



HomeStay
Technology led care that's wonderfully human

(FORMERLY ANTILLES OIL AND GAS LIMITED)

ABN 62 111 823 762

ANNUAL REPORT

2018

HOMESTAY CARE LIMITED

CONTENTS PAGE

Corporate Directory	1
Directors Report	2
Corporate Governance	14
Auditors Independence Declaration	20
Consolidated Statement of Profit or Loss and other Comprehensive Income.....	21
Consolidated Statement of Financial Position	22
Consolidated Statement of Changes In Equity	23
Consolidated Statement of Cashflows	24
Notes to the Consolidated Financial Statements	25
Directors Declaration	46
Independent Audit Report	47
Additional Information	51

HOMESTAY CARE LIMITED CORPORATE DIRECTORY

DIRECTORS

Mr Wayne Cahill (Non-Executive Chairman)
Ms Shannon Robinson (Executive Director)
Mr Damian Black (Non-Executive Director)
Ms Sara Kelly (Non-Executive Director)

COMPANY SECRETARY

Melanie Ross

REGISTERED OFFICE & CONTACTS

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SHARE REGISTRY

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Your directors present their report, together with the financial statements on the consolidated entity, consisting of HomeStay Care Limited (or 'the Company') and the entities it controlled at the end of, or during, the year ended 31 December 2018 ('consolidated entity' or 'Group').

DIRECTORS

The names of directors in office at any time during or since the end of the year are listed below. Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

NAME OF PERSON	POSITION	
Wayne Cahill	Non-Executive Chairman	Appointed 1 February 2019
Shannon Robinson	Executive Director	Appointed 13 November 2018
Damian Black	Non-Executive Director	
Sara Kelly	Non-Executive Director	Appointed 13 November 2018
David Wheeler	Non-Executive Director	Resigned 13 November 2018
Ranko Matic	Non-Executive Director	Resigned 13 November 2018

COMPANY SECRETARY

Melanie Ross

OPERATING RESULTS

The loss of the consolidated entity amounted to \$4,501,024 (2017: \$417,493) after providing for income tax.

DIVIDENDS

No dividends were paid or declared since the start of the financial year. No dividend has been recommended.

PRINCIPAL ACTIVITIES

The principal continuing activities of the consolidated entity during the financial year was the development of an aged and community care technology platform.

REVIEW OF OPERATIONS

During the financial period, the Company changed its principal activities to become an aged, health and community care technology company. In November 2018, the Company completed the acquisition of HomeStay Care International Pty Ltd (formerly HomeStay Care Pty Ltd) and following shareholder approval changed the name of the Company to HomeStay Care Limited. The Company also successfully completed a \$4 million capital raising to progress the commercialisation of HomeStay's proprietary technology solution.

HomeStay provides technology enabled care to the aged and community care industry. Through its proprietary IoT platform, HomeStay helps protect and connect our elderly and others in need with a scalable healthcare technology platform that allows them to live in their homes for longer.

During the financial period, the Company commenced the rollout of its Intelligent Homes pursuant to pilot programs in Australia and Singapore. The Company and Enrich Living Services Pty Ltd partnered for a pilot program in early 2018.

The tangible results have already led to early intervention and more efficient practices for preventative care for some clients. Subsequently, the Company and Enrich Living Services Pty Ltd entered into an agreement for the roll-out of up to 1,000 Intelligent Homes in Australia pursuant to a commercial program as announced on the ASX on 22 March 2019.

During the financial period, the Company collaborated with St John of God Health Care on its Enabled Lifestyle Blueprint Project ("the Project"). The Project is a smart home, built by St John of God Health Care, with technology provided by the Company and a range of market leading technology companies. The aim is to develop an end-to-end residential technology solution to improve the quality of life for people with complex intellectual and physical disabilities by increasing their levels of independence, choice and control. Subsequently, the Company's technology, including the MyDay and Carers Companion apps, have commenced a live trial through the Project, as announced on the ASX on 14 March 2019.

The learnings from the projects currently on foot have generated a number of use cases, demonstrating how HomeStay can contribute to enhanced security and peace of mind for its users, including safety, quality, dignity and continuation in a community setting, as well as better transparency, efficiency and early intervention for caregivers. These include numerous occasions where HomeStay's technology has assisted in early communication where an incident has occurred and client, family and caregivers have been contacted, updated and reassured with action taken to care for the client. There are also user cases of the Intelligent Home contributing to early detection of health indicators to facilitate implementation of preventive care measures, through its monitoring, alerts and analytics.

HomeStay continues to develop its technology solution and product offering, in particular to support the Intelligent Home. The Company engages with clients and potential customers, both enterprise and end users, to test its technology solutions and support the ongoing product development roadmap. This is being undertaken as part of HomeStay's inner circle community which acts as a living lab to provide invaluable insight on functionality and user experience feedback. This is important to ensure alignment of the needs and expectations of HomeStay technology solution users and the delivery of real solutions that enable Australians to continue living at home independently for longer.

FINANCIAL POSITION

The net assets of the consolidated entity as at 31 December 2018 were \$4,181,422, an increase of \$3,232,728 from net assets of \$948,694 at 31 December 2017.

The consolidated entity's net working capital, being current assets less current liabilities is a surplus of \$3,303,868 (2017: \$513,634).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

On 13 November 2018, HomeStay Care Limited completed the acquisition of 100% of the share capital of HomeStay Care International Pty Ltd (formerly HomeStay Care Pty Ltd). The Company also successfully completed a capital raising of \$4,000,000 (before costs) to fund its operations.

There were no other significant changes in the state of affairs of the consolidated entity that occurred during the financial year.

EVENTS AFTER THE REPORTING PERIOD

On 1 February 2019 Wayne Cahill was appointed Non-Executive Chairman of the Board.

During February 2019 other changes to the Company's personnel included the appointment of Mr Manoj Chandra as the Chief Technology Officer and the resignation of Mr Aga Manhao as the Company's Chief Executive Officer. On

11 March 2019 Philippa Lewis was appointed Interim Chief Executive Officer.

The directors are not aware of any other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

LIKELY DEVELOPMENTS

The Company will continue to develop its aged and community care technology platform and progress its pilot programs focusing on the transition to commercial programs, including engaging with clients and potential customers.

ENVIRONMENTAL REGULATION

The Company's operations are not subject to any significant environmental regulation under Australian Commonwealth or State law.

INFORMATION ON DIRECTORS

Mr Wayne Cahill Director (Non-Executive Chairman) (appointed 1 February 2019)

Qualifications BHA, LLB, MCom, FCHSM, FAICD

Experience Mr Cahill has a rare combination of experience as a chief executive of major health care organisations, a partner in major law firms leading health industry practices and extensive experience as a director. He brings extensive healthcare and aged care industry experience, as well as strong compliance and corporate governance to the HomeStay Board. Mr Cahill has had a distinguished legal career, including publishing over 150 publications in the health and legal fields as well as a contributing editor to Thomson Reuter's Laws of Australia and Health Law in Australia. He retired as a corporate partner of Ashurst in 2016 after 19 years in that role. He is currently a senior consultant to Ashurst and continues to head its national Health and Aged Care practice.

Mr Cahill has been selected as a leading lawyer in health and aged care and corporate law in Australia by Best Lawyers from 2008 – 2020 inclusive. He has also been awarded the gold medal of the Australasian College of Health Services Management for his contribution to the Australian health industry.

In addition, Mr Cahill is currently chair of Healthdirect Australia, chair of Co-group Limited and a director of private health insurer Navy Health. He has also other extensive director experience. His chief executive appointments of major health organisations included Ryde and Hunters Hill Area Health Service/Macquarie Area Health Service and the Australian Council on Healthcare Standards.

Interest in Shares and Options Nil

Directorships held in other listed entities Nil

Ms Shannon Robinson Director (Executive) (appointed 13 November 2018)

Qualifications LLB, BComm, GAICD, GIA(cert)

Experience Ms Robinson specialises in providing corporate and strategic advice in relation to acquisitions and mergers, capital raisings, listing of companies on stock exchanges (ASX & AIM), due diligence reviews and legal compliance and managing legal issues associated with activities undertaken by clients. Ms Robinson is a former corporate

lawyer having gained extensive corporate experience as a solicitor at boutique corporate law firms.

Interest in Shares and Options 19,250,000 fully paid ordinary shares
2,000,000 options with exercise price \$0.03 expiring 13 November 2023

Directorships held in other listed entities Yojee Limited (ASX: YOJ) (appointed 20 January 2016 to present)
Spookfish Limited (ASX: SFI) – 22 April 2013 to 10 December 2018
Fastbrick Robotics Limited (ASX: FBR) – 17 November 2015 to 13 July 2018
Equator Resources Limited (ASX: EQU) – 10 November 2015 to 20 September 2016

Mr Damian Black Director (Non-executive)

Qualifications Bachelor of Science – Curtin University
Graduate Diploma in Applied Finance and Investment – FINSIA
Member of the Australian Institute of Company Directors (MAICD)

Experience Mr Black is a Partner at Aesir Capital. He has significant financial markets and corporate advisory experience having worked in corporate finance/stockbroking for over 14 years, specialising in advising micro and small-cap companies, the ASX listing process, ECM transactions and the implementation of growth strategy. Prior to founding Aesir Capital in 2016, Mr Black was a Director of Corporate Finance at Asia Principal Capital working primarily with technology companies in the unlisted space, focussing on financing, commercialisation and productisation.

