HOMESTAY CARE LTD
ABN 62 111 823 762

ANNUAL REPORT

2019

CONTENTS PAGE

Corporate Directory	1
Chairman's Message	2
Letter from the Managing Director	3
Directors' Report	4
Corporate Governance	17
Auditor's Independence Declaration	23
Consolidated Statement of Profit or Loss and other Comprehensive Income	24
Consolidated Statement of Financial Position	25
Consolidated Statement of Changes In Equity	26
Consolidated Statement of Cashflows	27
Notes to the Consolidated Financial Statements	28
Directors' Declaration	55
Independent Auditor's Report	56
Additional Information	59

DIRECTORS

Mr Wayne Cahill	(Non-Executive Chairman)
Mr Graham Russell	(Managing Director)
Ms Shannon Robinson	(Executive Director)
Ms Sara Kelly	(Non-Executive Director)

COMPANY SECRETARY

Melanie Ross

REGISTERED OFFICE & CONTACTS

Level 2
22 Mount Street
PERTH WA 6000
Ph: +61 8 6188 8181
Fax: +61 8 6188 8182
Web: www.homestay.care
Securities Exchange Listing - ASX Code: HSC

SOLICITORS

Edwards Mac Scovell
Level 7
140 St Georges Terrace
PERTH WA 6000
Ph: +61 8 6245 0222
Fax: +61 8 6315 2657

AUDITORS

RSM Australia Partners
Level 32
2 The Esplanade
PERTH WA 6000
Ph: +61 8 9261 9100
Fax: +61 8 9261 9111

SHARE REGISTRY

Automic Registry Services
Level 2
267 St Georges Terrace
PERTH WA 6000
Ph: +61 8 9324 2099
Fax: +61 8 9321 2337

Dear Shareholder,

It is a pleasure to present the HomeStay 2019 Annual Report.

HomeStay provides assistive technology allowing elderly and people with disabilities to live more independently in their own homes and make a tangible difference to their quality of life.

HomeStay's IoT platform connects its product suite and third party devices through a universal system, eliminating the need for multiple apps and management platforms. HomeStay uses partners to deliver integrated technology solutions tailored for customer requirements.

This has been a formative year for the company with 2019 being the first year listed on the ASX. During the year HomeStay secured its initial enterprise customer contracts and partnered with Essence APAC to accelerate the delivery of assistive technology. This has resulted with the group achieving revenue of $588,453 for 2019.

The current climate is challenging but with challenge comes opportunity. The Royal Commission into Aged Care confirmed the need for innovative models of care, in particular the use of assistive and supportive technology. The global impact of COVID-19 also highlights the potential to improve care delivery through the implementation of assistive technology whilst enhancing protection for residents, care workers and improving communication for the family and community.

This creates an opportunity for HomeStay and adoption of its technology to deliver real and tangible benefits to delivery of care to vulnerable people.

Thank you for your ongoing support.

Wayne Cahill
Chairman

To Our Shareholders, Clients and Team

I recently joined HomeStay as the Managing Director in December 2019 after having previously worked closely with the team as a partner for nearly 18 months.

I'm passionate about using technology to assist and improve people's independence to now effectively Age in Place. HomeStay's IoT platform aggregates assistive technology delivering solutions in four verticals: safety and emergency; communication and entertainment; security and accountability; and health and wellness. These pillars provide real solutions targeting stress points for enterprise customers, individuals and families.

HomeStay delivers a scalable IoT platform to enterprise customers tailored for the project. The business model involves up-front project implementation and ongoing support with recurring revenue streams. We are achieving great strides in the Aged Care and Community Care markets by partnering with a number of innovative health technology companies to provide a comprehensive suite of solutions. This will further extend the application of the IoT platform into other areas to provide a holistic solution to the sector.

We have a number of projects underway and had a strong start to 2020 with the signing of enterprise customer contracts with ACH Group, Bolton Clarke, Enrich and Odyssey Private Aged Care. We have a small and highly experienced team who are focused on the delivery of existing projects and execution of our sales strategy.

The Aged Care Royal Commission and CoronaVirus continue to highlight the value of assistive technology, like HomeStay's IoT platform. In particular our Telehealth solution as a complete package is increasingly relevant in the current environment, allowing care providers and family to have transparency and visibility that their clients and loved ones are OK while living independently. This facilitates increased efficiency and protection for healthcare workers and residents with automated alerts of any deterioration in health or change in routine.

With the delivery of our existing projects, we are streamlining the installation process to provide scalability across APAC. We work closely with our partners and are currently participating in several tenders and Request for Pricing (RFPs) through our reseller networks in Australia, New Zealand and Singapore. We continue to promote the HomeStay offering through implementation of digital marketing strategies and technical sales teams.

HomeStay shows aged care and disability providers how using assistive technology can improve the lives of their clients, improve operational efficiency as well as providing transparency to families and management for accountability and peace of mind.

I and the HomeStay team would like to thank you very much for your support in our mission of improving the lives of our elderly and persons with disability. These are our Mums and Dads, children and friends who want to live independently with dignity for as long as possible on their terms.

Graham Russell
Managing Director

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 2019 ('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
Graham Russell	Managing Director	Appointed 3 December 2019
Shannon Robinson	Executive Director	
Damian Black	Non-Executive Director	Resigned 3 December 2019
Sara Kelly	Non-Executive Director	

COMPANY SECRETARY

Melanie Ross

OPERATING RESULTS

The loss of the consolidated entity amounted to $4,412,504 (2018: $4,501,024) 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 activity of the consolidated entity during the financial year was the development and integration of an assistive technology IOT platform for the aged care and disability sectors.

REVIEW OF OPERATIONS

HomeStay delivers assistive technology through its IoT platform by connecting its product suite and third party devices through a universal system. This assistive technology allows elderly and people with disabilities to live independently in their own home for longer, through the use of data analysis, as well as human monitoring, to determine residents' routines and detect anomalies. These early insights allow for better decision-making by care providers and families, allowing more focused service, minimising unnecessary care and facilitating welfare checks in a more responsive manner.

During the financial period, the Company continued its strategy to develop its technology, undertake pilot programs and projects with enterprise customers as well as working with partners to deliver an end-to-end assistive technology solution for the aged care and disability sectors.

HomeStay's IoT platform aggregates assistive technology delivering solutions in four verticals: safety and emergency; communication and entertainment; security and accountability; and health and wellness. These pillars provide tangible solutions targeting stress points for enterprise customers, individuals and families.

During the financial period, the Company strengthened its relationship with Automation Australia Pty Ltd trading as Essence APAC ("Essence APAC") entering into licensing arrangements (refer to Company Announcements dated 15 July 2019 and 3 December 2019). HomeStay utilises the Essence APAC IoT solutions to configure its intelligent homes, which has enabled the Company to create cost efficiencies and further support customer deployments, whilst becoming an exclusive reseller of the Essence APAC solutions in Australia, New Zealand and Singapore.

During the financial period, the Company continued the rollout of its assistive technology pursuant to pilot programs and commercial projects in Australia and Singapore. The Company entered into an agreement with Enrich Living Services Pty Ltd to deliver its assistive technology (refer to Company Announcement dated 22 March 2019). The parties have commenced the rollout of a project for the supply and installation of technology to 120 residents. The contract is a further statement of works pursuant to the existing master services agreement (refer to Company Announcement dated 28 January 2020).

