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**HOMESTAY CARE LIMITED**

**ABN 62 111 823 762**

## **HALF-YEAR REPORT**

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**30 JUNE 2019**

The information contained in this document should be read in conjunction with HomeStay Care Limited's annual report for the year ended 31 December 2018 and any public announcements made by the company in accordance with the continuous disclosure obligations arising from the Corporations Act 2001 and the ASX Listing rules.

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**HOMESTAY CARE LIMITED**  
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**HOMESTAY CARE LIMITED**  
**APPENDIX 4D**

**REPORTING PERIOD**

Report for the half-year ended: 30 June 2019  
 Previous corresponding period is half-year ended: 30 June 2018

**RESULTS FOR ANNOUNCEMENTS TO THE MARKET**

	<b>Current period</b>	<b>Previous</b>	<b>% change</b>
	<b>\$</b>	<b>corresponding</b>	
		<b>period</b>	
Revenue from ordinary activities	44,042	11,942	269%
Loss from ordinary activities after tax for the period attributable to members	(2,509,692)	(1,302,658)	93%
Loss for the period attributable to members	(2,509,692)	(1,302,658)	93%

**Dividends**

No dividends were declared or paid for the period ended 30 June 2019 (30 June 2018: nil). There are no dividend or distribution reinvestment plans in operation.

For a discussion on the items above refer to the Review of Operations section contained in the Directors' Report.

**NET TANGIBLE ASSETS PER SECURITY**

	<b>June</b>	<b>June</b>
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Net tangible assets/(liabilities) per security	0.0006	(0.0034)

**ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD**

The 100% owned dormant subsidiary, Antilles Oil and Gas Peru SA was deregistered on 27 February 2019.

**ASSOCIATES AND JOINT VENTURES**

HomeStay Care Limited did not have any associates or joint ventures at any time during the current period or the previous corresponding period.

**INDEPENDENT AUDITOR'S REVIEW REPORT**

The half-year report has been reviewed by the Company's independent auditor and the independent auditor's review report is attached as part of the half-year report.

## HOMESTAY CARE LIMITED DIRECTORS' REPORT

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The 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 half year ended 30 June 2019 ('consolidated entity' or 'Group').

### DIRECTORS

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

NAME OF PERSON	POSITION	
Wayne Cahill	Non-Executive Chairman	Appointed 1 February 2019
Shannon Robinson	Executive Director	
Damian Black	Non-Executive Director	
Sara Kelly	Non-Executive Director	

### COMPANY SECRETARY

Melanie Ross

### OPERATING RESULTS

The loss of the consolidated entity amounted to \$2,509,692 (30 June 2018: \$1,302,658) after providing for income tax.

### DIVIDENDS

No dividends were paid or declared during the half year. No dividend has been recommended.

### PRINCIPAL ACTIVITIES

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

### REVIEW OF OPERATIONS

HomeStay provides a suite of technology enabled care solutions to the aged and disability sectors, across multiple verticals including retirement living, residential aged care, home and community settings. Through its IoT platform, HomeStay helps our elderly and those with a disability to live in their homes independently for longer whilst keeping them connected to family friends and carers.

During the financial period, after successful pilot programs in Australia and Singapore, the Company commenced their market entry with a strategic, cornerstone product; the Essence Intelligent Homes platform. Following these pilots the Company and Enrich Living Services Pty Ltd entered into an agreement for the roll-out of up to 1,000 Intelligent Homes in Australia pursuant to a commercial program as announced on the ASX on 22 March 2019. Installations of Intelligent Homes has commenced pursuant to this agreement.

During the period, the Company collaborated with St John of God Health Care's Accord group in respect of their Enabled Lifestyle Blueprint Project following the successful trial of the HomeStay technology announced on 14 March 2019.