Interest in Shares and Options 6,802,275 fully paid ordinary shares
2,000,000 options with exercise price \$0.03 expiring 13 November 2023

Directorships held in other listed entities Executive Director – Minbos Resources Ltd (MNB) (21/02/2014 – present)

Ms Sara Kelly Director (Non-executive) (appointed 13 November 2018)

Qualifications LLB, BComm

Experience Ms Kelly has significant transactional and industry experience having both worked in private practice, as a corporate advisor and as in-house counsel. Ms Kelly regularly acts for ASX listed companies and their directors and officers, in relation to capital raisings (including IPOs and back door listings, rights issues and placements), recapitalisations of ASX shells, asset acquisitions and disposals, Corporations Act and Listing Rules compliance, corporate reconstructions and insolvency, and directors' duties, meeting procedure, and general corporate and commercial advice.

Ms Kelly is a Partner at Edwards Mac Scovell, a boutique litigation, insolvency and corporate firm based in Perth, Western Australia.

Interest in Shares and Options 5,750,000 fully paid ordinary shares
2,000,000 options with exercise price \$0.03 expiring 13 November 2023

Directorships held in other listed entities Non-Executive Chairman – Ragnar Metals Ltd (RAG) (01/06/2017 – present)

MEETING OF DIRECTORS

Name	Number eligible to attend	Number attended
Wayne Cahill	-	-
Shannon Robinson	1	1
Damian Black	2	2
Sara Kelly	1	1
David Wheeler	1	1
Ranko Matic	1	1

There were two directors meetings held during the financial year, however many board matters were dealt with via circular resolutions.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company has indemnified the directors and executives of the Company for the costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith. During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

SHARES UNDER OPTION

At the date of this report there are 82,486,188 unissued ordinary shares in respect of which options are outstanding.

Expiry date	Grant Date	Exercise price	Number of options
23 June 2020	24 June 2015	\$0.246	2,486,188
13 November 2023	13 November 2018	\$0.03	80,000,000
Total number of options outstanding at the date of this report			82,486,188

Option holders do not have any rights to participate in any issues of shares or other interests of the Company or any other entity.

No person entitled to exercise any option referred to above has or had, by virtue of the option, a right to participate in any share issue of any other body corporate.

REMUNERATION REPORT (Audited)

This report details the nature and amount of the remuneration for each Key Management Person ('KMP') of the consolidated entity for year ended 31 December 2018.

The remuneration report is set out under the following headings:

- A Principles used to determine the nature and amount of remuneration
- B Details of remuneration
- C Service agreements
- D Share-based compensation
- E Shareholdings
- F Performance rights holdings
- G \$0.01 partly paid ordinary shares
- H Convertible preference shares
- I Options

The information provided under headings A-I includes remuneration disclosures that are required under accounting Standard AASB 124 *Related Party Disclosures*. These disclosures have been transferred from the financial report and have been audited.

A. Principles used to determine the nature and amount of remuneration

The Board of Directors is responsible for determining and reviewing compensation arrangements for KMP. It assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of high quality KMP.

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms with market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness and reasonableness
- Acceptability to shareholders
- Transparency
- Capital management

The Board policy is to remunerate non-executive directors at fair market rates for comparable companies for the relevant time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually based on market practice, duties and accountability. The maximum amount of fees that can be paid to directors is subject to approval by shareholders at General Meetings.

Fees for non-executive directors are currently not linked to the financial performance of the consolidated entity. However, to align director's interests with shareholder interests, the directors are encouraged to hold shares in the Company and may be issued with additional securities as deemed appropriate.

The Board believes that the remuneration policy is appropriate given the stage of development of the Company and the activities which it undertakes and is appropriate for aligning KMP objectives with shareholder and business objectives.

The Board will continue to develop new practices which are appropriate to the Company's size and stage of development.

Engagement of Remuneration Consultants

During the financial year, no remuneration consultants were engaged.

Fixed remuneration

Fixed remuneration consists of a base remuneration package, which includes directors' fees (in the case of Directors), salaries, consulting fees and employer contributions to superannuation funds.

Fixed remuneration levels for KMP officers will be reviewed annually by the Board through a process that considers the employee's personal development, achievement of key performance objectives for the year, industry benchmarks wherever possible and CPI data.

Appropriate key performance indicators (KPIs) will be developed by the Board for each KMP each year, and reflect an assessment of how that individual can fulfil their particular responsibilities in a way that best contributes to Company performance and shareholder wealth in that year.

Performance-based Remuneration

Remuneration packages do not include performance-based components. An individual members of staff's performance assessment is done by reference to their contribution to the consolidated entity's overall operational achievements. During the year the Company did not issue any performance rights to directors.

B. Details of remuneration

Remuneration expense details for the year ended 31 December 2018

The following table of benefits and payments represents the components of the current year and comparative year remuneration expenses for each member of KMP of the consolidated group. Such amounts have been calculated in accordance with Australian Accounting Standards:

KMP		Short-term Benefits		Post-employment Benefits	Share based Payments		Total
		Salary & Consulting fees	Bonus	Super-annuation	Equity (Shares & Performance Rights)	Options	
		\$	\$	\$	\$	\$	
Executive Directors							
Ms Shannon Robinson (appointed 13/11/2018) ¹	2018	104,305	25,000	12,284	-	21,238	162,827
	2017	-	-	-	-	-	-
Non-Executive Directors							
Mr D Black ²	2018	31,500	-	-	-	21,238	52,738
	2017	30,000	-	-	-	-	30,000
Ms Sara Kelly (appointed 13/11/2018) ³	2018	5,500	-	-	-	21,238	26,738
	2017	-	-	-	-	-	-
Mr R Matic (resigned 13/11/2018) ⁴	2018	26,083	-	-	-	21,238	47,321
	2017	30,000	-	-	-	-	30,000
Mr D Wheeler (resigned 13/11/2018) ⁵	2018	26,083	-	-	-	21,238	47,321
	2017	30,000	-	-	-	-	30,000
Chief Executive Officer							
Mr A Manhao (resigned 10/02/2019)	2018	240,973	50,424	-	-	-	291,397
	2017	-	-	-	-	-	-
	2018	434,444	75,424	12,284	-	106,190	628,342
	2017	90,000	-	-	-	-	90,000

1. Remuneration for 2018 includes back payment from 1 December 2016. No salary was paid until November 2018.
2. Paid through Lenoir Capital Pty Ltd, of which Mr Black is a director.
3. Paid through Saci Corporate Pty Ltd, of which Ms Kelly is a director.
4. Consilium Corporate Advisory Pty Ltd is paid for the provision of corporate secretarial and accounting services, of which Mr Matic is a shareholder and director. The details of these payments are included in Note 25.
5. Paid through Pathways Corporate Pty Ltd, of which Mr Wheeler is a director.

C. Service agreements

During the year HomeStay Care Limited had a service agreement in place with Consilium Corporate Pty Ltd which has provided company secretarial, accounting and administration services. Consilium Corporate was paid \$65,600 during the financial year ended 31 December 2018 (2017: \$60,000). Mr Ranko Matic is a director of Consilium Corporate Pty Ltd.

Contracts of KMP

Each member of the consolidated entity's KMP is employed on open ended employment contracts between the individual employee and the Company.

The below are the contract details at the date of the financial report:

Key Management Person	Appointment	Term of Agreement	Base Salary (excludes GST) \$	Other (eg, Options)*	Termination Benefit
Mr Wayne Cahill	Non-Executive Chairman	No fixed term, termination at any time	75,000 pa	4,000,000 Options exercise price of \$0.05, vesting 6 months after commencement date; 4,000,000 Options exercise price of \$0.065, vesting 12 months after commencement date; 4,000,000 Options exercise price of \$0.09, vesting 24 months after commencement date; All options expire 3 years from vesting date or such earlier date he ceases to hold office as a director of the Company.	Nil
Ms Shannon Robinson	Executive Director	No fixed term, termination at any time	50,000 pa	N/A – not part of executive contract	Nil
Mr Damian Black	Non-Executive Director	No fixed term, termination at any time	48,000 pa	N/A – not part of contract	Nil
Ms Sara Kelly	Non-Executive Director	No fixed term, termination at any time	48,000 pa	N/A – not part of contract	Nil
Mr Aga Manhao	Chief Executive Officer**	No fixed term, 3 months notice	SGD 240,000 pa	Nil	Nil
Ms Philippa Lewis	Chief Executive Officer***	3 month contract to 7 June 2019, 14 day notice period	2,070 per day	N/A	Nil

* Issue of Mr Cahill's options are subject to relevant shareholder approvals.

** Mr Manhao resigned 10 February 2019

*** Ms Lewis was appointed on 11 March 2019 and is engaged through a major international recruitment agency.

D Share-based compensation

Options

The following options were granted as share based compensation for key management personnel provided during the financial year affecting remuneration in this or future reporting periods.

The fair value of the options granted during the financial year was \$106,190 (2017: nil).

The value disclosed in the remuneration of key management personnel is the portion of the fair value of the share-based payment recognised as expense in each reporting period in accordance with the requirement of AASB 2.

Grant date	Item	KMP	Amount	Expiry	Terms	Fair Value of Options at Grant Date	Expensed FY18 \$
13/11/2018	Options	Shannon Robinson	2,000,000	13/11/2023	Exercisable at \$0.03	0.0106	21,238
13/11/2018	Options	Damian Black	2,000,000	13/11/2023	Exercisable at \$0.03	0.0106	21,238
13/11/2018	Options	Sara Kelly	2,000,000	13/11/2023	Exercisable at \$0.03	0.0106	21,238
13/11/2018	Options	David Wheeler	2,000,000	13/11/2023	Exercisable at \$0.03	0.0106	21,238
13/11/2018	Options	Ranko Matic	2,000,000	13/11/2023	Exercisable at \$0.03	0.0106	21,238

Shareholdings

Refer to Sections E and G for details of fully paid ordinary shares and partly paid ordinary shares on issue during 2018.

