 31/12</b>	<b>80,614</b>	<b>-</b>	<b>142,235</b>	<b>-</b>	<b>222,849</b>

**Free Bird Institute Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

	2024	2023
<b>27. Share capital</b>		
<b>(a) Authorised capital</b>		
Ordinary shares	<u>2,385,413</u>	<u>2,385,413</u>
<b>(b) Issued capital</b>	\$	\$
2,385,413 (2023:2,385,413)	<u>3,194,831</u>	<u>3,194,831</u>
Shares of the Company do not have a par value.		
<u>Shareholders at 31 December:</u>		
South Pacific Free Bird Company Limited (Japan)	1,478,669	1,478,669
FHL Trustees Ltd	250,806	250,806
Hiroshi Taniguchi	155,000	155,000
Masayasu Muramatsu	122,753	128,327
IBC Ltd (Japan)	80,354	80,354
Platinum Insurance Limited (Vanuatu)	65,192	65,192
Toshikazu Torimoto	46,284	46,284
Yoshinobu Higashi	29,604	29,804
Others	<u>156,751</u>	<u>150,977</u>
	<u>2,385,413</u>	<u>2,385,413</u>
<b>(c) Equity contribution reserve</b>		
The equity contribution reserve represents the difference between the nominal value of the amounts payable to related parties and their fair value. As the financing was provided by shareholders acting in their capacity as shareholders, the difference was treated as an equity contribution reserve.		
<b>(d) Dividends</b>	\$	\$
No interim dividend was declared for the year ended 2024: \$0.12 per ordinary shares (2023: \$0.12)	-	286,250
Total dividend paid	<u>-</u>	<u>286,250</u>
<b>28. Earnings per share</b>		
The calculation of earnings per share at 31 December 2024 was based on profit attributable to ordinary shareholders of \$651,509 (2023: \$703,563) and a weighted average number of ordinary shares outstanding of 2,385,413 (2023: 2,385,413) calculated as follows:		
	2024	2023
	\$	\$
Profit after income tax for the year	580,098	703,563
Number of shares outstanding	2,385,413	2,385,413
Basic and diluted earnings per share	<u>\$ 0.24</u>	<u>\$ 0.29</u>



# Free Bird Institute Limited

## Notes to the financial statements

### For the year ended 31 December 2024

#### 29. Related parties

##### (a) Directors

The directors in office during the year were:

Hiroshi Taniguchi (Chairman)	Kawai Takumi (retired: 25/05/2024)
Yoko Nameki (retired: 25/05/2024)	Ken Kawamura (appointed: 25/05/2024)
Rina Kumar (retired: 25/05/2024)	Sangeeta Singh (appointed: 25/05/2024)
Ratu Tevita Momoedonu (appointed: 25/05/2024; deceased: 30/05/2024)	

Directors fees are disclosed in Note 13.

##### (b) Parent Company

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

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

<u>South Pacific Free Bird Company Limited</u>	\$	\$
Other payables	(130,248)	(66,753)
Trade receivables (note 17)	4,160,460	3,755,735
Other receivables (note 17)	28,982	52,200
Commission payable	(278,222)	(290,880)
<u>Ba Provincial Free Bird Institute</u>	273,788	190,298

##### (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:

<u>South Pacific Free Bird Company Limited</u>	\$	\$
Service fees	3,918,411	3,532,660
Commission expense	310,275	313,869
License fees for software use	38,308	36,846
	<u>83,490</u>	<u>115,450</u>
<u>Ba Provincial Free Bird Institute (BPFBI)</u>	\$	\$
Operational expense	<u>83,490</u>	<u>115,450</u>

Free Bird Institute manages BPFBI and has paid \$83,490 (2023: \$115,450) of its expenses, with repayment fully guaranteed by SPFB and the Ministry of Education school grant.

##### (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 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 (Chairman)
Roqiqi Korodrau	Chief Financial Officer

Key management compensation is disclosed under Note 12.

**Free Bird Institute Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**30. Commitments**

Capital commitments not otherwise provided for in the financial statements amounted to \$Nil (2023: \$Nil).

**31. Contingent liabilities**

Contingent liabilities amount to \$Nil (2023: Nil)

**32. Capital risk 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 and be in compliance with statutory requirements. 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.