## **HOMESTAY CARE LIMITED DIRECTORS' REPORT**

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This project culminated in the launch of its Mavis House project, a bespoke development, as announced on 20 June 2019. Now a showcase for an end-to-end residential technology solution to improve the quality of life for people with complex intellectual and physical disabilities by increasing their levels of independence, choice and control, this showcase provides a platform for future expansion with St John of God, Accord.

As part of this showcase, the Company's technology, including the home monitoring platform, the MyDay and Carers Companion apps were integrated into the project as announced on the ASX on 20 June 2019.

On 15 July 2019 the Company announced a strategic licensing agreement with Essence APAC, a technology distribution company. This provides HomeStay the exclusive right to market, distribute and sell all Essence APAC healthcare associated solutions in Australia, New Zealand, and Singapore. HomeStay's currently uses Essence APAC technology in its Intelligent Home solution.

This transaction accelerates HomeStay's go-to-market strategy and will potentially result in a near term step in revenues, accretive to Homestay, and ensure security in product supply in Australia. It also creates synergistic benefits through shared costs and sales teams as well as a pipeline of potential new revenue opportunities.

In July 2019, HomeStay launched its webstore for the consumer market as an expansion of the go-to-market strategy. The webstore enables resellers and the general consumer market to access the various products from HomeStay and their growing reseller base.

### **FINANCIAL POSITION**

The net assets of the consolidated entity as at 30 June 2019 were \$1,742,507, a decrease of \$2,438,915 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 \$367,246 (31 December 2018: \$3,303,868).

### **EVENTS AFTER THE REPORTING PERIOD**

On 15 July 2019 the Company announced a binding Heads of Agreement with Essence APAC as an exclusive reseller of healthcare associated solutions in Australia, New Zealand and Singapore.

As at the date of this report the Company is suspended from trading on the ASX, pending an announcement regarding a capital raising.

The directors are not aware of any other matters or circumstances that have arisen since the end of the financial period 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.

## HOMESTAY CARE LIMITED DIRECTORS' REPORT

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### 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 is signed in accordance with a resolution of the Board of Directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Shannon Robinson  
Executive Director

Dated this 30th day of August 2019

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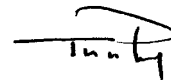
**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of HomeStay Care Limited for the half-year ended 30 June 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 30 August 2019

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**HOMESTAY CARE LIMITED  
CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 30 JUNE 2019**



	Notes	Consolidated	
		June 2019 \$	June 2018 \$
Revenue		44,042	11,942
Other income	3	117,130	102,179
Cost of sales		(18,718)	(84,127)
Amortisation and depreciation expenses		(240,434)	(100,140)
Consulting fees		(463,882)	(287,458)
Employee benefits expenses		(1,055,068)	(695,522)
Marketing expenses		(175,134)	(43,914)
Rental expenses	4	(99,515)	(56,197)
Finance costs		(6,352)	(877)
Share based payments	7	(60,727)	-
Other expenses		(551,034)	(148,544)
<b>Loss before income tax</b>		<b>(2,509,692)</b>	<b>(1,302,658)</b>
Income tax expense		-	-
<b>Total loss for the period</b>		<b>(2,509,692)</b>	<b>(1,302,658)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to operating results</i>			
Exchange differences on translating foreign controlled entities		10,050	-
Other comprehensive income for the period		<b>10,050</b>	-
<b>Total comprehensive loss for the period</b>		<b>(2,499,642)</b>	<b>(1,302,658)</b>
<b>Loss per share</b>			
Basic and diluted loss (cents per share)		(0.36)	(0.43)

The accompanying notes form part of this financial report.