Performance Rights

Refer to Section F for details of Performance Rights on issue during 2018.

E Shareholdings

The number of fully paid ordinary shares in the Company held during the financial year by KMP of the consolidated entity, including their personally related parties, is set out below:

31 December 2018	Balance at beginning of the year	Granted as remuneration during the year	Purchased via Prospectus	Other changes during the year (consolidation)	Balance at end of year
Ms S Robinson ¹	19,250,000	-	-	-	19,250,000
Mr D Black	2,174,740	-	5,000,000	(372,465)	6,802,275
Ms S Kelly ¹	5,750,000	-	-	-	5,750,000
Mr R Matic ²	156,250	-	-	(26,759)	129,491
Mr D Wheeler ²	250,000	-	-	(42,817)	207,183
Mr A Manhao ^{1,3}	13,000,000	-	-	-	13,000,000
	40,580,990	-	5,000,000	(442,041)	45,138,949

1. Opening balance is that at date of appointment as a Director/CEO (13 November 2018), and includes participation in prospectus.
2. Closing balance is that at date of resignation as a Director (13 November 2018).
3. Resigned 10 February 2019.

F Performance Rights Holdings

The number of Performance Rights (PRs) in the Company held during the financial year by KMP of the consolidated entity, including their personally related parties, is set out below:

31 December 2018	Balance at beginning of the year	Granted as remuneration during the year	Exercised during the year	Expired during the year	Balance at end of year
Ms S Robinson ¹	-	-	-	-	-
Mr D Black	-	-	-	-	-
Ms S Kelly ¹	-	-	-	-	-
Mr R Matic ²	-	-	-	-	-
Mr D Wheeler ²	-	-	-	-	-
Mr A Manhao ^{1,3}	-	-	-	-	-
	-	-	-	-	-

1. Opening balance is that at date of appointment as a Director/CEO (13 November 2018).
2. Closing balance is that at date of resignation as a Director (13 November 2018).
3. Resigned 10 February 2019.

G \$0.01 Partly Paid Ordinary Shares

The number of \$0.01 partly paid ordinary shares in the Company held during the financial year by KMP of the consolidated entity, including their personally related parties, is set out below:

31 December 2018	Balance at beginning of the year	Acquired during the year	Fully paid during the period	Other changes during the year	Balance at end of year
Ms S Robinson ¹	-	-	-	-	-
Mr D Black	3,000,000	-	-	(3,000,000) ⁴	-
Ms S Kelly ¹	-	-	-	-	-
Mr R Matic ²	-	-	-	-	-
Mr D Wheeler ²	-	-	-	-	-
Mr A Manhao ^{1,3}	-	-	-	-	-
	3,000,000	-	-	(3,000,000)	-

1. Opening balance is that at date of appointment as a Director/CEO (13 November 2018).
2. Closing balance is that at date of resignation as a Director (13 November 2018).
3. Resigned 10 February 2019.
4. Partly paid ordinary shares were cancelled during the year.

H Convertible Preference Shares

There were no convertible preference shares in the Company held during the financial year to 31 December 2018 (2017: Nil) by KMP of the consolidated entity, including their personally related parties. The convertible preference shares were cancelled at a meeting of convertible preference shareholders held on 23 August 2018.

I Options

The number of options in the Company held during the financial year by KMP of the consolidated entity, including their personally related parties, is set out below:

31 December 2018	Balance at beginning of the year	Granted as remuneration during the year	Exercised/ Expired	Expired during the year	Balance at end of year or date of resignation
Ms S Robinson ¹	-	2,000,000	-	-	2,000,000
Mr D Black	-	2,000,000	-	-	2,000,000
Ms S Kelly ¹	-	2,000,000	-	-	2,000,000
Mr R Matic ²	-	2,000,000	-	-	2,000,000
Mr D Wheeler ²	-	2,000,000	-	-	2,000,000
Mr A Manhao ^{1,3}	-	2,000,000	-	-	2,000,000
	3,000,000	-	-	-	3,000,000
	3,000,000	10,000,000	-	-	13,000,000

1. Opening balance is that at date of appointment as a Director/CEO (13 November 2018), and includes participation in prospectus.
2. Closing balance is that at date of resignation as a Director (13 November 2018).
3. Resigned 10 February 2019.

Other Equity-related KMP Transactions

There have been no other transactions involving equity instruments apart from those described in the tables above relating to options, shareholdings, performance rights and convertible preference shares.

Other Transactions with KMP and/or their Related Parties

There were no other transactions conducted between the Group and KMP or their related parties, apart from those disclosed in Note 25 related parties and those above relating to equity and compensation, that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under arm's length dealing with unrelated persons.

Voting and comments made at the company's 2017 Annual General Meeting ('AGM')

At the 2017 AGM, 99% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2017. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Additional information

The loss of the consolidated entity for the two years to 31 December 2018 are summarised below:

	2018 \$	2017*
Sales revenue	39,663	30,354
EBITDA	4,245,578	401,416
EBIT	4,505,967	420,341
Loss after income tax	4,501,024	417,493

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2018	2017*
Share price at financial year end (\$)	0.036	N/A
Total dividends declared (cents per share)	Nil	Nil
Basic loss per share (cents per share)	(1.27)	(0.21)

* 31 December 2017 financial information is that of HomeStay Care International Pty Ltd as a result of the reverse acquisition accounting. The three years prior to 31 December 2017 are deemed not to be relevant for comparison as the reverse acquisition occurred during the year ended 31 December 2018 and therefore the consolidated entity was engaged in a different business prior to this.

This concludes the remuneration report, which has been audited.

NON AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 16 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 16 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

AUDITOR

Greenwich & Co Audit Pty Ltd resigned as the consolidated entity's auditors and RSM Australia Partners were appointed on 20 February 2019 as per section 327C of the *Corporations Act 2001*.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditors' Independence declaration as required under section 307C of the *Corporations Act 2001* is included within this financial report.

This directors' report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.



Shannon Robinson
Executive Director

Dated this 29th day of March 2019

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of HomeStay Care Limited (HomeStay), support and adhere to the principles of sound corporate governance. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council, and considers that the Company is in compliance with those guidelines, to the extent possible, which are of importance to the commercial operation of a junior resource company.

The board of directors of Homestay is responsible for the Corporate Governance of the Company. The board guides and monitors the business and the affairs of the Company on behalf of the shareholders, by whom they were elected and to whom they are responsible.

The Board has reviewed its current practices in light of the revised ASX Corporate Governance Principles and Recommendations with a view to making amendments where applicable after considering the Company's size and the resources it has available.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of any additional formal corporate governance committees will be given further consideration.

The Board sets out below its "if not why not" report in relation to those matters of corporate governance where the Company's practices depart from the Recommendations.

Principle 1 – Lay solid foundations for management and oversight		
	Recommendation	HomeStay Care Limited Current Practice
1.1	A listed entity should disclose: (a) respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management	Adopted The Company has adopted a Board Charter that sets out the specific roles and responsibilities of the Board, the Chair and management and includes a description of those matters expressly reserved to the Board and those delegated to management. A copy of the Company's Board Charter, which is part of the Company's Corporate Governance Plan, is available on the Company's website – www.homestay.care Executive Service Agreements outline functions of the executive directors. Non-executive Director appointment letters outline the terms and conditions of non-executive director appointments. As the Company recruits additional management, the roles and responsibilities of these persons will be considered and documented.
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director	Adopted (a) The Company has guidelines for the appointment and selection of the Board in its Corporate Governance Plan. The Company's Nomination Committee Charter (in the Company's Corporate Governance Plan) requires the Nomination Committee (or, in its absence, the Board) to ensure appropriate checks (including checks in respect of character, experience, education, criminal record and bankruptcy history (as appropriate)) are undertaken before appointing a person, or putting forward to security holders a candidate for election, as a Director. (b) Material information in relation to a director up for election or re-election is provided in the Notice of Meeting of shareholders including background, other material directorships, term and the Board's consideration of them as independent or non-independent director.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Adopted All directors have a written agreement with the Company setting out the terms of their appointments.
1.4	The Company Secretary of a listed entity should be	Adopted

	accountable directly to the board, through the chair, on all matters to do with the proper functioning of the Board.	The responsibilities of the Company Secretary are contained within the Board Charter. The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
1.5	<p>A listed entity should:</p> <p>(a) Have a diversity Policy which includes requirements for Board/Committee to set measurable objectives for achieving gender diversity and assess them and achieving them annually</p> <p>(b) disclose that policy</p> <p>(c) disclose at end of reporting period how objectives are being achieved via:</p> <p>(i) respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how senior exec is defined); or</p> <p>(ii) if entity is a “relevant employer” under the Workplace Gender Equality Act, the entities most recent “Gender Equality</p>	<p>Adopted</p> <p>(a) The Company has adopted a Diversity Policy which provides a framework for the Company to establish and achieve measurable diversity objectives, including in respect of gender diversity. The Diversity Policy allows the Board to set measurable gender diversity objectives, if considered appropriate, and to assess annually both the objectives if any have been set and the Company’s progress in achieving them.</p> <p>(b) The Diversity Policy is available, as part of the Corporate Governance Plan, on the Company’s website.</p> <p>(c) The Board did not set measurable gender diversity objectives for the previous financial year but has considered these in greater detail following the implementation of new human resource systems. The Company makes the following disclosures regarding the proportion of women employed in the organisation:</p> <ul style="list-style-type: none"> - Women on Board: 50% - Women in Senior Management: 67% - Women in whole organisation: 59%
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>Adopted</p> <p>The Company has a Performance Evaluation policy included within the Corporate Governance Plan on the Company’s website. The Nomination Committee will arrange a performance evaluation of the Board, its Committees, individual Directors and senior executives on an annual basis as appropriate. An evaluation has not taken place within the financial period due to the recent listing of the Company. It is expected that a formal evaluation will be conducted during the course of the 2019 financial year.</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>Adopted.</p> <p>As detailed above, the Company has a process for Performance Evaluation which includes the performance of executives. An evaluation did not take place this financial period due to the recent listing of the Company. It is expected that a formal evaluation will be conducted during the course of the 2019 financial year.</p>