During the financial period, the Company collaborated with St John of God Health Care on its Enabled Lifestyle Blueprint Project ("the Project") as its lead technology partner (refer to Company Announcement dated 20 June 2019). The Project involved the build of a new home customised for people living with an intellectual disability and complex needs. The project uses HomeStay's assistive technology products incorporating emergency hub sensors, personal alarms and MyDay and Carers Companion apps.

The Company has entered into several enterprise customer agreements in 2020. HomeStay awarded a tender to upgrade technology at the Aged Care & Housing Group Inc (ACH Group) multiple sites of residential care in South Australia, with purchase orders already received for over $1,000,000 (refer to Company Announcements dated 28 January 2020 and 13 February 2020).

In January 2020 a master services agreement was entered into with one of Australia's largest not-for-profit, healthcare and independent living service providers, RSL Care RDNS Limited (trading as Bolton Clarke), to provide HomeStay's IoT Assistive Technology Solution (refer to Company Announcement dated 28 January 2020).

In March 2020 the Company was awarded a contract for the delivery of assistive technology to a development by Odyssey Private Aged Care on the Gold Coast, Queensland. The project is for new 99 independent living apartments in the first 2 towers built with the contract direct with the builder J. Hutchinson Pty Ltd. Refer to Company Announcement dated 17 March 2020.

In late 2019 the Company raised $4 million by way of a placement and converting loan facility followed by an underwritten non-renounceable entitlement issue (refer to Company Announcement dated 9 October 2019). The convertible loans were subsequently satisfied via conversion into ordinary shares following shareholder approval (refer to Company Announcement dated 28 January 2020).

The Company now has a streamlined operational structure and with an integrated team to support deployment in Australia, Singapore and New Zealand. The focus is on the generation and delivery of sales projects with its enterprise partners.

FINANCIAL POSITION

The net assets of the consolidated entity as at 31 December 2019 were $3,470,025, a decrease of $711,397 from net assets of $4,181,422 at 31 December 2018.

The consolidated entity's net working capital, being current assets less current liabilities is a surplus of $1,890,230 (2018: $3,303,868).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

EVENTS AFTER THE REPORTING PERIOD

On 28 January 2020 the following securities were issued:

- 12,000,000 fully paid ordinary shares in lieu of payment of accrued fees to broker;
- 100,000,000 fully paid ordinary shares for conversion of converting loans under converting loan facility;
- 12,000,000 fully paid ordinary shares in lieu of payment of accrued fees owed to director Sara Kelly;
- 20,000,000 fully paid ordinary shares issued to an employee pursuant to their employment contract;
- 19,000,000 fully paid ordinary shares in lieu of repayment of debts to various creditors;
- 500,000 fully paid ordinary shares for conversion of performance rights;
- 12,000,000 fully paid ordinary shares issued pursuant to corporate advisory agreement;
- 1,200,000 fully paid ordinary shares issued pursuant to agreement with investor relations firm;
- 50,000,000 performance rights issued to Managing Director Graham Russell;
- 10,000,000 options exercisable at $0.015 each, expiring 28 January 2023 issued in consideration for services provided by broker under underwriting agreement;
- 2,000,000 options exercisable at $0.05 each, expiring 28 January 2022 issued in consideration for services provided by contractor under brand ambassador agreement.

On 29 January 2020, 20,000,000 fully paid ordinary shares were issued to an employee pursuant to their employment contract.

The outbreak of the coronavirus disease ("COVID-19") is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company. It is also noted that there may be potential opportunity in our technology solutions given its monitoring and alert capabilities with the current home isolation requirements implemented by government due to the COVID-19 issues.

The Directors continue to monitor the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of COVID-19 on its revenue channels and adverse impact on the Company. If any of these impacts appear material, the Company will notify investors through appropriate market updates.

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 is a cloud based IoT Aggregator, connecting the product suite and third party devices through a universal system to deliver assistive technology to the aged care and disability sectors. The Company will continue to develop and commercialise its assistive technology platform and deliver its existing client projects.

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 – 2021 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	4,000,000 options with exercise price of \$0.065 expiring 1 August 2022 4,000,000 options with exercise price of \$0.09 expiring 1 February 2023 4,000,000 options with exercise price of \$0.09 expiring 1 February 2024
Directorships held in other listed entities	Nil
Mr Graham Russell	Managing Director
Experience	Mr Russell has over 25 years' experience in Systems Integration and Sensor technology solutions across all verticals of Healthcare, Utilities, Mining and Governments. Mr Russell is incredibly passionate about helping our older generation stay independent, and pioneering the adoption of seamless technology solutions to help families, care providers and the elderly. Mr Russell has been instrumental in developing and localising assistive technology that is a cost effective, scalable solution using Artificial Intelligence and an integrated IoT platform to detect health deterioration, fall alerts and provide early intervention, including the Essence Care@home solutions in the APAC region. Mr Russell currently works with numerous National Aged Care providers, Government, Utility and Telecommunication companies throughout APAC to transform their clients lives, connect with their families and provide operational efficiencies and financial returns to all involved. Mr Russell was previously the CEO of the Ambush Group, a national Systems Integration business where he started on the tools as an Electronics Technician installing and integrating solutions like Nurse Call, CCTV, Access Control, Security, WiFi, Internet, Fibre solutions, etc for Hospitals, Residential Aged Care, Councils, Financial and Government facilities.
Interest in Shares and Options	80,000,000 fully paid ordinary shares 50,000,000 performance rights

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 is an experienced director focusing on emerging technology companies in early stages of development and commercialisation. 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 compliance. Ms Robinson has over 10 years' experience and is a former corporate lawyer having gained extensive corporate experience as a solicitor at boutique corporate law firms.
Interest in Shares and Options	29,250,000 fully paid ordinary shares 2,000,000 options with exercise price of $0.03 expiring 13 November 2023 Entitled to 11,999,996 deferred consideration shares subject to satisfaction of the applicable milestones
Directorships held in other listed entities	Yojee Limited (ASX: YOJ) – 20 January 2016 to 3 March 2020 Spookfish Limited (ASX: SFI) – 22 April 2013 to 10 December 2018 Fastbrick Robotics Limited (ASX: FBR) – 17 November 2015 to 13 July 2018
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	22,062,500 fully paid ordinary shares 2,000,000 options with exercise price of $0.03 expiring 13 November 2023 Entitled to 1,666,668 deferred consideration shares subject to satisfaction of the applicable milestones
Directorships held in other listed entities	Non-Executive Chairman – Ragnar Metals Ltd (ASX: RAG) - 1 June 2017 to 2 September 2019

MEETING OF DIRECTORS

Name	Number eligible to attend	Number attended
Wayne Cahill	11	11
Graham Russell	1	1
Shannon Robinson	12	12
Damian Black	11	11
Sara Kelly	12	11

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 106,486,188 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
1 August 2022	28 May 2019	$0.05	4,000,000
1 February 2023	28 May 2019	$0.065	4,000,000
1 February 2024	28 May 2019	$0.09	4,000,000
3 February 2023	14 January 2020	$0.015	10,000,000
3 February 2022	14 January 2020	$0.05	2,000,000
Total number of options outstanding at the date of this report			**106,486,188**

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 2019.

