

FREE BIRD INSTITUTE LTD



HALF YEAR FINANCIAL RESULTS

30 JUNE 2023



MARKET ANNOUNCEMENT

This market announcement contains the unaudited financial results of Free Bird Institute Limited (FBL) for the six months period ended 30 June 2023. Where necessary, comparative results of the previous reporting periods have been re-classified to maintain consistency with the current period reporting.

This market announcement has been authorised for issue on 29 August 2023.



.....
Hiroshi Taniguchi
Executive Chairman



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Roqiqi Korodrau
Company Secretary

CFO'S COMMENTS:

We are delighted to present our financial report for the six-month period ending on June 30, 2023.

Right from the outset, we are pleased to highlight a noteworthy enhancement in our total revenue, with an impressive increase of 7% to \$2.09 million compared to the corresponding period in the previous year. This achievement directly stems from the substantial improvements we've made in our sales and marketing strategies, which have consequently led to a significant rise in student enrollment. Notably, we've welcomed 295 new students in the current year alone, an increase of 8% when compared to the initial six months of the preceding year.

The genesis of our restaurant business segment was rooted in the idea of creating an alternate local revenue source during the closure of international borders. In 2022, the restaurant played a crucial role in providing quarantine meals for our students, generating revenue amounting to \$63,415. In contrast, in the ongoing year, its revenue has decreased to \$24,130. Recognizing the logistical complexities, the Board decided to cease restaurant operations on May 30, 2023, and relocate it to the school premises, exclusively catering to our students' dietary needs.

In the past, our school accommodated both Level 1 to Level 7 classes in Namaka and Lautoka Campuses. However, this year, we strategically restructured our school, with Namaka Campus now focusing on lower-level classes while Lautoka Campus handles higher-level classes. This strategic move has enabled us to curtail personnel expenses by a substantial 19%.

The persistently unfavorable JPY exchange rate continues to challenge us, influenced by policy shifts implemented by the Bank of Japan. Although we cannot entirely mitigate this impact, our best mitigation strategy involves minimizing the conversion of JPY to FJD to mitigate potential unrealized foreign exchange losses.

Our net profit before taxes stands impressively at \$422,299 marking a remarkable 87% increase compared to the same period last year, during which it amounted to only \$226,194.

Our earnings per share (EPS) has surged to \$0.18 per share, a significant leap from the \$0.10 per share recorded in the corresponding period of the previous year. Additionally, we are delighted to announce that our net profit margin has expanded to approximately 20%, marking a substantial enhancement from the 12% reported for the same period last year.

Our aggregate assets amount to \$8.2 million, marking a notable 6% uptick from the figures recorded in December 2022. Of the total assets, 64% are categorized as current assets, with receivables from our parent company, SPFB, comprising \$4.092 million. In light of the diminishing strength of the JPY, we have proactively engaged with our parent company to consider postponing invoice payments. This strategic measure aims to mitigate the impact of foreign exchange losses that might arise due to unfavorable currency fluctuations.

The net assets stand at \$6.3 million as at 30 June 2023.



ROQIQI KORODRAU -
Chief Financial Officer

FREE BIRD INSTITUTE LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS ENDING 30 JUNE 2023

	Quarter 1 ended 31-Mar-23 (Unaudited)	Quarter 2 ended 30-Jun-23 (Unaudited)	Half-Year ended 30-Jun-23 (Unaudited)	Half-Year ended 30-Jun-22 (Unaudited)	Quarter 2 ended 30-Jun-22 (Unaudited)	Quarter 1 ended 31-Mar-22 (Unaudited)	% Changes for Half-Year	% Changes for Q1	% Changes for Q2
Revenue									
Service fees	774,739	975,253	1,749,992	1,620,959	893,935	727,025	8% ↑	7% ↑	9%
Restaurant revenue	11,014	13,116	24,130	63,415	31,999	31,416	-62% ↓	-65% ↓	-59%
	785,753	988,369	1,774,122	1,684,375	925,934	758,441	5% ↑	4% ↑	7%
Other revenue									
In-house insurance premiums	134,397	161,673	296,070	253,316	135,338	117,979	17% ↑	14% ↑	19%
Other income	16,097	12,914	29,011	28,949	16,986	11,962	0% ↑	35% ↓	-24%
Total revenue	936,247	1,162,956	2,099,203	1,966,640	1,078,258	888,382	7% ↑	5% ↑	8%
Expenses									
In-house insurance claims	(3,770)	(7,166)	(10,936)	(13,655)	(8,737)	(4,918)	-20% ●	-23% ●	-18%
In-house insurance commission expense	(66,737)	(75,278)	(142,015)	(101,218)	(54,779)	(46,439)	40% ●	44% ●	37%
Direct operating expenses	(267,914)	(293,889)	(561,803)	(499,582)	(289,036)	(210,546)	12% ●	27% ●	2%
Depreciation	(55,677)	(55,828)	(111,505)	(102,386)	(51,893)	(50,493)	9% ●	10% ●	8%
Personnel expenses	(244,123)	(312,608)	(556,731)	(685,199)	(399,251)	(285,948)	-19% ●	-15% ●	-22%
Restaurant expenses	(8,923)	(8,744)	(17,667)	(26,034)	(8,744)	(17,290)	-32% ●	-48% ●	0%
Other expenses	(110,470)	(109,713)	(220,183)	(153,207)	(80,533)	(72,675)	44% ●	52% ●	36%
Total expenses	(757,614)	(863,227)	(1,620,841)	(1,581,281)	(892,972)	(688,309)	3% ●	10% ●	-3%
Profit from operations	178,633	299,729	478,362	385,359	185,286	200,073	24% ↓	-11% ↑	62%
Finance income	1,826	1,879	3,705	14,352	2,405	11,947	-74% ↓	-85% ↓	-22%
Finance cost	(19,954)	(39,814)	(59,768)	(173,518)	(70,739)	(102,779)	-66% ●	-81% ●	-44%
Profit before tax	160,505	261,794	422,299	226,194	116,952	109,241	87% ↑	47% ↑	124%
Income tax expense	-	-	-	-	-	-			
Net profit after tax	160,505	261,794	422,299	226,194	116,952	109,241	87% ↑	47% ↑	124%
Earnings per share	0.07	0.11	0.18	0.10	0.05	0.05	86% ↑	46% ↑	123%
Net profit margin	17%	23%	20%	12%	11%	12%	75% ↑	39% ↑	108%