Principle 2 – Structure the board to add value

	Recommendation	HomeStay Care Limited Current Practice
2.1	<p>The board of a listed entity should:</p> <p>(a) Have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director; and disclose:</p> <p>(i) the charter of the committee;</p> <p>(ii) the members of the committee; and</p> <p>(iii) as at the end of each reporting period, the number of times the committee met through the period and the individual attendances of the members at those meetings; or</p> <p>(b) If it does not have a nomination committee disclose that fact and the processes it employs to</p>	<p>Partially Adopted</p> <p>The Company does not have a separate nomination committee, however the full board will consider the matters and issues arising that would usually fall to the nomination committee in accordance with the Nomination Committee Charter. The Company has adopted a Nomination Committee Charter setting out the board process to raise the issues that would otherwise be considered by the Nomination Committee. The Board consider that at this stage, no efficiencies or other benefits would be gained by establishing a separate nomination committee and that the current Board has the right structure to add value in this</p>

	address board succession issue and to ensure that the board has the appropriate balance of skills, knowledge experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	process. The Nomination Committee Charter is available on the Company's website.
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Partially Adopted The Company currently has a mixture of skills on the Board, including, legal, health care, financial, business, management and leadership. The Board Charter requires the disclosure of each Board member's qualifications and expertise. Full details as to each Director and senior executive's relevant skills and experience are available in the Company's Annual Report. The Board has not currently disclosed a Board Skills Matrix.
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors (b) if a director has an interest, position, association or relationship as described in Box 2.3 (Factors relevant to assessing independence) but the board is of the opinion that it doesn't compromise the independence of the director, nature of the interest, position, association or relationship and an explanation as to why the board is of that opinion; and (c) the length of service of each director.	Adopted. The Board Charter requires the disclosure of the names of Directors considered by the Board to be independent, with their appointment dates.. a) Wayne Cahill – independent Damian Black – independent Sara Kelly – independent b) N/A c) Wayne Cahill – 1 February 2019, 2 months Damian Black – 14 June 2014, 4 years, 9 months Sara Kelly – 13 November 2018, 4.5 months
2.4	A majority of the Board of a listed entity should be independent directors.	Adopted. The Company's Board Charter requires that, where practical, the majority of the Board should be independent. The Board currently comprises a total of four directors, of whom three are considered to be independent.
2.5	The Chair of a Board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Adopted. Mr Wayne Cahill is the current Non-Executive Chairman of the Company and an independent director.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Adopted. In accordance with the Company's Board Charter, the Nominations Committee (or, in its absence, the Board) is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities. The Company Secretary is responsible for facilitating inductions and professional development.

Principle 3 – Promote ethical and responsible decision making.

	Recommendation	HomeStay Care Limited Current Practice
3.1	A listed entity should: (a) Have a code of conduct for its directors, senior executives and employees; and (b) disclose that code of conduct or a summary of it.	Adopted. The Company's Corporate Code of Conduct applies to the Company's Directors, senior executives and employees. The Company's Corporate Code of Conduct (which forms part of the Company's Corporate Governance Plan) is available on the Company's website.

Principle 4 – Safeguard integrity in financial reporting		
	Recommendation	HomeStay Care Limited Current Practice
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least 3 members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not the chair of the board;</p> <p>And disclose:</p> <p>(iii) the charter of the committee</p> <p>(iv) the relevant qualifications and experience of the member of the committee; and</p> <p>(v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the member at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>Partially Adopted</p> <p>The Company does not have a separate audit committee and the full board will consider the matters and issues arising that would usually fall to the audit committee in accordance with the Audit and Risk Committee Charter. The Company has adopted an Audit and Risk Committee Charter setting out the board process to raise the issues that would otherwise be considered by the Audit and Risk Committee. The Board consider that at this stage, no efficiencies or other benefits would be gained by establishing a separate audit committee.</p> <p>The Charter of the Audit and Risk Committee is on the Company's website.</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>Adopted</p> <p>The Company has obtained a sign off on these terms for each of its financial statements in the past financial year.</p>
4.3	<p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit</p>	<p>Adopted</p> <p>The Company's external auditor attended the Company's last AGM during the past financial year.</p>
Principle 5 – Make timely and balanced disclosure		
	Recommendation	HomeStay Care Limited Current Practice
5.1	<p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it</p>	<p>Adopted.</p> <p>The Company has a Continuous Disclosure Policy which is available on the Company's website.</p>
Principle 6 – Respect the rights of the Shareholders		
	Recommendation	HomeStay Care Limited Current Practice
6.1	<p>A listed entity should provide information about itself and its governance to investors via its website.</p>	<p>Adopted</p> <p>Refer to the Company's Corporate Governance Plan on its website.</p>
6.2	<p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	<p>Adopted.</p> <p>The Company has a Shareholder Communication Policy which is available on the Company's website.</p>

6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Adopted The Company encourages participation at General Meetings upon the dispatch of its Notice of Meeting and advises security holders that they may submit questions they would like to be asked at the Annual General Meeting to the Board and to the Company's auditors.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Adopted The Shareholder Communication Strategy provides that security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted. Shareholders queries should be referred to the Company Secretary at first instance.

Principle 7 – Recognise and manage risk

	Recommendation	HomeStay Care Limited Current Practice
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, And disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	Partially Adopted The Company does not have a separate risk committee and the full board will consider the matters and issues arising that would usually fall to the risk committee in accordance with the Audit and Risk Committee Charter. The Company has adopted an Audit and Risk Committee Charter setting out the board process to raise the issues that would otherwise be considered by the Audit and Risk Committee. The Board consider that at this stage, no efficiencies or other benefits would be gained by establishing a separate risk committee. The Charter of the Audit and Risk Committee is on the Company's website.
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	Adopted. The Board reviews risk on a regular basis, following policies and procedures forming part of the Company's Audit and Risk Committee Charter. A review has not taken place in the reporting period.
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Adopted The Company does not have a structured formalised internal audit function, however historically the Board has reviewed the internal control systems and risk management policies on an annual basis. Internal controls are reviewed on an annual basis.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Adopted. The Company's Corporate Governance Plan requires the Company to disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or

		intends to manage those risks. The Company does not have any material exposure to economic, environmental and social sustainability risks.
Principle 8 – Remunerate fairly and responsibly		
	Recommendation	HomeStay Care Limited Current Practice
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>Partially Adopted.</p> <p>The Company does not have a separate Remuneration Committee.</p> <p>The role of the remuneration committee is currently undertaken by the full board. The Company has adopted a Remuneration Committee Charter which is published on the Company's website. The Board follows the Remuneration Committee Charter which provides for dealing with board remuneration issues.</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>Adopted.</p> <p>The Company's Corporate Governance Plan requires the Board to disclose its policies and practices regarding the remuneration of Directors and senior executives, which is disclosed on the in the remuneration report contained in the Company's Annual Report.</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>Adopted.</p> <p>The Company did not have an equity based remuneration scheme. The Company did not have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise), which limit the economic risk of participating in the scheme.</p>

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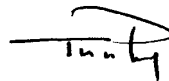
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of HomeStay Care Limited for the year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 29 March 2019

HOMESTAY CARE LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018



		Consolidated	
	Notes	2018	2017
		\$	\$
Revenue	4	44,606	33,202
Other income	4	117,115	-
Cost of sales		(138,626)	(20,075)
Amortisation and depreciation expenses	10, 11	(260,389)	(18,925)
Consulting fees		(800,648)	(189,173)
Employee benefits expenses		(1,596,907)	(69,676)
Marketing expenses		(126,297)	(34,414)
Rental expenses		(145,129)	(30,034)
Finance costs		(5,617)	-
Share based payments		(485,935)	-
Listing costs	2	(502,454)	-
Other expenses		(600,743)	(88,398)
Loss before income tax		(4,501,024)	(417,493)
Income tax expense	5	-	-
Total loss for the year		(4,501,024)	(417,493)
Other comprehensive income			
<i>Items that may be reclassified subsequently to operating result</i>			
Exchange differences on translating foreign controlled entities	15	741	-
Other comprehensive income for the year		741	-
Total comprehensive loss for the year		(4,500,283)	(417,493)
Loss per share			
Basic and diluted loss (cents per share)	23	(1.27)	(0.21)

The accompanying notes form part of this financial report.

HOMESTAY CARE LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018



		Consolidated	
	Notes	2018	2017
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	6	3,430,126	569,353
Other assets	7	289,083	-
Trade and other receivables	8	92,588	24,455
Inventory	9	121,389	-
Total current assets		<u>3,933,186</u>	<u>593,808</u>
Non-current assets			
Plant and equipment	10	32,010	-
Intangible assets	11	845,544	435,060
Total non-current assets		<u>877,554</u>	<u>435,060</u>
Total assets		<u>4,810,740</u>	<u>1,028,868</u>
LIABILITIES			
Current liabilities			
Trade and other payables	12	573,453	77,342
Provisions	13	55,865	2,832
Total current liabilities		<u>629,318</u>	<u>80,174</u>
Total liabilities		<u>629,318</u>	<u>80,174</u>
Net assets		<u>4,181,422</u>	<u>948,694</u>
EQUITY			
Issued capital	14	8,295,993	1,412,501
Reserves	15	850,260	-
Accumulated losses		<u>(4,964,831)</u>	<u>(463,807)</u>
Total equity		<u>4,181,422</u>	<u>948,694</u>

The accompanying notes form part of this financial report.