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 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 2019

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 entity. Such amounts have been calculated in accordance with Australian Accounting Standards:

KMP		Short-term Benefits		Post-employment Benefits	Share based Payments					
		Salary & Consulting fees	Bonus	Super-annuation	Equity (Shares & Performance Rights)	Options	Total	Fixed remuneration	Short-term incentive	Long-term incentive
		$	$	$	$	$	$	%	%	%
Executive Directors										
Mr Graham Russell (appointed 3/12/2019)	2019	7,273[8]	-	691	150,000	-	157,964	5	-	95
	2018	-	-	-	-	-	-	-	-	-
Ms Shannon Robinson (appointed 13/11/2018)	2019	50,000	-	4,750	-	-	54,750	100	-	-
	2018[1]	104,305	25,000	12,284	-	21,238	162,827	72	15	13
Non-Executive Directors										
Mr Wayne Cahill (appointed 1 February 2019)	2019	68,750	-	6,531	-	59,783	135,064	56	-	44
	2018	-	-	-	-	-	-	-	-	-
Mr Damian Black (resigned 3/12/2019) [2]	2019	44,000	-	-	-	-	44,000	100	-	-
	2018	31,500	-	-	-	21,238	52,738	60	-	40
Ms Sara Kelly (appointed 13/11/2018) [3]	2019	48,000	-	-	60,000[4]	-	108,000	44	-	56
	2018	5,500	-	-	-	21,238	26,738	21	-	79
Mr Ranko Matic (resigned 13/11/2018) [5]	2019	-	-	-	-	-	-	-	-	-
	2018	26,083	-	-	-	21,238	47,321	55	-	45
Mr David Wheeler (resigned 13/11/2018) [6]	2019	-	-	-	-	-	-	-	-	-
	2018	26,083	-	-	-	21,238	47,321	55	-	45
Chief Executive Officer										
Philippa Lewis (appointed 11/3/2019, resigned 18/10/2019)[7]	2019	227,596	-	-	-	-	227,596	100	-	-
	2018	-	-	-	-	-	-	-	-	-
Mr Aga Manhao (resigned 10/02/2019)	2019	21,090	-	-	-	-	21,090	100	-	-
	2018	240,973	50,424	-	-	-	291,397	83	17	-
	2019	**466,709**	**-**	**11,972**	**210,000**	**59,783**	**748,464**			
	2018	**434,444**	**75,424**	**12,284**	**-**	**106,190**	**628,342**			

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. This portion of directors fees relating to the 2019 financial year were paid in shares that were shareholder approved and issued in January 2020.

5. 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 29.
6. Paid through Pathways Corporate Pty Ltd, of which Mr Wheeler is a director.
7. Paid $120,060 via recruitment agency (11/3/2019 to 31/5/2019) and $107,536 paid through Dumur Asia Pacific Pty Ltd (1/6/2019 to 18/10/2019).
8. Included vehicle allowance of $12,000 per annum.

C. Service agreements

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 + superannuation	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 + superannuation	N/A – not part of executive 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 Graham Russell	Managing Director	No fixed term, two months' written notice by either party	120,000 pa + superannuation	30,000,000 Fully Paid Ordinary Shares; 25,000,000 Performance rights vesting on $2m of revenue being received by the Company during any period between 3 December 2019 and 31 December 2020; 25,000,000 Performance rights vesting on $3m of revenue being received by the Company during any period between 3 December 2019 and 31 December 2020	Nil

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 $59,783 (2018: $106,190).

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	Exercise price	Fair Value of Options at Grant Date	Expensed FY19 $
28 May 2019	Options	Wayne Cahill	4,000,000	1 Aug 2022	$0.05	0.00498	19,910
28 May 2019	Options	Wayne Cahill	4,000,000	1 Feb 2023	$0.065	0.00486	16,955
28 May 2019	Options	Wayne Cahill	4,000,000	1 Feb 2024	$0.09	0.00510	7,205

Shareholdings

On 3 December 2019 the Company issued 30,000,000 fully paid ordinary shares valued at $0.005 each (total value of $150,000) to a nominee of the incoming Managing Director Graham Russell under his employment contract. The total amount expensed during the reporting period in relation to the fully paid ordinary shares was $150,000. The Company also issued 50,000,000 fully paid ordinary shares valued at $0.005 each (total value of $250,000) to a nominee of the incoming Managing Director Graham Russell in consideration for the amendments to the Heads of Agreement between Automation Australia Pty Ltd and the Company. This amount has been capitalised to intangible assets (refer to Note 12).

Refer to Sections E and G for details of fully paid ordinary shares and partly paid ordinary shares on issue during 2019.

Performance Rights

Refer to Section F for details of performance rights on issue during 2019.

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 2019	Balance at beginning of the year	Granted as remuneration/ consideration during the year	Purchased via Capital Raising	Other changes during the year (resignation)	Balance at end of year
Mr G Russell[1]	-	80,000,000	-	-	80,000,000
Ms S Robinson	19,250,000	-	10,000,000	-	29,250,000
Mr W Cahill[2]	-	-	-	-	-
Mr D Black	6,802,275	-	-	(6,802,275)[3]	-
Ms S Kelly	5,750,000	-	4,312,500	-	10,062,500
Mr A Manhao	13,000,000			(13,000,000)[4]	-
Ms P Lewis[5]	-	-	-	-	-
	44,802,275	80,000,000	14,312,500	(19,802,275)	119,312,500

1. Opening balance at date of appointment as Managing Director (3 December 2019).
2. Opening balance at date of appointment as Chairman (1 February 2019).
3. Mr D Black resigned on 3 December 2019.
4. Mr A Manhao resigned on 10 February 2019.
5. Opening balance at date of appointment as Chief Executive Officer (11 March 2019). Resigned 18 October 2019.

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

No performance rights were held by any Key Management Personnel during the year (2018: nil).

G $0.01 Partly Paid Ordinary Shares

No KMP held partly paid ordinary shares in the Company during the financial year.

The number of $0.01 partly paid ordinary shares in the Company held during the prior 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 2018 year.

H Convertible Preference Shares

There were no convertible preference shares in the Company held during the financial year to 31 December 2019 (2018: 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 2019	Balance at beginning of the year	Granted as remuneration during the year	Exercised during the year	Expired during the year/resigned	Balance at end of year or date of resignation
Mr Graham Russell[1]	-	-	-	-	-
Ms S Robinson	2,000,000	-	-	-	2,000,000
Mr Wayne Cahill[2]	-	12,000,000	-	-	12,000,000
Mr D Black	2,000,000	-	-	(2,000,000)[3]	-
Ms S Kelly	2,000,000	-	-	-	2,000,000
Mr A Manhao	3,000,000	-	-	(3,000,000)[4]	-
Ms P Lewis[5]	-	-	-	-	-
	9,000,000	12,000,000	-	(5,000,000)	16,000,000

1. Opening balance at date of appointment as Managing Director (3 December 2019).
2. Opening balance at date of appointment as Chairman (1 February 2019).
3. Mr D Black resigned on 3 December 2019.
4. Mr A Manhao resigned on 10 February 2019.
5. Opening balance at date of appointment as Chief Executive Officer (11 March 2019).

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]	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 and performance rights.

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 29 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 2019 Annual General Meeting ('AGM')

At the 2019 AGM, 98% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2018. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Additional information

The losses of the consolidated entity for the three years to 31 December 2019 are summarised below:

	2019 $	2018 $	2017* $
Sales revenue	577,372	39,663	30,354
EBITDA	(3,724,888)	(4,245,578)	(401,416)
EBIT	(4,375,172)	(4,505,967)	(420,341)
Loss after income tax	(4,412,504)	(4,501,024)	(417,493)

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

	2019	2018	2017*
Share price at financial year end ($)	0.005	0.036	N/A
Total dividends declared (cents per share)	Nil	Nil	Nil
Basic loss per share (cents per share)	(0.54)	(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 two 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 20 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 20 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

RSM Australia continues in office in accordance with section 327C of the *Corporations Act 2001*.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's 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.