The Company monitors capital on the basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total equity is calculated as equity as shown in the statement of financial position plus net debt. The gearing ratio of the Company at balance date is as follows:

		<b>2024</b>	<b>2023</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
Lease liability	21	1,253,527	1,323,742
Less: Cash and Cash Equivalents	16	<u>(628,571)</u>	<u>(461,682)</u>
Net Debt		624,956	862,060
Total Capital		<u>6,872,648</u>	<u>6,292,550</u>
Gearing Ratio		<u>9%</u>	<u>14%</u>

**33. Events subsequent to balance date**

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 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 Information

## Listing Requirements of the South Pacific Stock Exchange (SPX)

The information contained herein is unaudited and not included anywhere else in this Annual Report. These information are required to be disclosed under the SPX Listing Rules.

### 1. Related party shareholding

Shareholdings of Directors and Senior Management and their connected persons (in the listed entity or any of its subsidiaries) required under section 51.2(iv) of the Listing rules.

Shareholder	Number of Shares	Percentage
Hiroshi Taniguchi	155,000	6.50%

### 2. Shareholder listing

Shareholdings of those persons holding twenty (20) largest blocks of shares as required under section 51.2(v) of the Listing Rules.

Shareholder's Name	Shares	Percentage
South Pacific Free Bird Co. Ltd	1,478,669	61.99%
FHL trustees Limited TRUSTEES LIMITED ATF Fijian Holding Unit Trust	250,806	10.51%
Hiroshi Taniguchi	155,000	6.50%
Masayasu Muramatsu	122,753	5.15%
IBC CO. LTD	80,354	3.37%
Platinum Insurance Limited	65,192	2.73%
Toshikazu Torimoto	46,284	1.94%
Yoshinobu Higashi	29,604	1.24%
Jimaima T & Roland F. Schultz	25,970	1.09%
Tomoko Tanaka	20,828	0.87%
Pravin Patel	10,284	0.43%
Shakuntla Prasad	10,284	0.43%
Suresh Prasad	10,284	0.43%
Tutanekai Investments Limited	8,356	0.35%
Namaka Public School	8,000	0.34%
GREGORY LIN CATHCART	7,874	0.33%
VAMARASI KAFOA	5,968	0.25%
Ronald Ravinesh Kumar	5,791	0.24%
YORTMAR NO 12 PTY LTD	3,184	0.13%
COOMBERDALE LIMITED	2,570	0.11%

### 3. Share distribution schedule

A distribution schedule of each class of equity security, setting out the number of holders and percentage as required under section 51.2(vi) of the Listing Rules.

Number of Shareholders	Shareholders	Total % Holding
73	0-500 shares	0.46%
27	501 -5,000 shares	1.35%
5	5,001 - 10,000 shares	1.51%

Number of Shareholders	Shareholders	Total % Holding
3	10,001 - 20,000 shares	1.29%
3	20,001 - 30,000 shares	3.20%
0	30,001 - 40,000 shares	0.00%
1	40,001 - 50,000 shares	1.94%
2	50,001 - 100,000 shares	6.10%
3	100,001 - 1,000,000 shares	22.16%
1	>1,000,000 shares	61.99%
		100%

#### 4. Meetings of the Board

The Board of Directors met 4 times during the year and the attendance at these meetings by the members is provided below.

Director	25/03/2024	25/05/2024	19/10/2024	13/12/2024
Hiroshi Taniguchi	Present	Present	Present	Present
Sangeeta Singh	Not Applicable	Present	Present	Present
Ken Kawamura	Not Applicable	Present	Present	Present
Yoko Name	Present	Not Applicable	Not Applicable	Not Applicable
Masao Kaneko	Present	Not Applicable	Not Applicable	Not Applicable

# Corporate Directory

Registered Office:	Office 1, Level 1, Lot 13 Commercial Street Concave Subdivision, Namaka, Nadi
Telephone:	+679 6720 379
Postal Address:	P.O Box 11065, Waimalika, Nadi, Fiji
Campus locations:	Namaka Campus Lot 3, Nasilivata Road, Namaka, Nadi Lautoka Campus 20 Mission, Place, Simla, Lautoka
External Auditors:	EY Chartered Accountants 21 Enamanu Road Nadi, P O Box 10812, Nadi Airport
Share Registry:	Central Share Registry Pte Limited Shop 1 and 11 Sabrina Building, Victoria Parade, Suva
Telephone:	+679 3304 130
Compiled by:	Roqiqi Korodrau (CFO)