HOMESTAY CARE LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018



	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Share Based Payments Reserve	Total
Balance at 1 January 2017	486,001	(46,314)	-	-	439,687
Loss for the year	-	(417,493)	-	-	(417,493)
Other comprehensive income	-	-	-	-	-
Total comprehensive (loss) for the year	-	(417,493)	-	-	(417,493)
Transactions with owners, directly in equity					
Issue of share capital	926,500	-	-	-	926,500
Capital raising costs	-	-	-	-	-
Balance at 31 December 2017	1,412,501	(463,807)	-	-	948,694
Balance at 1 January 2018	1,412,501	(463,807)	-	-	948,694
Loss for the year	-	(4,501,024)	-	-	(4,501,024)
Other comprehensive income	-	-	741	-	741
Total comprehensive (loss) for the year	-	(4,501,024)	741	-	(4,500,283)
Transactions with owners, directly in equity					
Issue of share capital	7,905,000	-	-	-	7,905,000
Capital raising costs	(1,021,508)	-	-	-	(1,021,508)
Issue of options	-	-	-	849,519	849,519
Balance at 31 December 2018	8,295,993	(4,964,831)	741	849,519	4,181,422

The accompanying notes form part of this financial report.

HOMESTAY CARE LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018



		Consolidated	
	Notes	2018	2017
		\$	\$
Cash flows from operating activities			
Receipts from customers		22,174	23,992
Payments to suppliers and employees		(3,331,178)	(412,586)
Interest received		4,943	2,848
Interest paid		(5,617)	-
Net cash (used in) operating activities	21	(3,309,678)	(385,746)
Cash flows from investing activities			
Purchase of customer list		-	(45,000)
Payments for platform development expenditure		(663,302)	(366,088)
Purchase of plant and equipment		(38,626)	-
Receipt of exclusivity fee		100,000	-
Cash acquired on acquisition of HomeStay Care Limited	2	1,325,303	-
Net cash provided by/(used in) investing activities		723,375	(411,088)
Cash flows from financing activities			
Proceeds from issue of shares		4,005,000	926,500
Transaction costs relating to the issue of shares		(457,924)	-
Proceeds from borrowings		2,000,000	-
Repayments of borrowings		(100,000)	-
Net cash provided by financing activities		5,447,076	926,500
Net increase in cash held		2,860,773	129,666
Cash at the beginning of the financial year		569,353	439,687
Cash at the end of the financial year	6	3,430,126	569,353

The accompanying notes form part of this financial report.

These consolidated financial statements and notes represent those of HomeStay Care Limited (or 'the Company') and its controlled entities (the "consolidated entity" or "Group"). The separate financial statements of the parent entity, HomeStay Care Limited have not been presented within this financial report as permitted by the Corporations Act 2001.

The financial statements were authorised for issue on 29 March 2019 by the directors of the Company.

1. Summary of significant accounting policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Corporations Act 2001, Australian Accounting Standards, Interpretations of the Australian Accounting Standards Board ("AASB") and International Financial Reporting Standards as issued by the International Accounting Standards Board. The consolidated entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated. Except for cash flow information, these financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a) Comparatives

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

b) Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company as listed in Note 18 (collectively the "consolidated entity" or "Group"). Control is achieved where the Company is exposed, or has rights to variable returns from its involvement with the subsidiary and has the ability to affect those returns. All inter-company balances and transactions between entities, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries are consistent with those policies applied by the parent entity.

Reverse asset acquisition

Homestay Care Limited (formerly Antilles Oil and Gas Limited) is listed on the Australian Securities Exchange (ASX). The Company completed the 100% legal acquisition of HomeStay Care International Pty Ltd (formerly HomeStay Care Pty Ltd) and its wholly owned subsidiary companies Home Service Solutions Pty Ltd, HomeStay Care Solutions Pte Ltd and HomeStay Care (Singapore) Pte Ltd.

HomeStay Care International Pty Ltd (the legal subsidiary) was deemed to be the acquirer for accounting purposes as it obtained control over the operations of the legal acquirer HomeStay Care Limited (accounting subsidiary). Accordingly, the consolidation financial statements of HomeStay Care Limited have been prepared as a continuation of the financial statements of HomeStay Care International Pty Ltd. HomeStay Care International Pty Ltd (as the deemed acquirer) has accounted for the acquisition of HomeStay Care Limited from 13 November 2018.

1. Summary of significant accounting policies (continued)

The impact of the reverse acquisition on each of the primary statements is as follows:

- The consolidated statement of profit or loss and other comprehensive income:
 - For the year ended 31 December 2018 comprises twelve months of HomeStay Care International Pty Ltd and the period from 13 November 2018 to 31 December 2018 of HomeStay Care Limited; and
 - For the comparative period comprises twelve months ended 31 December 2017 of HomeStay Care International Pty Ltd.
- The consolidated statement of financial position:
 - As at 31 December 2018 represents both HomeStay Care Limited and HomeStay Care International Pty Ltd as at that date; and
 - As at 31 December 2017 represents HomeStay Care International Pty Ltd as at that date.
- The consolidated statement of changes in equity:
 - For the year ended 31 December 2018 comprises HomeStay Care International Pty Ltd's balances as at 1 January 2018, its loss for the year and transactions with equity holders for twelve months. It also comprises HomeStay Care Limited's loss and transactions with equity holders from 13 November 2018 to 31 December 2018 and the equity balances of HomeStay Care Limited and HomeStay Care International Pty Ltd as at 31 December 2018; and
 - For the comparative period comprises twelve months ended 31 December 2017 of HomeStay Care International Pty Ltd's changes in equity.
- The consolidated statement of cash flows:
 - For the year ended 31 December 2018 comprises the cash balance of HomeStay Care International Pty Ltd as at 1 January 2018, the cash transactions for HomeStay Care International Pty Ltd for the twelve months and for HomeStay Care Limited the period from 13 November 2018 to 31 December 2018, and the cash balances of HomeStay Care Limited and HomeStay Care International Pty Ltd as at 31 December 2018; and
 - For the comparative period comprises twelve months ended 31 December 2017 of HomeStay Care International Pty Ltd's cash flows.

Refer to Note 2 for further details.

c) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred tax is provided on all temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and are recognised for all taxable temporary differences:

- Except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilised:

- Except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future extent that it is probable that the temporary differences can be utilised.

1. Summary of significant accounting policies (continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred and income taxes relating to items recognised directly in equity are recognised directly in equity.

d) Foreign Currency Transactions and Balances

Functional and Presentation Currency

The functional currency of each of the entities in the consolidated entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transactions and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised directly in profit or loss except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

Group companies

The financial results and position of foreign operations whose functional currency is different from the presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. These differences are recognised in profit or loss in the period in which the operation is disposed.

e) Trade receivables

All trade debtors are recognised at the amounts receivable as they are due for settlement no more than 120 days from the date of recognition.

Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists and in any event when the debt is more than 60 days overdue.

1. Summary of significant accounting policies (continued)

f) Inventories

Inventories are stated at the lower of cost and net realisable value on a weighted average costs basis. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

g) Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

The depreciable amount of all plant and equipment is depreciated on a straight-line basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use.

The expected useful lives are as follows:

- Office equipment 2 - 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

h) Intangible assets

Intangible assets acquired separately are initially recognised at cost. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs, when available for use in the manner intended by management, are amortised on a straight-line basis over the period of their expected benefit.

1. Summary of significant accounting policies (continued)

h) Intangible assets (continued)

The expected useful lives are as follows:

- Research and development 3 years
- Customer lists 2 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

i) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

j) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the consolidated entity during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

k) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with short periods to maturity and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

l) Revenue and Other Income

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

1. Summary of significant accounting policies (continued)

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on a fixed price.

Interest revenue

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

m) Employee benefits

Provision is made for the consolidated entity's liability for employee benefits arising from services rendered by employees to the reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wages increases and the probability that the employee may satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Equity-settled compensation

From time to time, the Company provides benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby personnel render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using an appropriate valuation model.

In valuing equity-settled transactions, no account is taken of any performance conditions.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognised immediately unless the original vesting conditions are not market related and those conditions have not been met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are

1. Summary of significant accounting policies (continued)

m) Employee benefits (continued)

treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

n) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

o) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

p) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

q) Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

1. Summary of significant accounting policies (continued)

r) Earnings per share

(i) Basic earnings per share

Basic earnings per share is determined by dividing net profit after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

s) Segment reporting

A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environments.

t) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

u) New accounting standards and interpretations

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The following Accounting Standards and Interpretations are most relevant to the Group:

AASB 15 Revenue from Contracts with Customers

The Group has adopted AASB 15 from 1 January 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

The adoption of new accounting standards applicable to the Group for the current reporting period has not had a material impact on the financial statements.

The Group has chosen not to early-adopt any accounting standards that have been issued, but are not yet effective. The impact of accounting standards that have been issued, but are not yet effective, is not material to these financial statements.

1. Summary of significant accounting policies (continued)

v) Critical accounting judgments, estimates and assumptions

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Following is a summary of the key assumptions concerning the future and other key sources of judgement and estimation at reporting date that have not been disclosed elsewhere in these financial statements.