Graham Russell
Managing Director
Dated this 31st day of March 2020

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 the 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 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 accountable directly to the board, through the chair,	Adopted

	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	A listed entity should: (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 (b) disclose that policy (c) disclose at end of reporting period how objectives are being achieved via: (i) respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how senior executive is defined); or (ii) if entity is a ''relevant employer" under the Workplace Gender Equality Act, the entities most recent "Gender Equality Indicators" as defined and published under that Act.	Adopted (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. (b) The Diversity Policy is available, as part of the Corporate Governance Plan, on the Company's website. (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: - Women on Board: 50% - Women in Senior Management: 43% - Women in whole organisation: 46%
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Adopted 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 various structural and operational changes. It is expected that a formal evaluation will be conducted during the course of the 2020 financial year.
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Adopted. 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 various structural and operational changes. It is expected that a formal evaluation will be conducted during the course of the 2020 financial year.
Principle 2 – Structure the board to add value		
	Recommendation	**HomeStay Care Limited Current Practice**
2.1	The board of a listed entity should: (a) Have a nomination committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director; and disclose: (i) the charter of the committee; (ii) the members of the committee; and (iii) as at the end of each reporting period, the number of times the committee met through the period and the individual attendances of	Partially Adopted 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

	the members at those meetings; or (b) If it does not have a nomination committee disclose that fact and the processes it employs to 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.	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 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 b) N/A c) Wayne Cahill – appointed 1 February 2019 - 14 months
2.4	A majority of the Board of a listed entity should be independent directors.	Not 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 one is considered to be independent. In light of the Company's size and nature, the Board considers that the current Board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.
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	Adopted. The Company's Corporate Code of Conduct applies to

	(b) disclose that code of conduct or a summary of it.	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	The board of a listed entity should: (a) have an audit committee which: (i) has at least 3 members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board; And disclose: (iii) the charter of the committee (iv) the relevant qualifications and experience of the member of the committee; and (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 (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.	Partially Adopted 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. The Charter of the Audit and Risk Committee is on the Company's website.
4.2	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.	Adopted The Company has obtained a sign off on these terms for each of its financial statements in the past financial year.
4.3	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	Adopted The Company's external auditor attended the Company's last AGM during the past financial year.
Principle 5 – Make timely and balanced disclosure		
	Recommendation	**HomeStay Care Limited Current Practice**
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it	Adopted. The Company has a Continuous Disclosure Policy which is available on the Company's website.
Principle 6 – Respect the rights of the Shareholders		
	Recommendation	**HomeStay Care Limited Current Practice**
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Adopted Refer to the Company's Corporate Governance Plan on its website.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-	Adopted.

	way communication with investors.	The Company has a Shareholder Communication Policy which is available on the Company's website.
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 formal 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. Refer to note 23, Events after the reporting date, for the Company's approach to potential impact that COVID-19 may have on operations.
Principle 8 – Remunerate fairly and responsibly		
	Recommendation	**HomeStay Care Limited Current Practice**
8.1	The board of a listed entity should: (a) have a remuneration committee 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 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.	Partially Adopted. The Company does not have a separate Remuneration Committee. 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.
8.2	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.	Adopted. 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.
8.3	A listed entity which has an equity-based remuneration scheme should: (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 (b) disclose that policy or a summary of it.	Adopted. 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.

Corporate Governance Statement dated 31 March 2020
Approved by the Board 31 March 2020

RSM Australia Partners

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of HomeStay Care Limited for the year ended 31 December 2019, 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

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 31 March 2020

TUTU PHONG
Partner

	Notes	Consolidated 2019 $	Consolidated 2018 $
Revenue	4	588,453	44,606
Other income	4	561,919	117,115
Cost of sales		(449,090)	(138,626)
Amortisation and depreciation expenses	10, 11,12	(650,284)	(260,389)
Consulting fees		(823,831)	(800,648)
Employee benefits expenses		(1,825,206)	(1,596,907)
Marketing expenses		(316,337)	(126,297)
Rental expenses		(110,881)	(145,129)
Finance costs		(48,413)	(5,617)
Share based payments	19	(210,568)	(485,935)
Listing costs	2	-	(502,454)
Impairment of assets	12	(33,509)	-
Other expenses		(1,094,757)	(600,743)
Loss before income tax		(4,412,504)	(4,501,024)
Income tax expense	5	-	-
Total loss for the year		(4,412,504)	(4,501,024)
Other comprehensive income			
Items that may be reclassified subsequently to operating result			
Exchange differences on translating foreign controlled entities	19	19,282	741
Other comprehensive income for the year		**19,282**	**741**
Total comprehensive loss for the year		**(4,393,222)**	**(4,500,283)**

Loss per share

	Notes	2019	2018
Basic and diluted loss (cents per share)	27	(0.54)	(1.27)

The accompanying notes form part of this financial report.

	Notes	Consolidated 2019 $	Consolidated 2018 $
ASSETS			
Current assets			
Cash and cash equivalents	6	2,744,414	3,430,126
Trade and other receivables	7	852,508	92,588
Other assets	8	421,380	289,083
Financial asset		77,965	-
Inventory	9	161,259	121,389
Total current assets		4,257,526	3,933,186
Non-current assets			
Plant and equipment	10	33,805	32,010
Right-of-use assets	11	341,124	-
Intangible assets	12	1,385,489	845,544
Total non-current assets		1,760,418	877,554
Total assets		6,017,944	4,810,740
LIABILITIES			
Current liabilities			
Trade and other payables	13	1,426,512	573,453
Contract liabilities	14	270,491	-
Lease liabilities	15	155,152	-
Borrowings	16	514,056	-
Provisions	17	1,085	55,865
Total current liabilities		2,367,296	629,318
Non-current liabilities			
Lease liabilities	15	180,623	-
Total non-current liabilities		180,623	629,318
Total liabilities		2,547,919	629,318
Net assets		3,470,025	4,181,422
EQUITY			
Issued capital	18	11,917,250	8,295,993
Reserves	19	930,110	850,260
Accumulated losses		(9,377,335)	(4,964,831)
Total equity		3,470,025	4,181,422

The accompanying notes form part of this financial report.

	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Share Based Payments Reserve	Total
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)
Share based payments	-	-	-	849,519	849,519
Balance at 31 December 2018	8,295,993	(4,964,831)	741	849,519	4,181,422
Balance at 1 January 2019	8,295,993	(4,964,831)	741	849,519	4,181,422
Loss for the year	-	(4,412,504)	-	-	(4,412,504)
Other comprehensive income	-	-	19,282	-	19,282
Total comprehensive (loss) for the year	-	(4,412,504)	19,282	-	(4,393,222)
Transactions with owners, directly in equity					
Issue of share capital	3,918,436	-	-	-	3,918,436
Capital raising costs	(297,179)	-	-	-	(297,179)
Share based payments	-	-	-	60,568	60,568
Balance at 31 December 2019	11,917,250	(9,377,335)	20,023	910,087	3,470,025

The accompanying notes form part of this financial report.