**HOMESTAY CARE LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2019**



	Notes	Consolidated	
		June 2019 \$	December 2018 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		927,217	3,430,126
Other assets		206,982	289,083
Trade and other receivables		90,938	92,588
Inventory		168,196	121,389
<b>Total current assets</b>		<b>1,393,333</b>	<b>3,933,186</b>
<b>Non-current assets</b>			
Plant and equipment		54,105	32,010
Intangible assets	5	1,321,156	845,544
<b>Total non-current assets</b>		<b>1,375,261</b>	<b>877,554</b>
<b>Total assets</b>		<b>2,768,594</b>	<b>4,810,740</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		976,815	573,453
Provisions		49,272	55,865
<b>Total current liabilities</b>		<b>1,026,087</b>	<b>629,318</b>
<b>Total liabilities</b>		<b>1,026,087</b>	<b>629,318</b>
<b>Net assets</b>		<b>1,742,507</b>	<b>4,181,422</b>
<b>EQUITY</b>			
Issued capital	6	8,295,993	8,295,993
Reserves	7	921,037	850,260
Accumulated losses		(7,474,523)	(4,964,831)
<b>Total equity</b>		<b>1,742,507</b>	<b>4,181,422</b>

The accompanying notes form part of this financial report.

**HOMESTAY CARE LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2019**



	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Share Based Payments Reserve	Total
<b>Balance at 1 January 2018</b>	1,412,501	(463,807)	-	-	948,694
Loss for the period	-	(1,302,658)	-	-	(1,302,658)
<b>Total comprehensive loss for the period</b>	-	(1,302,658)	-	-	(1,302,658)
<b>Transactions with owners, directly in equity</b>					
Issue of share capital	5,000	-	-	-	5,000
<b>Balance at 30 June 2018</b>	<b>1,417,501</b>	<b>(1,766,465)</b>	<b>-</b>	<b>-</b>	<b>(348,964)</b>
<b>Balance at 1 January 2019</b>	8,295,993	(4,964,831)	741	849,519	4,181,422
Loss for the period	-	(2,509,692)	-	-	(2,509,692)
Other comprehensive income	-	-	10,050	-	10,050
<b>Total comprehensive (loss)/income for the period</b>	-	(2,509,692)	10,050	-	(2,499,642)
<b>Transactions with owners, directly in equity</b>					
Share-based payments	-	-	-	60,727	60,727
<b>Balance at 30 June 2019</b>	<b>8,295,993</b>	<b>(7,474,523)</b>	<b>10,791</b>	<b>910,246</b>	<b>1,742,507</b>

The accompanying notes form part of this financial report.

**HOMESTAY CARE LIMITED  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 30 JUNE 2019**



	Consolidated	
	June 2019 \$	June 2018 \$
<b>Cash flows from operating activities</b>		
Receipts from customers	56,456	13,790
Interest received	9,142	512
R&D tax incentive receipts	122,150	-
Payments to suppliers and employees	(2,018,215)	(1,096,317)
Interest paid	(6,352)	-
<b>Net cash used in operating activities</b>	<u>(1,836,819)</u>	<u>(1,082,015)</u>
<b>Cash flows from investing activities</b>		
Payments for platform development expenditure	(628,276)	(140,232)
Purchase of plant and equipment	(39,149)	-
Receipt of exclusivity fee	-	100,000
Proceeds from sale of plant and equipment	1,335	-
<b>Net cash used in investing activities</b>	<u>(666,090)</u>	<u>(40,232)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	-	5,000
Proceeds from borrowings	-	550,000
<b>Net cash provided by financing activities</b>	<u>-</u>	<u>555,000</u>
<b>Net decrease in cash held</b>	(2,502,909)	(567,247)
Cash at the beginning of the financial period	<u>3,430,126</u>	<u>569,353</u>
<b>Cash at the end of the financial period</b>	<u>927,217</u>	<u>2,106</u>

The accompanying notes form part of this financial report.

## 1. Summary of significant accounting policies

### Statement of Compliance

The consolidated half-year financial report is a general purpose financial report which has been prepared in accordance with AASB 134: Interim Financial Reporting and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34: Interim Financial Reporting.

The consolidated half-year financial report does not include all of the notes and information normally included in an annual financial report. Accordingly this report should be read in conjunction with the consolidated annual financial report for the year ended 31 December 2018.