Estimation of useful lives of assets

The Group tests determines the estimated useful lives and related amortisation charges for its finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Taxation

The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Share based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using an appropriate valuation model. Management are required to make judgements on the probabilities of milestones being achieved to calculate the value of the transactions.

2. Listing expense on reverse acquisition

On 13 November 2018, HomeStay Care Limited (formerly Antilles Oil and Gas Ltd), the legal parent and legal acquirer, completed the acquisition of HomeStay Care International Pty Ltd ("HomeStay Subsidiary", formerly HomeStay Care Pty Ltd). The acquisition did not meet the definition of a business combination in accordance with AASB 3 Business Combinations. Instead, the acquisition has been treated as a group recapitalisation, using the principles of reverse acquisition accounting in AASB 3 Business Combinations given the substance of the transaction is that HomeStay subsidiary has effectively been recapitalised. Accordingly, the consolidated financial statements have been prepared as if HomeStay Subsidiary has acquired HomeStay Care Limited, not vice versa as represented by the legal position. The recapitalisation is measured at the fair value of the equity instruments that would have been given by HomeStay Subsidiary to have exactly the same percentage holding in the new structure at the date of the transaction.

As the activities of HomeStay Care Limited would not constitute a business based on the requirements of AASB 3, the transaction has been accounted for as a share-based payment under AASB 2. The excess of the deemed consideration over the fair value of HomeStay Care Limited, as calculated in accordance with the reverse acquisition accounting principles and with AASB 2, is considered to be a payment for a group restructure and has been expensed.

2. Listing expense on reverse acquisition (continued)

HomeStay Care Limited is the legal acquirer of HomeStay Subsidiary in this transaction and the consideration for the acquisition was:

- The issue of up to 200,000,000 fully paid ordinary shares in HomeStay Care Limited at \$0.02 each to raise up to \$4,000,000;
- Completion of the acquisition of HomeStay Care International Pty Ltd through the issue of 300,000,000 fully paid ordinary shares and 200,000,000 deferred consideration shares to the Vendors;
- The issue of 70,000,000 unlisted options to 708 Capital Pty Ltd as Lead Managers of the Offer, exercisable at \$0.03 each and expiring 5 years from date of issue;
- The issue of 10,000,000 fully paid ordinary shares for the facilitation of the acquisition;
- The issue of 10,000,000 unlisted options to proposed and existing directors of HomeStay Care Limited, exercisable at \$0.03 each and expiring 5 years from date of issue;
- The issue of 50,000,000 shares upon successful completion of the Conversion of a Convertible Loan to equity.

As HomeStay Care Limited is deemed to be the acquiree for accounting purposes, the carrying values of its assets and liabilities are required to be recorded at fair value for the purposes of the acquisition. No adjustments were required to the historical values to effect this change.

Calculation of listing expense on reverse acquisition

	\$
Deemed fair value of consideration shares paid on acquisition (134,999,296 fully paid ordinary shares @ \$0.02)	2,700,000
200,000,000 deferred consideration shares ¹	Nil
Total value of consideration	<u>2,700,000</u>
Less: Fair value of net assets of HomeStay Care Limited acquired on reverse acquisition	
- Cash and cash equivalents	1,325,303
- Trade and other receivables	30,044
- Related party loan	900,000
- Trade and other payables	<u>(57,801)</u>
Total fair value of net assets	<u>2,197,546</u>
Excess of consideration provided over the fair value of net assets at the date of acquisition expensed, being group restructuring and relisting costs	<u>502,454</u>

¹ The deferred consideration shares were valued at nil, as the probability of performance milestones being met was assessed as less than probable on the date of the reverse acquisition.

No cash was paid as part of the acquisition consideration.

The Company has been granted a waiver of ASX Listing Rule 7.3.2 to permit it to issue Deferred Consideration Shares to the Vendors upon satisfaction of the milestones set out above, which will be outside of three months from the date of the General Meeting. As at the date of this report none of the milestone shares have been issued, and 200,000,000 shares remain to be issued as noted above.

3. Segment Information

The Directors have considered the requirements of AASB 8 *Operating Segments* and the internal reports that are reviewed by the Board in allocating resources and have concluded that at this time there are no separately identifiable segments. All revenues and costs are handled centrally and management reviews financial information on a consolidated basis. On this basis it is considered that there is only one operating segment, the details of which are disclosed within this financial report.

	Consolidated	
	2018	2017
	\$	\$
4. Revenue and other income		
Sale of goods and services	39,663	30,354
Interest income	4,943	2,848
	<u>44,606</u>	<u>33,202</u>
Other revenue	117,115	-
	<u>161,721</u>	<u>33,202</u>

5. Income tax expense

Loss before income tax expense	(4,501,024)	(417,493)
Tax at the Australian tax rate of 27.5% (2017: 27.5%)	<u>(1,237,782)</u>	<u>(114,811)</u>
Tax effect amounts which are not deductible in calculating taxable income:		
Expenditure not allowable for tax purposes	312,697	-
Deferred tax assets not brought to account	<u>925,085</u>	<u>114,811</u>
Income tax expense	<u>-</u>	<u>-</u>
Unused tax losses for which no deferred tax asset has been recognised	<u>14,758,630</u>	<u>164,630</u>

The deferred tax asset attributable to carried forward income tax losses and temporary differences has not been recognised as an asset as the Company has not commenced trading and the availability of future profits to recoup these losses is not considered probable at the date of this report.

The deferred tax assets not brought to account will only benefit the Company if future assessable income is derived of a nature and amount sufficient to enable the benefits to be realised, the conditions for deductibility imposed by the tax legislation continue to be complied with and the Company is able to meet the continuity of ownership and/or continuity of business tests.

6. Cash and cash equivalents

A reconciliation between cash and cash equivalents as disclosed in the statement of financial position and cash as disclosed in the statement of cash flows is as follows:

Cash at bank	3,430,126	569,353
	<u>3,430,126</u>	<u>569,353</u>

7. Other assets

Prepayments	229,386	-
Security deposits	<u>59,697</u>	<u>-</u>
	<u>289,083</u>	<u>-</u>

	Consolidated	
	2018	2017
	\$	\$
8. Trade and other receivables		
Trade receivables	25,404	6,362
Other receivables	67,184	18,093
	<u>92,588</u>	<u>24,455</u>

9. Inventory		
Inventory on hand	121,389	-
	<u>121,389</u>	<u>-</u>

10. Plant and equipment		
Office equipment	38,736	-
Less: accumulated depreciation	(6,726)	-
Total office equipment	<u>32,010</u>	<u>-</u>
Total plant and equipment	<u>32,010</u>	<u>-</u>

Reconciliations

Reconciliations of the carrying amounts of each class of plant and equipment at the beginning and end of the current financial year are set out below.

Consolidated	Office Equipment \$	Total \$
Carrying amount at 31 December 2016	-	-
Depreciation expense	-	-
Carrying amount at 31 December 2017	-	-
Additions	43,196	43,196
Disposals	(4,927)	(4,927)
Depreciation expense	(6,616)	(6,616)
Foreign exchange movement	357	357
Carrying amount at 31 December 2018	<u>32,010</u>	<u>32,010</u>

	Consolidated	
	2018	2017
	\$	\$
11. Intangible assets		
Platform development expenditure		
At cost	1,082,648	408,985
Less: Accumulated amortisation	(242,201)	-
Net carrying amount	840,447	408,985
Customer list		
At cost	45,000	45,000
Less: Accumulated amortisation	(41,275)	(18,925)
Net carrying amount	3,725	26,075
Trademarks		
At cost	1,372	-
Less: Accumulated amortisation	-	-
Net carrying amount	1,372	-
Total intangible assets	845,544	435,060

Reconciliations

Reconciliations of the carrying amounts of each class of plant and equipment at the beginning and end of the current financial year are set out below.

	Platform development expenditure	Customer list	Trademarks	Total
	\$	\$	\$	\$
Consolidated				
Carrying amount at 31 December 2016	-	-	-	-
Additions	408,985	45,000	-	453,985
Amortisation expense	-	(18,925)	-	(18,925)
Carrying amount at 31 December 2017	408,985	26,075	-	435,060
Additions	656,801	-	1,372	658,173
Amortisation expense	(231,423)	(22,350)	-	(253,773)
Foreign exchange movement	6,084	-	-	6,084
Carrying amount at 31 December 2018	840,447	3,725	1,372	845,544

12. Trade and other payables

Trade payables	174,515	1,115
Other payables	398,938	76,227
	573,453	77,342

13. Provisions

Employee entitlements	55,865	2,832
	55,865	2,832

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. The consolidated entity expects all employees to take the full amount of accrued leave or require payment within the next 12 months.