	Notes	Consolidated 2019 $	2018 $
Cash flows from operating activities			
Receipts from customers		84,929	22,174
R&D receipts		561,919	-
Payments to suppliers and employees		(4,019,329)	(3,331,178)
Interest received		11,081	4,943
Interest paid		(34,357)	(5,617)
Net cash (used in) operating activities	25	(3,395,757)	(3,309,678)
Cash flows from investing activities			
Payments for platform development expenditure		(910,861)	(663,302)
Purchase of plant and equipment		(44,222)	(38,626)
Receipt of exclusivity fee		-	100,000
Proceeds from sale of plant and equipment		3,535	-
Purchase of financial assets		(77,965)	-
Cash acquired on acquisition of HomeStay Care Limited	2	-	1,325,303
Net cash (used in)/provided by investing activities		(1,029,513)	723,375
Cash flows from financing activities			
Proceeds from issue of shares		3,518,436	4,005,000
Transaction costs relating to the issue of shares		(272,729)	(457,924)
Proceeds from borrowings		500,000	2,000,000
Repayments of borrowings		-	(100,000)
Repayment of lease liabilities		(6,149)	-
Net cash provided by financing activities		3,739,558	5,447,076
Net (decrease)/increase in cash held		(685,712)	2,860,773
Cash at the beginning of the financial year		3,430,126	569,353
Cash at the end of the financial year	6	2,744,414	3,430,126

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 31 March 2020 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 22 (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). During the prior year, 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 for the comparative year 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
- 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
- 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
- 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.

Refer to Note 2 for further details.

c) New accounting standards and interpretations

The consolidated entity 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 consolidated entity:

AASB 16 Leases
The consolidated entity has adopted AASB 16 from 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets.

Impact of adoption
AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on opening accumulated losses as at 1 January 2019 was as follows:

	1 July 2019 $
Operating lease commitments as at 1 July 2019 (AASB 117)	470,701
Operating lease commitments discount based on the weighted average incremental borrowing rate of 12% (AASB 16)	(56,968)
Right-of-use assets (AASB 16)	413,733

1. Summary of significant accounting policies (continued)

c) New accounting standards and interpretations (continued)

Lease liabilities - current (AASB 16)	(168,170)
Lease liabilities - non-current (AASB 16)	(245,563)
	(413,733)
Reduction in opening accumulated losses as at 1 July 2019	-

The consolidated entity 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.

d) 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 to the extent that it is probable that the temporary differences can be utilised.

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.

1. Summary of significant accounting policies (continued)

e) 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.

f) 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. An allowance for expected credit losses is raised when some doubt as to collection exists and in any event when the debt is more than 60 days overdue.

g) 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.

1. Summary of significant accounting policies (continued)

h) 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.

i) 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 consolidated entity is able to use or sell the asset; the consolidated entity 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.

The expected useful lives are as follows:

- Research and development 3 years
- Customer lists 2 years
- Licences 3 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.

1. Summary of significant accounting policies (continued)

h) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. A loss allowance for expected credit losses 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.

i) 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.

j) 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.

k) 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.

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.

1. Summary of significant accounting policies (continued)

l) 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 consolidated entity provides benefits to employees (including directors) of the consolidated entity 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 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.

1. Summary of significant accounting policies (continued)

o) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

p) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

q) Borrowings

Borrowings are initially measured at fair value, net of transaction costs, and subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future payments through the expected life of the financial liability to the amortised cost of a financial liability.

r) 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.

1. Summary of significant accounting policies (continued)

s) 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.

t) Dividends

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

u) 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.

v) 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.

w) Provisions

Provisions are recognised when the consolidated entity 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.

x) Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

1. Summary of significant accounting policies (continued)

y) 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 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.

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	2,700,000
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	(57,801)
Total fair value of net assets	2,197,546
Excess of consideration provided over the fair value of net assets at the date of acquisition expensed, being group restructuring and relisting costs	502,454

[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	
	2019	**2018**
	$	**$**
4. Revenue and other income		
Sale of goods and services	577,372	39,663
Interest revenue	11,081	4,943
	588,453	44,606
Other income	561,919	117,115
	561,919	117,115
Disaggregation of revenue		
The disaggregation of revenue from contracts with customers is as follows:		
Geographical regions		
Australasia	577,372	39,663
	577,372	39,663
Timing of revenue recognition		
Goods and services transferred at a point in time	521,959	39,663
Goods and services transferred over time	55,413	-
	577,372	39,663

5. Income tax expense

	2019	2018
Loss before income tax expense	(4,412,504)	(4,501,024)
Tax at the Australian tax rate of 27.5% (2018: 27.5%)	(1,213,439)	(1,237,782)
Tax effect amounts which are not deductible in calculating taxable income:		
Expenditure not allowable for tax purposes	319,553	312,697
Income not assessable for tax purposes	(154,528)	-
Deferred tax assets not brought to account	1,048,413	925,085
Income tax expense	-	-
Unused tax losses for which no deferred tax asset has been recognised	18,438,488	14,758,630

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.

	Consolidated	
	2019	2018
	$	$

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	2,744,414	3,430,126
	2,744,414	3,430,126

7. Trade and other receivables

Trade receivables	310,791	25,404
Accrued income	511,157	-
Other receivables	30,560	67,184
	852,508	92,588

Allowance for expected credit losses
The consolidated entity did not recognise any losses (2018: Nil) in profit or loss in respect of the expected credit losses for the year ended 31 December 2019.

Past due but not impaired
Customers with balances past due but without allowance for expected credit losses:

0 to 6 months overdue	310,791	25,404
6 to 12 months overdue	-	-
12 to 18 months overdue	-	-
	310,791	25,404

8. Other assets

Prepayments	330,897	229,386
Security deposits	90,483	59,697
	421,380	289,083

9. Inventory

Inventory on hand	161,259	121,389
	161,259	121,389

10. Plant and equipment

Office equipment	51,650	38,736
Less: accumulated depreciation	(17,845)	(6,726)
Total office equipment	33,805	32,010
Total plant and equipment	33,805	32,010

10. Plant and equipment (continued)

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 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	32,010	32,010
Additions	45,803	45,803
Disposals	(25,317)	(25,317)
Depreciation expense	(18,835)	(18,835)
Foreign exchange movement	144	144
Carrying amount at 31 December 2019	33,805	33,805

11. Right-of-use assets

	Consolidated 2019 $	Consolidated 2018 $
Carrying amount at beginning of year	-	-
Additions	413,733	-
Depreciation	(72,609)	-
Carrying amount at end of year	341,124	-

The consolidated entity leases land and buildings for its offices, under agreements of between two to three years with, in some cases, options to extend. On renewal, the terms of the leases are renegotiated.

12. Intangible assets

	2019 $	2018 $
Platform development expenditure		
At cost	1,936,309	1,082,648
Less: Accumulated amortisation	(793,436)	(242,201)
Net carrying amount	1,142,873	840,447
Licences		
At cost	250,000	-
Less: Accumulated amortisation	(7,384)	-
Net carrying amount	242,616	-
Other		
At cost	45,000	46,372
Less: Accumulated amortisation	(45,000)	(41,275)
Net carrying amount	-	5,097
Total intangible assets	1,385,489	845,544

12. Intangible assets (continued)

Reconciliations

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

Consolidated	Platform development expenditure $	Licences $	Other $	Total $
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	-	5,097	845,544
Additions	827,759	250,000	37,672	1,115,431
Amortisation expense	(543,569)	(7,384)	(7,887)	(558,840)
Write off/impairment of asset	-	-	(34,882)	(34,882)
Foreign exchange movement	18,236	-	-	18,236
Carrying amount at 31 December 2019	1,142,873	242,616	-	1,385,489

	Consolidated 2019 $	Consolidated 2018 $
13. Trade and other payables		
Trade payables	453,004	174,515
Other payables	973,508	398,938
	1,426,512	573,453

14. Contract liabilities

Contract liabilities	270,491	-
	270,491	-

Related to income received in advance with performance obligations that are unsatisfied at the end of the reporting period. The amount is expected to be recognised as revenue within the next 12 months.