FREE BIRD INSTITUTE LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	As at 30-Jun-23 (Unaudited)	As at 31-Dec-22 (Audited)	As at 30-Jun-22 (Unaudited)	Movements from Dec 22 to Jun 23	Movements from Jun 22 to Jun 23
Current assets					
Cash and cash equivalents	546,535	1,474,528	815,190	↓ -63%	↓ -33%
Trade and other receivables	4,092,279	2,547,373	2,467,257	↑ 61%	↑ 66%
Prepayments	18,104	54,985	45,364	↓ -67%	↓ -60%
Term deposits	541,646	591,646	1,241,646	↓ -8%	↓ -56%
Current tax assets	51,594	51,592	58,496	↑ 0%	↓ -12%
Total current assets	5,250,159	4,720,124	4,627,953	↑ 11%	↑ 13%
Non-current assets					
Trade and other receivables	85,729	84,529	85,729	↓ 0%	↓ -1%
Term deposits	53,480	24,435	53,480	↑ 119%	↓ 0%
Equity investments	21,400	21,400	21,400	↑ 0%	↑ 0%
Right of use assets	1,060,859	1,126,008	994,783	↓ -6%	↑ 7%
Property, plant and equipment	1,717,168	1,742,690	1,776,870	↓ -1%	↓ -3%
Deferred tax asset	26,233	26,233	19,503	↑ 0%	↑ 35%
Total non-current assets	2,964,868	3,025,295	2,951,765	↓ -2%	↑ 0%
Total assets	8,215,027	7,745,419	7,579,718	↑ 6%	↑ 8%
Current liabilities					
Trade and other payables	181,026	163,731	189,053	● 11%	● -4%
Payable to related parties	119,026	219,869	67,361	● -46%	● 77%
In-house insurance liabilities	429,806	241,912	369,252	● 78%	● 16%
Lease liabilities	46,751	68,753	46,751	● -32%	● 0%
Employee benefits	13,336	13,336	19,862	● 0%	● 100%
Total current liabilities	789,944	707,601	692,279	● 53%	● 57%
Non-current liabilities					
Lease liabilities	1,127,538	1,162,581	1,041,845	● -3%	● 8%
Total non-current liabilities	1,127,538	1,162,581	1,041,845	● -28%	● -20%
Total liabilities	1,917,482	1,870,182	1,734,124	● 3%	● 11%
Shareholders' equity					
Share capital	3,194,831	3,194,831	3,159,671	↑ 0%	↑ 1%
Retained earnings	2,847,476	2,425,169	2,430,686	↑ 17%	↑ 17%
Equity contribution reserve	255,237	255,237	255,237	↑ 0%	↑ 0%
Total shareholders' equity	6,297,545	5,875,237	5,845,594	↑ 7%	↑ 8%
Total shareholders' equity and liabilities	8,215,027	7,745,419	7,579,718	↑ 6%	↑ 8%

FREE BIRD INSTITUTE LIMITED
STATEMENT OF CASH FLOW
AS AT 30 JUNE 2023

	Six months ended 30-Jun-23 (Unaudited)	Year ended 31-Dec-22 (Audited)	Six months ended 30-Jun-22 (Unaudited)
Operating activities			
Receipts from customers	485,489	1,832,629	350,805
Payment to suppliers and employees	(1,650,796)	(2,553,498)	(1,379,872)
In-house insurance premiums received	383,573	94,136	31,230
In-house insurance claims paid	(10,936)	(24,814)	(13,655)
Interest received	8,637	12,033	21,099
Income tax paid	-	(63,705)	(16,924)
Interest paid	(44,467)	(84,064)	(42,080)
Net cash used in operating activities	(828,500)	(787,283)	(1,049,397)
Investing activities			
Acquisition of property, plant and equipment	(41,488)	(72,487)	(40,148)
Proceeds from sale of property, plant and equipment	-	7,339	-
Receipts from term deposits	-	-	(679,045)
Net cash used in investing activities	(41,488)	(65,148)	(719,193)
Financing activities			
Dividends paid	-	(249,876)	-
Payment of lease liabilities	(36,391)	(60,491)	(31,449)
Net used in financing activities	(36,391)	(310,367)	(31,449)
Net decrease in cash and cash equivalents	(906,379)	(1,162,798)	(1,800,039)
Effects of movement in exchange rates on cash held	(21,614)	(91,625)	(113,722)
Cash and cash equivalents at the beginning of the period	1,474,528	2,728,951	2,728,951
Cash and cash equivalents at the end of the period	546,535	1,474,528	815,190