		Consolidated	
		2018	2017
		\$	\$
14. Issued Capital			
694,999,296 (2017: 299,500,000) Ordinary shares – Fully paid ('FPO')		9,317,501	1,412,501
Capital raising costs		(1,021,508)	-
		<u>8,295,993</u>	<u>1,412,501</u>
a) Movements in ordinary shares on issue		Number	\$
At 1 January 2017		<u>162,000,000</u>	<u>486,001</u>
Shares issued during the year			
– February 2017 – FPO shares		3,000,000	9,000
– August 2017 – FPO shares		36,000,000	360,000
– September 2017 – FPO shares		51,000,000	510,000
– December 2017 – FPO shares		47,500,000	47,500
Less capital raising costs		-	-
At 31 December 2017		<u>299,500,000</u>	<u>1,412,501</u>
Shares issued during the year prior to acquisition			
– January 2018 – FPO shares		500,000	5,000
Less capital raising costs		-	-
Balance before reverse acquisition		<u>300,000,000</u>	<u>1,417,501</u>
Elimination of existing legal acquiree shares		(300,000,000)	-
Share of legal acquirer at acquisition date		134,999,296	-
Shares issued during the year post acquisition			
– 13 November 2018 – Capital raising at \$0.02		200,000,000	4,000,000
– 13 November 2018 – Conversion of convertible loans at \$0.02		50,000,000	1,000,000
– 13 November 2018 – Shares issued to facilitators of the acquisition		10,000,000	200,000
– 13 November 2018 – Shares issued shareholders of HomeStay Care International Pty Ltd		300,000,000	2,700,000
Less capital raising costs		-	(1,021,508)
Shares of legal acquirer at acquisition date		<u>694,999,296</u>	<u>8,295,993</u>

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll, each share is entitled to one vote.

b) Options

For details of options issued, exercised and lapsed during the financial year and the options outstanding at year-end, refer to Note 15(a) Share-based payments.

c) Capital Management

The objectives of management when managing capital is to safeguard the Group's ability to continue as a going concern, so that the Group may continue to provide returns for shareholders and benefits for other stakeholders.

The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Group at 31 December 2018 and 2017 is as follows:

14. Issued Capital (continued)

	Consolidated	
	2018	2017
	\$	\$
Cash and cash equivalents	3,430,126	569,353
Other assets	289,083	-
Trade and other receivables	92,588	24,455
Inventory	121,389	-
Trade and other payables	(573,453)	(77,342)
Provisions	(55,865)	(2,832)
Working capital position	<u>3,303,868</u>	<u>513,634</u>

15. Reserves

Foreign currency translation	741	-
Share based payments	<u>849,519</u>	-
	<u>850,260</u>	-

Movements in reserves

Share based payments

Balance at the beginning of the reporting period	-	-
Share based payments – Options issued during the year	<u>849,519</u>	-
Balance at the end	<u>849,519</u>	-

Foreign currency translation

Balance at the beginning of the reporting period	-	-
Exchange differences on translating foreign controlled entities	<u>741</u>	-
Balance at the end	<u>741</u>	-

(a) Share-based payments

A summary of the movements of all options issues is as follows:

	Number	Weighted average exercise price
Options outstanding as at 31 December 2017	-	N/A
Recognised upon acquisition of HomeStay Care Limited	2,486,188	\$0.246
Granted on 13 November 2018	<u>80,000,000</u>	\$0.030
Options outstanding as at 31 December 2018	<u>82,486,188</u>	\$0.037

The weighted average remaining contractual life of options outstanding at year end was 4.8 years. The weighted average exercise price of outstanding options at the end of the reporting period was \$0.037.

The fair value inputs included in the option valuations using a Black Scholes model were as follows:

Grant date	No. of options	Fair value at grant date	Share price	Exercise price	Term	Risk-free rate	Volatility rate
13 November 2018	80,000,000	\$0.0106	\$0.02	\$0.03	5 years	2.20%	72.5%

16. Remuneration of auditors

	Consolidated	
	2018	2017
	\$	\$
Audit and review of financial statements – RSM Australia	37,757	14,000
Review of tax effect calculations – RSM Australia	5,000	-
	<u>42,757</u>	<u>14,000</u>

17. Commitments for expenditure

Capital commitments

The capital commitments contracted for as at 31 December 2018 is \$78,000 for platform developments (31 December 2017: \$Nil).

Lease commitments

	2018	2017
	\$	\$
Within 1 year	96,078	-
Between 1 and 5 years	-	-
More than 5 years	-	-
Total	<u>96,078</u>	<u>-</u>

18. Controlled entities

Name	Country of Incorporation	Percentage Owned	
		2018	2017
Parent entity			
HomeStay Care Limited	Australia		
Name of controlled entity			
HomeStay Care International Pty Ltd	Australia	100%	0%
Home Service Solutions Pty Ltd	Australia	100%	0%
HomeStay Care Solutions Pte Ltd	Singapore	100%	0%
HomeStay Care (Singapore) Pte Ltd	Singapore	100%	0%
Antilles Block 105 Pty Ltd	Australia	100%	100%
Antilles Peru Pty Ltd	Australia	100%	100%
Antilles Oil and Gas Peru SA*	Peru	100%	100%
Advance Exploration and Production Inc	Texas USA	100%	100%
AEPI Midstream Inc	Texas USA	100%	100%
Advance Wolfberry Inc	Texas USA	100%	100%

* This subsidiary has been deregistered as at 27 February 2019

19. Events after the reporting period

On 1 February 2019 Wayne Cahill was appointed Non-Executive Chairman of the Board.

During February 2019 other changes to the Company's personnel included the appointment of Mr Manoj Chandra as the Chief Technology Officer and the resignation of Mr Aga Manhao as the Company's Chief Executive Officer. On 11 March 2019 Philippa Lewis was appointed Interim Chief Executive Officer.

The directors are not aware of any other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

20. Contingent Liabilities

As consideration for the issued capital of HomeStay Care International Pty Ltd, HomeStay Care Limited will be required to issue up to 200,000,000 deferred shares to the shareholders of HomeStay Care International Pty Ltd as contingent consideration, with 50,000,000 ordinary shares to be issued upon each of the following milestones being met:

- HomeStay generating cumulative revenue of \$3,000,000 within 36 months of the date that HomeStay is re-admitted to the ASX List;
- HomeStay generating cumulative revenue of \$6,000,000 within 48 months of the date that HomeStay is re-admitted to the ASX List;
- HomeStay generating cumulative revenue of \$9,000,000 within 54 months of the date that HomeStay is re-admitted to the ASX List;
- HomeStay generating cumulative revenue of \$12,000,000 within 60 months of the date that HomeStay is re-admitted to the ASX List.

The Company has been granted a waiver of ASX Listing Rule 7.3.2 to permit it to issue Deferred Consideration Shares to the Vendors upon satisfaction of the milestones set out above, which will be outside of three months from the date of the General Meeting. As at the date of this report none of the milestones shares have been achieved, and 200,000,000 shares remain to be issued as noted above.

During the due diligence process of the Company's US subsidiaries, it was noted that that two subsidiaries Advance Energy & Production Inc and Advance Wolfberry Inc had not lodged their US tax returns for the last two financial years. There is potential that a penalty up to US\$10,000 per tax return per subsidiary may be imposed. The Company has engaged a US tax attorney to work to reduce any final penalties that might be imposed.

21. Cash flow information

	Consolidated	
a) Reconciliation of loss from ordinary activities after income tax to net cash outflow from operating activities	2018	2017
	\$	\$
Loss from ordinary activities after income tax	(4,501,024)	(417,493)
Non-cash flow in loss from continuing operations:		
Depreciation	6,616	-
Amortisation expense	253,773	18,925
Share based payments	485,935	-
Listing fee	502,454	-
Other income	(100,000)	-
Change in operating assets and liabilities:		
Trade and other receivables	(105,198)	(24,455)
Other assets	(221,974)	-
Inventory	(121,389)	-
Trade and other payables	438,096	34,445
Provisions	53,033	2,832
Net cash outflow from operating activities	<u>(3,309,678)</u>	<u>(385,746)</u>

22. Parent entity disclosures

(a) Financial Position of HomeStay Care Limited

Assets

Current Assets

Non-Current Assets

Total Assets

Liabilities

Current Liabilities

Total Liabilities

Net Assets

Equity

Issued capital

Reserves

Accumulated losses

Total Equity

(b) Financial Performance of HomeStay Care Limited

Loss for the year

Other comprehensive income

Total Comprehensive Loss

	2018	2017
	\$	\$
Current Assets	3,446,043	2,663,810
Non-Current Assets	880,243	26,017
Total Assets	4,326,286	2,689,827
Liabilities		
Current Liabilities	144,864	28,699
Total Liabilities	144,864	28,699
Net Assets	4,181,422	2,661,128
Equity		
Issued capital	43,052,234	36,177,797
Reserves	857,519	-
Accumulated losses	(39,728,331)	(33,516,669)
Total Equity	4,181,422	2,661,128
(b) Financial Performance of HomeStay Care Limited		
Loss for the year	(6,211,662)	(304,368)
Other comprehensive income	-	-
Total Comprehensive Loss	(6,211,662)	(304,368)

(c) Contingent liabilities

The parent entity had no contingent liabilities as at 31 December 2018 and 31 December 2017 other than as disclosed in Note 20.

(d) Commitments

The parent entity had no capital commitments as at 31 December 2018 and 31 December 2017.

23. Earnings per share

a) Reconciliation of earnings to profit or loss:

Net (loss) from operations attributable to ordinary shareholders for basic and diluted earnings per share

	Consolidated	
	2018	2017
	\$	\$
Net (loss) from operations attributable to ordinary shareholders for basic and diluted earnings per share	(4,501,024)	(417,493)

b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS

	Number	Number
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	353,027,303	199,071,233

24. Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, and aging analysis for credit risk.

Risk management is carried out by the Directors and other KMP.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency.

The Group's exposure to foreign exchange risk at the reporting date is limited to the transfer of funding from the Australian head office to fund the Singaporean operations, where the exchange rate is relatively stable.

(ii) Cash flow and fair value interest rate risk

Interest rate risk arises from both short and long-term borrowings and cash at bank. Borrowings issued at variable rates would expose the Group to cash flow interest rate risk. During 2018 and 2017, the Group had no borrowings at a variable rate of interest. The Group reviews its arrangements on a regular basis. The Group had no fixed rate borrowings as at 31 December 2018.