15. Lease liabilities

Carrying amount at beginning of year	-	-
Lease liabilities recognised upon entering lease agreement	413,733	-
Repayments of lease liabilities	(77,958)	-
Carrying amount at end of year	335,775	-
Breakdown of current and non-current		
Current	155,152	-
Non-current	180,623	-
Total	335,775	-

	Consolidated 2019 $	Consolidated 2018 $

16. Borrowings

Borrowings	514,056	-
	514,056	-

In October 2019, the consolidated entity entered into Converting Loan Agreements with various parties to obtain $500,000 cash. Interest was payable at a rate of 12% pa. The loans were to be converted to shares at a share price of $0.005 (subject to receiving shareholder approval).

On 14 January 2020, the Company held a General Meeting of Shareholders and received approval for the conversion of the $500,000 to shares. On 28 January 2020, 100,000,000 shares in the Company were issue to settle the $500,000. The interest payable was settled in cash in February 2020.

17. Provisions

Employee entitlements	1,085	55,865
	1,085	55,865

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.

18. Issued Capital

	Consolidated 2019 $	2018 $
1,478,686,397 (2018: 694,999,296) Ordinary shares – Fully paid ('FPO')	13,235,936	9,317,501
Capital raising costs	(1,318,686)	(1,021,508)
	11,917,250	8,295,993

a) Movements in ordinary shares on issue

	Number	$
At 1 January 2018	299,500,000	1,412,501
Shares issued during the 2018 year prior to acquisition		
– January 2018 – FPO shares	500,000	5,000
Less capital raising costs	-	-
Balance before reverse acquisition	300,000,000	1,417,501
Elimination of existing legal acquiree shares	(300,000,000)	-
Share of legal acquirer at acquisition date	134,999,296	-
Shares issued during the 2018 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	694,999,296	8,295,993
At 31 December 2018	694,999,296	8,295,993
Shares issued during the 2019 year		
– 9 October 2019 – Placement at $0.005	104,249,894	521,249
– 5 November 2019 – Rights issue at $0.005	93,336,933	466,685
– 8 November 2019 – Rights issue shortfall at $0.005	506,100,274	2,530,501
– 3 December 2019 – shares issued under amended Heads of Agreement at $0.005	50,000,000	250,000
– 3 December 2019 – share issued under employment contract at $0.005	30,000,000	150,000
Less capital raising costs	-	(297,178)
At 31 December 2019	1,478,686,397	11,917,250

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 19(a) Share-based payments.

18. Issued Capital (continued)

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 2019 and 2018 is as follows:

	Consolidated	
	2019	**2018**
	$	**$**
Cash and cash equivalents	2,744,414	3,430,126
Other assets	421,380	289,083
Trade and other receivables	852,508	92,588
Financial assets	77,965	-
Inventory	161,259	121,389
Trade and other payables	(1,426,512)	(573,453)
Income in advance	(270,491)	-
Lease liabilities	(155,152)	-
Borrowings	(514,056)	-
Provisions	(1,085)	(55,865)
Working capital position	1,890,230	3,303,868

19. Reserves

Foreign currency translation	20,023	741
Share based payments	910,087	849,519
	930,110	850,260

Movements in reserves		
Share based payments		
Balance at the beginning of the reporting period	849,519	-
Share based payments – Options issued during the year	60,568	849,519
Balance at the end	910,087	849,519
Foreign currency translation		
Balance at the beginning of the reporting period	741	-
Exchange differences on translating foreign controlled entities	19,282	741
Balance at the end	20,023	741

(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	80,000,000	$0.030
Options outstanding as at 31 December 2018	82,486,188	$0.037
Granted on 28 May 2019	12,000,000	$0.068
Options outstanding as at 31 December 2019	94,486,188	$0.041

19. Reserves (continued)

The weighted average remaining contractual life of options outstanding at year end was 3.8 years. The weighted average exercise price of outstanding options at the end of the reporting period was $0.041.

During the year the Company issued 12,000,000 options to the Chairman, Wayne Cahill as per his employment contract. The total value of the options issued during the year was $59,783 (2018: $106,190). The total amount expensed during the reporting period in relation to the options was $44,068 (2018: $106,190).

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 at grant date	Exercise price	Term	Risk-free rate	Volatility rate
28 May 2019	4,000,000	$0.00498	$0.019	$0.05	3 years	1.12%	74.68%
28 May 2019	4,000,000	$0.00486	$0.019	$0.065	4 years	1.12%	74.68%
28 May 2019	4,000,000	$0.00510	$0.019	$0.09	5 years	1.21%	74.68%

During the year the Company issued 4,000,000 performance rights to employees under the Incentive Performance Rights Plans. The total value of the performance rights issued during the year was $115,500. During the year 3,500,000 performance rights were cancelled due to vesting conditions not being met. The total amount expensed during the reporting period in relation to the performance rights was $16,500.

The fair value inputs included in the performance rights valuations were as follows:

Grant date	No. of options	Fair value at grant date	Share price at grant date	Exercise price	Expiry date
2 February 2019	2,500,000	$0.033	$0.033	Nil	4 June 2022[1]
4 April 2019	1,500,000	$0.022	$0.022	Nil	4 June 2022[2]

Notes:

1. 2,000,000 performance rights were cancelled due to vesting conditions not being met (employment ceased before 1 January 2020)
2. 1,500,000 performance rights were cancelled due to vesting conditions not being met (employment ceased before 1 January 2020)

On 3 December 2019 the Company issued 30,000,000 fully paid ordinary shares valued at $0.005 each (total value of $150,000) to a nominee of the incoming Managing Director, Graham Russell under his employment contract. The total amount expensed during the reporting period in relation to the fully paid ordinary shares was $150,000. The Company also issued 50,000,000 fully paid ordinary shares valued at $0.005 each (total value of $250,000) to a nominee of the incoming Managing Director Graham Russell in consideration for the amendments to the Heads of Agreement between Automation Australia Pty Ltd and the Company. This amount has been capitalised to intangible assets (refer to Note 12).

Total share based payments recognised in the statement of profit or loss and other comprehensive income during the current financial year:

	$
12,000,000 options issued to the Chairman, Wayne Cahill as per his employment contract	44,068
4,000,000 performance rights issued to employees under the Incentive Performance Rights Plans.	16,500
30,000,000 fully paid ordinary shares issued to the Managing Director, Graham Russell	150,000
	210,568

20. Remuneration of auditor

	Consolidated 2019 $	Consolidated 2018 $
RSM Australia Partners		
Audit and review of financial statements	45,998	42,757
Taxation services	38,996	-
	84,994	42,757

21. Commitments for expenditure

Contractual commitments

The contractual commitments under the binding Heads of Agreement with Automation Australia Pty Ltd for purchases of inventory as amended on 3 December 2019 is as follows:

	2019 $	2018 $
Within 1 year	-	-
Between 1 and 5 years	1,048,001	-
More than 5 years	-	-
Total	1,048,001	-

Capital commitments

The capital commitments contracted for as at 31 December 2019 is nil for platform developments (31 December 2018: $78,000).

Lease commitments

	2019 $	2018 $
Within 1 year	-*	96,078
Between 1 and 5 years	-*	-
More than 5 years	-*	-
Total	-*	96,078

* Disclosure of lease commitments not applicable – refer to Note 11 Right-of-use assets and Note 15 Leasse liabilities for recognition of leasing arrangements under new leasing standard *AASB 16 Leases*.