### Basis of Preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are in Australian dollars unless otherwise stated.

The accounting policies and methods of computation followed in the preparation of the half-year financial report are consistent with those followed and disclosed in the Group's 2018 Annual Financial Report for the financial year ended 31 December 2018, except for the impact of the standards, interpretations and amendments described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

### Going Concern

The financial statements have been prepared on the basis of going concern which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of \$2,509,692 and had net cash outflows from operating and investing activities of \$1,836,819 and \$666,090 respectively for the half-year ended 30 June 2019. As at that date, the consolidated entity had net current assets of \$367,246.

The Directors believe that there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern as the Company is in the process of finalising a capital raising which is anticipated to be completed in September 2019.

#### a) New accounting standards and interpretations

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

The following Accounting Standard is most relevant to the Group:

#### **AASB 16 Leases**

The Group 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 Group 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. The impact of the adoption of AASB 16 is detailed in Note 4.

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

## **2. 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.

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	Consolidated	
	June 2019	June 2018
	\$	\$
<b>3. Other income</b>		
Research & Development grant income	122,150	-
Foreign exchange (losses)/gains	(5,020)	2,179
Other income	-	100,000
<b>Total</b>	117,130	102,179

**4. Rental expenses**

The Group has adopted AASB *Leases 16* from 1 January 2019 (refer Note 1(a)). The Group 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. Due to all lease arrangements for the half-years ended 30 June 2019 and 30 June 2018 being for periods of less than 12 months, no right-of-use assets or lease liabilities have been recognised.

	Consolidated	
	June 2019	December 2018
	\$	\$
<b>5. Intangible assets</b>		
Platform development expenditure – at cost	1,765,763	1,082,648
Less: Accumulated amortisation	(469,614)	(242,201)
	1,296,149	840,447
Customer list – at cost	45,000	45,000
Less: Accumulated amortisation	(45,000)	(41,275)
	-	3,725
Others * – at cost	25,007	1,372
Less: Accumulated amortisation	-	-
	25,007	1,372
	1,321,156	845,544

\*Others include trademark and website development expenditure.

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

	Platform development expenditure	Customer list	Others	Total
Consolidated	\$	\$	\$	\$
Carrying amount at 1 January 2019	840,447	3,725	1,372	845,544
Additions	683,115	-	25,007	708,122
Disposals	-	-	(1,372)	(1,372)
Amortisation expense	(227,413)	(3,725)	-	(231,138)
Carrying amount at 30 June 2019	1,296,149	-	25,007	1,321,156

	Consolidated	
	June 2019	December 2018
	\$	\$
<b>6. Issued Capital</b>		
694,999,296 (December 2018: 694,999,296) Ordinary shares – Fully paid ('FPO')	9,317,501	9,317,501
Capital raising costs	(1,021,508)	(1,021,508)
	8,295,993	8,295,993

**a) Movements in ordinary shares on issue**

There was no movement in the issued capital of the company in the current half-year. Movements for the previous half-year are as follows:

	Number	\$
At 1 January 2018	299,500,000	1,412,501
Shares issued during the period prior to acquisition		
– January 2018 – FPO shares	500,000	5,000
Less capital raising costs	-	-
At 30 June 2018	300,000,000	1,417,501

**b) Options**

For details of options issued, exercised and lapsed during the financial period and the options outstanding at period-end, refer to Note 7(a) Share-based payments.

	Consolidated	
	June 2019	December 2018
	\$	\$
<b>7. Reserves</b>		
Foreign currency translation	10,791	741
Share based payments	910,246	849,519
	921,037	850,260
<b>Movements in reserves</b>		
<b>Share based payments</b>		
Balance at the beginning of the reporting period	849,519	-
Share based payments – Options issued during the period	60,727	849,519
Balance at the end of the period	910,246	849,519
<b>Foreign currency translation</b>		
Balance at the beginning of the reporting period	741	-
Exchange differences on translating foreign controlled entities	10,050	741
Balance at the end of the period	10,791	741

**(a) Share-based payments - options**

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

	Number
<b>Options outstanding as at 1 January 2019</b>	82,486,188
Granted 28 May 2019 *	12,000,000
<b>Options outstanding as at 30 June 2019</b>	94,486,188

**7. Reserves (continued)**

\* On 28 May 2019, the Company granted 12,000,000 options to Wayne Cahill, Director, for nil cash consideration per his service agreement, which are subject to his continued tenure as a director of the Company as shown in the below table. Total fair value of \$13,782 is recognised as share-based payments expense in the profit or loss for the half-year ended 30 June 2019.