Group sensitivity

At 31 December 2018, if interest rates had changed by ± 100 basis points from the weighted average rate for the year with all other variables held constant, post-tax loss for both the consolidated entity would have been \$1,763 lower/higher as a result of lower/higher interest income from cash and cash equivalents. Management have deemed a movement of 100 basis points to be an appropriate measure for this sensitivity analysis.

(b) Credit risk

The Group has no significant concentrations of credit risk. The cash balances are held in financial institutions with high ratings and the receivables comprise of small service customer receivables. The Group has assessed that there is minimal risk that the cash and receivables balances are impaired.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to ensure the ability to meet operational cash flow requirements. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group aims at maintaining flexibility in funding by having in place operational plans to source further capital as required.

24. Financial Risk Management (continued)

(i) Maturities of financial liabilities

The tables below analyse the Group's material financial liabilities based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows as at 31 December 2018 and are no different to the carrying values.

Group	2018					
	Within 1 year \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Total contractual cash flows \$	Carrying amount \$
Financial Liabilities						
Trade and other payables	573,453	-	-	-	573,453	573,453
Total Financial Liabilities	573,453	-	-	-	573,453	573,453
Group	2017					
	Within 1 year \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Total contractual cash flows \$	Carrying amount \$
Financial Liabilities						
Trade creditors and accruals	77,342	-	-	-	77,342	77,342
Total Financial Liabilities	77,342	-	-	-	77,342	77,342

(d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

25. Related Party Transactions

a) Transactions with related parties

Directors and officers, or their personally-related entities, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. A number of these entities transacted with the Company in the reporting period. The terms and conditions of these transactions, which involved primarily the Companies, charged by related entities for office, administration and company secretarial services, and for travel and accommodation costs, were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to unrelated entities on an arm's length basis.

The amounts paid to directors and their related parties during the financial year are disclosed in Section B of the Remuneration Report and note 26 below.

During the year, there were payments made to Consilium Corporate Pty Ltd, a company in which Mr Ranko Matic is a shareholder and director. The payments are for the provision of corporate secretarial and CFO/general accounting services and amounted to \$65,600 (2017: \$60,000).

During the year, there were payments made to EMS Legal, a firm in which Ms Sara Kelly is a partner. The payments are for the provision of general legal fees and services related to the reverse take-over transaction. These fees amounted to \$72,747 (2017: nil).

b) Payables owing to related parties

	2018 \$	2017 \$
Lenoir Capital Pty Ltd (A company in which Mr Damian Black is a director)	4,400	-
Saci Corporate Pty Ltd (A company in which Ms Sara Kelly is a director)	6,050	-
EMS Legal (A firm in which Ms Sara Kelly is a partner)	12,528	-
	<u>22,978</u>	<u>-</u>

c) Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

26. Key Management Personnel Compensation

Short-term employee benefits	509,868	90,000
Post-employment benefits	12,284	-
Share based payments	106,190	-
Total KMP compensation	<u>628,342</u>	<u>90,000</u>

Short-term employee benefits

These amounts include fee and benefits paid to the non-executive directors as well as all salary, paid leave benefits for executive directors and other KMP.

Post-employment benefits

These amounts are the current-year's superannuation contributions made during the year.

Share-based payments

These amounts represent the expense related to the participation of KMP in equity-settled benefit schemes as measured by the fair value of the options and rights granted on grant date.

Further information in relation to KMP remuneration can be found in the directors' report.

The directors of the Company declare that:

1. the financial statements and notes, as set out in the financial report, are in accordance with the Corporations Act 2001 and:
 - a) comply with Australian Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
 - b) give a true and fair view of the financial position as at 31 December 2018 and of the performance for the year ended on that date of the consolidated entity;
2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
3. the directors have been given the declarations required by s295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors.



Shannon Robinson
Executive Director

Dated this 29th day of March 2019

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
HOMESTAY CARE LIMITED**

Opinion

We have audited the financial report of HomeStay Care Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2018 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
Acquisition of HomeStay Care International Pty Ltd Refer to Note 2 in the financial statements	
<p>On 13 November 2018, the Company completed the acquisition of HomeStay Care International Pty Ltd (formerly HomeStay Care Pty Ltd) pursuant to a binding terms sheet by issuing 300,000,000 initial consideration shares and 200,000,000 deferred consideration shares.</p> <p>When the transaction was completed, the shareholders of HomeStay Care International Pty Ltd held 69% of the combined entity. Therefore, the Company determined that it was the accounting acquiree and HomeStay Care International Pty Ltd was the accounting acquirer. The Company did not meet the definition of a business as defined by the Accounting Standards as at the date of the transaction. Therefore, the transaction was accounted for using the principles of reverse acquisition accounting.</p> <p>We have identified the acquisition of HomeStay Care International Pty Ltd as a key audit matter due to the technical complexity of the accounting treatment as well as the significant management judgment required in determining the acquiring entity, the fair value of consideration paid and whether the accounting acquiree met the definition of a business as defined by the Accounting Standards.</p>	<p>Our audit procedures in relation to the Company's accounting for the acquisition HomeStay Care International Pty Ltd included:</p> <ul style="list-style-type: none"> • Reviewing the binding terms sheet in order to obtain an understanding of the transaction and the related accounting considerations; • Critically evaluating management's determination that HomeStay Care International Pty Ltd was the acquiring entity and that the acquired entity did not meet the definition of a business; • Evaluating the timing and appropriateness of the accounting treatment and the consideration of the acquisition based on the binding terms sheet; and • Assessing the disclosures in the financial report to ensure compliance with the requirements of the Accounting Standards.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2018 but does not include the financial report and the auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on 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.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report*Opinion on the Remuneration Report*

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2018.

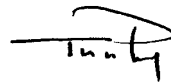
In our opinion, the Remuneration Report of HomeStay Care Limited, for the year ended 31 December 2018, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 29 March 2019

Additional information required by Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 19 March 2019.

(a) Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

Range	Total Holders	Units	% of Issued Capital
1 – 1,000	504	40,940	0.01%
1,001 – 5,000	52	118,793	0.02%
5,001 – 10,000	17	128,894	0.02%
10,001 – 100,000	175	8,422,805	1.21%
100,001 and above	395	686,287,864	98.75%
Total	1,143	694,999,296	100.00%

Unmarketable Parcels

Minimum Parcel Size	Holders	Units
Minimum \$500.00 parcel at \$0.025 per unit	20,000	610
		859,250

(b) Substantial shareholders

Name	Units
MS NICOLE GALLIN & MR KYLE HAYNES & ASSOCIATES	50,000,000

(c) Twenty largest shareholders

The names of the twenty largest holders of quoted ordinary shares are:

Rank	Name	Units	% of Units
1	MS NICOLE GALLIN & MR KYLE HAYNES <GH SUPER FUND A/C>	42,000,000	6.04%
2	NINETY THREE PTY LTD <ONE MILE S/F A/C>	31,500,000	4.53%
3	DAVHAL INVESTMENTS PTY LIMITED	26,000,000	3.74%
4	PONDEROSA INVESTMENTS (WA) PTY LTD <THE PONDEROSA A/C>	25,000,000	3.60%
5	RAVENHILL INVESTMENTS PTY LTD <HOUSE OF EQUITY A/C>	19,328,730	2.78%
6	BERGER INVESTMENT FUND PTY LTD <BERGER INVESTMENT FUND A/C>	19,250,000	2.77%
7	ONSWITCH INVESTMENTS PTY LTD <FOXFIRST A/C>	15,700,000	2.26%
8	MRS MICHELLE DENNY <PIRATES COVE A/C>	15,000,000	2.16%
8	SINGLEFIN ASIA PRIVATE FOUNDATION	15,000,000	2.16%
9	J P MORGAN NOMINEES AUSTRALIA LIMITED	14,224,301	2.05%
10	REEF INVESTMENTS PTY LTD <TD NAIRN SUPER FUND A/C>	13,500,000	1.94%
11	FUTURIS SOLUTIONS LTD	13,000,000	1.87%
12	BOND STREET CUSTODIANS LIMITED <SXS - D65864 A/C>	12,801,105	1.84%
13	WIMALEX PTY LTD <TRIO S/F A/C>	12,000,000	1.73%
13	MICHAEL STANLEY CARTER <THE CARTER FAMILY ACCOUNT>	12,000,000	1.73%
14	BAINPRO NOMINEES PTY LIMITED	10,000,000	1.44%
14	JUDACAN NOMINEES PTY LTD <JUDACAN A/C>	10,000,000	1.44%
15	M & L NOMINEES PTY LTD <M F BLACK FAMILY A/C>	9,000,000	1.30%
16	MULTICLIENT GEOPHYSICAL ASA	8,743,094	1.26%

ADDITIONAL INFORMATION

17	AUSTRALIAN EXECUTOR TRUSTEES LIMITED <NO 1 ACCOUNT>	7,288,674	1.05%
18	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,086,879	1.02%
19	SHARKY HOLDINGS PTY LTD <THE MORRIS FAMILY A/C>	6,864,641	0.99%
20	SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	6,419,200	0.92%
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (TOTAL)		351,706,624	50.61%

(d) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

(e) Unlisted Options

The following options are on issue:

2,486,188 unlisted options with an exercise price of \$0.246 expiring 23 June 2020

80,000,000 unlisted options with an exercise price of \$0.03 expiring 13 November 2023

(f) Schedule of interest in mining tenements

Oil and Gas Interests

Tenement Reference	Tenement	Location	Interest Held
Roman "27" #1 * API# 42-317-36123	Spraberry	Texas, USA RRC# 40739	WI 50% NRI 38.75%

* Interest is APO (after payout only) and the operator is Endeavor Energy Resources L.P.

Total acreage held is 160. The interest is held by the Company's subsidiary, Advance Exploration and Production, Inc.