22. Controlled entities

Name	Country of Incorporation	Percentage Owned 2019	Percentage Owned 2018
Parent entity			
HomeStay Care Limited	Australia		
Name of controlled entity			
HomeStay Care International Pty Ltd	Australia	100%	100%
Home Service Solutions Pty Ltd	Australia	100%	100%
HomeStay Care Solutions Pte Ltd	Singapore	100%	100%
HomeStay Care (Singapore) Pte Ltd	Singapore	100%	100%
Antilles Block 105 Pty Ltd*	Australia	-	100%
Antilles Peru Pty Ltd**	Australia	-	100%
Antilles Oil and Gas Peru SA***	Peru	-	100%
Advance Exploration and Production Inc	Texas USA	100%	100%
AEPI Midstream Inc	Texas USA	100%	100%
Advance Wolfberry Inc	Texas USA	100%	100%

* Antilles Block 105 Pty Ltd was deregistered on 18 August 2019.
** Antilles Peru Pty Ltd was deregistered on 18 August 2019.
*** Antilles Oil and Gas Peru SA was deregistered on 27 February 2019.

23. Events after the reporting period

On 28 January 2020 the following securities were issued:

- 12,000,000 fully paid ordinary shares in lieu of payment of accrued fees to broker;
- 100,000,000 fully paid ordinary shares for conversion of converting loans under converting loan facility;
- 12,000,000 fully paid ordinary shares in lieu of payment of accrued fees owed to director Sara Kelly;
- 20,000,000 fully paid ordinary shares issued to an employee pursuant to their employment contract;
- 19,000,000 fully paid ordinary shares in lieu of repayment of debts to various creditors;
- 500,000 fully paid ordinary shares for conversion of performance rights;
- 12,000,000 fully paid ordinary shares issued pursuant to corporate advisory agreement;
- 1,200,000 fully paid ordinary shares issued pursuant to agreement with investor relations frim;
- 50,000,000 performance rights issued to Managing Director Graham Russell;
- 10,000,000 options exercisable at $0.015 each, expiring 28 January 2023 issued in consideration for services provided by broker under underwriting agreement;
- 2,000,000 options exercisable at $0.05 each, expiring 28 January 2022 issued in consideration for services provided by contractor under brand ambassador agreement.

On 29 January 2020, 20,000,000 fully paid ordinary shares were issued to an employee pursuant to their employment contract.

The outbreak of the coronavirus disease (“COVID-19”) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company’s share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company’s operations and are likely to be beyond the control of the Company. It is also noted that there may be potential opportunity in our technology solutions given its monitoring and alert capabilities with the current home isolation requirements implemented by government due to the COVID-19 issues.

The Directors continue to monitor the situation closely and have considered the impact of COVID-19 on the Company’s business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of COVID-19 on its revenue channels and adverse impact on the Company. If any of these impacts appear material, the Company will notify investors through appropriate market updates.

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.

24. 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.

25. Cash flow information

	Consolidated	
a) Reconciliation of loss from ordinary activities after income tax to net cash outflow from operating activities	**2019 $**	**2018 $**
Loss from ordinary activities after income tax	(4,412,504)	(4,501,024)
Non-cash flow in loss from continuing operations:		
Depreciation	91,444	6,616
Amortisation expense	558,840	253,773
Share based payments	210,568	485,935
Listing fee	-	502,454
Other income	-	(100,000)
Impairment	34,882	-
Loss on disposal of assets	21,782	-
Interest on borrowings	14,056	-
Change in operating assets and liabilities:		
Trade and other receivables	(712,596)	(105,198)
Other assets	(180,994)	(221,974)
Inventory	(39,870)	(121,389)
Trade and other payables	802,924	438,096
Contract liabilities	270,491	-
Provisions	(54,780)	53,033
Net cash outflow from operating activities	(3,395,757)	(3,309,678)

26. Parent entity disclosures

(a) Financial Position of HomeStay Care Limited	2019 $	2018 $
Assets		
Current Assets	2,771,388	3,446,043
Non-Current Assets	1,744,842	880,243
Total Assets	4,516,230	4,326,286
Liabilities		
Current Liabilities	1,046,205	144,864
Total Liabilities	1,046,205	144,864
Net Assets	3,470,025	4,181,422
Equity		
Issued capital	46,673,490	43,052,234
Reserves	918,087	857,519
Accumulated losses	(44,121,552)	(39,728,331)
Total Equity	3,470,025	4,181,422
(b) Financial Performance of HomeStay Care Limited		
Loss for the year	(4,393,221)	(6,211,662)
Other comprehensive income	-	-
Total Comprehensive Loss	(4,393,221)	(6,211,662)

(c) Contingent liabilities

The parent entity had no contingent liabilities as at 31 December 2019 and 31 December 2018 other than as disclosed in Note 24.

(d) Commitments

The parent entity had no contractual and capital commitments as at 31 December 2019 and 31 December 2018.

27. Loss per share

	Consolidated	
	2019 $	2018 $
a) Reconciliation of loss to profit or loss:		
Net (loss) from operations attributable to ordinary shareholders for basic and diluted earnings per share	(4,412,504)	(4,501,024)
	Number	Number
b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	814,798,230	353,027,303

28. 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 2019 and 2018, the Group had no borrowings at a variable rate of interest. The Group reviews its arrangements on a regular basis. The Group had fixed rate borrowings as at 31 December 2019 of 12% per annum.

Group sensitivity

At 31 December 2019. 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 $110 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 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.

28. 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 2019. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated	**2019** Weighted-average interest rate	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	-	1,426,512	-	-	-	1,426,512	1,426,512
Borrowings	2.8%	514,056	-	-	-	514,056	514,056
Lease liabilities	6.1%	201,308	151,256	41,200	-	393,764	335,775
Total Financial Liabilities		2,141,876	151,256	41,200	-	2,334,332	2,276,343

Consolidated	**2018** Weighted-average interest rate	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

(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.

29. 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, being charged by related entities for legal services, cost of goods sold, 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 29 below.

During the prior year, there were payments made to Consilium Corporate Pty Ltd, a company of which Mr Ranko Matic is a shareholder and director. Upon resignation of Ranko Matic as a director of HomeStay on 13 November 2018, Consilium Corporate Pty Ltd ceased to be a related party. The transactions in the prior period 2018 were for the provision of corporate secretarial and CFO/general accounting services and amounted to $65,600.

During the year, there were payments made to EMS Legal, a firm of which Ms Sara Kelly is a partner. The payments are for the provision of general legal fees and services related to the capital raising prospectus and distribution agreement. These fees amounted to $212,698 (2018: $72,747).

During the year, there were expenses and revenue transacted between the Company and Automation Australia Pty Ltd, a company of which Graham Russell is a shareholder and director. Automation Australia Pty Ltd became a related party on 3 December 2019, with the appointment of Graham Russell as a Director of the Company. Expenditure from the period 3 December 2019 to 31 December 2019 for cost of goods sold and expense reimbursements amounted to $15,276 (2018: nil, not a related party). Revenue from the period 3 December 2019 to 31 December 2019 related to customer sales amounted to $41,502 (2018: nil, not a related party).

b) Payables owing to related parties as at 31 December

	2019 $	2018 $
Lenoir Capital Pty Ltd (A company of which Mr Damian Black is a director)	-	4,400
Saci Corporate Pty Ltd (A company of which Ms Sara Kelly is a director)	65,000	6,050
EMS Legal (A firm of which Ms Sara Kelly is a partner)	-	12,528
Automation Australia Pty Ltd (A company of which Mr Graham Russell is a director)	612,725[1]	-[2]
	677,725	22,978

1. Payables owing to Automation Australia Pty Ltd as at 31 December 2019 include expenditure relating to cost of goods sold, royalties and expense reimbursements that were incurred pursuant to the heads of agreement dated 15 July 2019, before Automation Australia Pty Ltd became a related party of the Company.
2. Automation Australia Pty Ltd became a related party on 3 December 2019 on appointment of Graham Russell as a Director of HomeStay. Automation Australia Pty Ltd was therefore not a related party as at 31 December 2018.