Under AASB 2 *Share-based Payment*, the expense is recognised over the vesting period. The fair value inputs included in the option valuations using a Black Scholes model were as follows:

Exercise price	No. of options	Grant date	Vesting date	Expiry date	Fair value at grant date	Share price	Risk-free rate	Volatility rate
\$0.050	4,000,000	28 May 2019	1 Aug 2019	1 Aug 2022	\$0.0050	\$0.019	1.12%	74.7%
\$0.065	4,000,000	28 May 2019	1 Feb 2020	1 Feb 2023	\$0.0049	\$0.019	1.12%	74.7%
\$0.090	4,000,000	28 May 2019	1 Feb 2021	1 Feb 2024	\$0.0051	\$0.019	1.21%	74.7%

**(b) Share-based payments – performance rights “PRs”**

A summary of the movements of all performance rights issues is as follows:

	Number
<b>Performance rights outstanding as at 1 January 2019</b>	-
Granted on 4 February 2019 *	2,500,000
Granted on 4 April 2019 **	1,500,000
<b>Performance rights outstanding as at 30 June 2019</b>	4,000,000

\*On 4 February 2019, the Company granted 2,500,000 performance rights to various employees, for nil cash consideration. Performance rights will vest subject to employment continuity to 1 January 2020. Total fair value of \$36,390 is recognised as share-based payments expense in the profit or loss for the half-year ended 30 June 2019.

\*\* On 4 April 2019, the Company granted 1,500,000 performance rights to an employee, for nil cash consideration. Performance rights will vest subject to employment continuity to 1 January 2020. Total fair value of \$10,555 is recognised as share-based payments expense in the profit or loss for the half-year ended 30 June 2019.

Under AASB 2 *Share-based Payment*, the expense is recognised over the vesting period. The performance rights have been valued at the share price of the Company on grant date. The fair value inputs included in the performance right valuations were as follows:

No. of PRs	Grant date	Vesting date	Expiry date	Fair value at grant date	Share price	Probability
2,500,000	4 Feb 2019	1 Jan 2020	4 Jun 2022	\$0.033	\$0.033	100%
1,500,000	4 Apr 2019	1 Jan 2020	4 Jun 2022	\$0.022	\$0.022	100%

**8. Events after the Reporting Period**

On 15 July 2019 the Company announced a binding Heads of Agreement with Essence APAC as an exclusive reseller of healthcare associated solutions in Australia, New Zealand and Singapore.

As at the date of this report the Company is suspended from trading on the ASX, pending an announcement regarding a capital raising.

The directors are not aware of any other matters or circumstances that have arisen since the end of the financial period 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.



**9. Contingent liabilities**

There have been no material changes to the consolidated entity's contingent liabilities since 31 December 2018.

**10. Commitments**

There have been no material changes to the consolidated entity's capital or other expenditure commitments since 31 December 2018.

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The directors of the Company declare that:

1. the financial statements and notes, as set out in the financial report:
  - a) comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - b) give a true and fair view of the financial position as at 30 June 2019 and of the performance for the half-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

Signed in accordance with a resolution of the directors made pursuant to s.303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Shannon Robinson  
Executive Director

Dated this 30th day of August 2019

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

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of HomeStay Care Limited which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

#### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of HomeStay Care Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of HomeStay Care Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

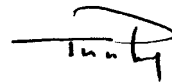
### *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of HomeStay Care Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 30 August 2019

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