29. Related Party Transactions (continued)

c) Receivables due from related parties as at 31 December

	2019 $	2018 $
Automation Australia Pty Ltd (A company of which Mr Graham Russell is a director)	582,104[3]	-[4]
	582,104	-

3. Receivables due from Automation Australia Pty Ltd as at 31 December 2019 include revenue from customers that was earned before Automation Australia Pty Ltd became a related party of the Company.
4. Automation Australia Pty Ltd became a related party on 3 December 2019 on appointment of Graham Russell as a Director of HomeStay. Automation Australia Pty Ltd was therefore not a related party as at 31 December 2018.

d) Loans to/from related parties

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

30. Key Management Personnel Compensation

Short-term employee benefits	466,709	509,868
Post-employment benefits	11,972	12,284
Share based payments	269,783	106,190
Total KMP compensation	748,464	628,342

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 shares, options and performance 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 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 2019 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.

Graham Russell
Managing Director

Dated this 31st day of March 2020

RSM Australia Partners

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

www.rsm.com.au

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 2019, 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 2019 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.

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.

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed this matter</th></tr>
<tr><td colspan="2">Revenue
Refer to Note 4 in the financial statements</td></tr>
<tr><td>As disclosed in the statement of profit or loss and other comprehensive income for the year ended 31 December 2019, the Group has recognised total revenue of $588,453. We determined revenue recognition to be a key audit matter due to the following:
• The balance is material to the Group and there are risks associated with management judgements which includes identification of contracts and performance obligations, determination of the transaction price and the timing of revenue recognition; and
• Revenue recognition is a presumed fraud risk under the Australian Auditing Standards.</td><td>Our audit procedures included:
• Ensuring the Group's revenue recognition policies are in compliance with accounting standards;
• On a sample basis, we agreed revenue transactions to supporting documentation to assess whether the revenue recognition criteria were met;
• Reviewing revenue transactions before and after the reporting date to ensure that revenue is recognised in the correct financial period; and
• Reviewing the disclosures in the financial statements.</td></tr>
<tr><td colspan="2">Capitalised platform development expenditure
Refer to Note 12 in the financial statements</td></tr>
<tr><td>As disclosed in the statement of financial position as at 31 December 2019, the Group has recognised total intangible assets of $1,385,489, of which $1,142,873 related to capitalised platform development expenditure. We determined the capitalised platform development expenditure to be a key audit matter due to the following:
• The balance is material to the Group and it involves management assessment of the expenditures incurred as development costs or maintenance costs; and
• It involves management's judgement in assessing whether indicators of impairment are present, and, if so, to determine and quantify any impairment loss.</td><td>Our audit procedures included:
• Agreeing a sample of additions to the capitalised platform development costs to supporting documentation and ensuring that the amounts were capital in nature and related to platform development; and
• Evaluating management's assessment of indicators of impairment.</td></tr>
</table>

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 2019 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 2019.

In our opinion, the Remuneration Report of HomeStay Care Limited, for the year ended 31 December 2019, 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

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 31 March 2020

Additional information required by Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 27 March 2020.

(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	496	40,928	0.00%
1,001 – 5,000	49	112,361	0.01%
5,001 – 10,000	15	111,659	0.01%
10,001 – 100,000	185	10,364,939	0.62%
100,001 and above	589	1,668,756,510	99.37%
Total	**1,334**	**1,679,386,397**	**100.00%**

Unmarketable Parcels

	Minimum Parcel Size	Holders	Units
Minimum $500.00 parcel at $0.003 per unit	166,666	796	17,528,090

(b) Substantial shareholders

Name	Units
MS NICOLE GALLIN & MR KYLE HAYNES & ASSOCIATES	87,754,468

(c) Twenty largest shareholders

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

Rank	Name	Units	% of Units
1	RUSSELL ACQUISITIONS PTY LTD <CAMPBELL HOUSE A/C>	80,000,000	4.78%
2	MS NICOLE GALLIN & MR KYLE HAYNES <GH SUPER FUND A/C>	63,500,000	3.79%
3	MR MARK JOHN BAHEN & MRS MARGARET PATRICIA BAHEN <MJ BAHEN SUPER FUND A/C>	38,500,000	2.30%
4	AUSTRALIAN EXECUTOR TRUSTEES LIMITED <NO 1 ACCOUNT>	34,791,180	2.08%
5	SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	31,862,763	1.90%
6	ICE COLD INVESTMENTS PTY LTD	30,500,000	1.82%
7	BERGER INVESTMENT FUND PTY LTD <BERGER INVESTMENT FUND A/C>	29,250,000	1.75%
8	WIMALEX PTY LTD <TRIO S/F A/C>	26,000,000	1.55%
9	DAVHAL INVESTMENTS PTY LIMITED	26,000,000	1.55%
10	MR SIMON WILLIAM TRITTON <INVESTMENT A/C>	25,464,187	1.52%
11	PONDEROSA INVESTMENTS (WA) PTYLTD <PONDEROSA INVESTMENT A/C>	25,000,000	1.49%
12	RAVENHILL INVESTMENTS PTY LTD <HOUSE OF EQUITY A/C>	24,328,730	1.45%
13	TAYCOL NOMINEES PTY LTD <211 A/C>	24,000,000	1.43%
14	NINETY THREE PTY LTD <ONE MILE S/F A/C>	21,500,000	1.28%
15	CELTIC CAPITAL PTE LTD <INVESTMENT 1 A/C>	21,193,371	1.27%
16	ONSWITCH INVESTMENTS PTY LTD <FOXFIRST A/C>	20,400,000	1.22%
17	TEMPLETON SWEETWATER PTY LTD <TEMPLETON SWEETWATER FAMILY A/C>	20,000,000	1.19%
18	NATIONAL NOMINEES LIMITED <DB A/C>	20,000,000	1.19%

19	MR ROGER BLAKE & MRS ERICA LYNETTE BLAKE <THE MANDY SUPER FUND A/C>	20,000,000	1.19%
20	SHELLEY ANNE LINDERMAN <LINDERMAN FAMILY AA A/C>	20,000,000	1.19%
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (TOTAL)		**602,290,231**	**35.95%**

(d) Voting rights

All fully paid ordinary shares carry one vote per share on a poll.

(e) Unlisted Options

The following options are on issue:

2,486,188 unlisted options with an exercise price of $0.246 expiring 23 June2020

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

4,000,000 unlisted options with an exercise price of $0.05 expiring 1 August 2022

4,000,000 unlisted options with an exercise price of $0.065 expiring 1 February 2023

4,000,000 unlisted options with an exercise price of $0.09 expiring 1 February 2024

10,000,000 unlisted options with an exercise price of $0.015 expiring 3 February 2023

2,000,000 unlisted options with an exercise price of $0.05 expiring 3 February 2022

(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.

(g) Statement of Compliance

The Company confirms that the cash raised in 2018 has been used consistently with its business objectives.