

Appendix 4D

Half Year Report

for the half-year ended 30 June 2020

Half-year information provided to ASX under Listing Rule 4.2A

Name of entity	RNY Property Trust
ARSN	115 585 709
Reporting period	Half-year ended 30 June 2020
Previous corresponding period	Half-year ended 30 June 2019

Results for announcement to the market

Financial Performance

	A\$
Revenue/(loss) from ordinary activities	Down 94% to \$582,568
- Revenue for prior half year included \$10,066,222 share of profit from an equity accounted joint venture which was principally comprised of gains from property revaluations.	
Loss from ordinary activities after tax attributable to unitholders	Down 102% to loss \$221,968
Net profit/(loss) for the year attributable to unitholders	Down 102% to loss \$221,968

<i>Net Tangible Asset Backing</i>	<i>Current Period</i>	<i>Previous Corresponding Period</i>
Net tangible asset backing per unit	A\$0.047	A\$0.054

Distributions

<i>Current Period</i>	<i>Amount Per Unit</i>	<i>Tax Deferred</i>
Interim Distribution	Nil	N/A
<i>Previous Corresponding Period:</i>		
Interim Distribution	Nil	N/A

Record date for determining entitlement to the distribution for the half-year ended 30 June 2020	N/A
Date the June 2020 distribution is payable	N/A
Tax advantage component of the June 2020 distribution	N/A
The taxable component of the June 2020 distribution comprises:	
Australian sourced income	Nil%
Foreign sourced income	Nil%
Foreign tax credit per unit	Nil

Disclosures in this report

This report is based on the Financial Report for the Half Year ended 30 June 2020 (auditor reviewed) which do not include all the notes of the type normally included in an Annual Financial Report. Accordingly, it is recommended that this report be read in conjunction with the RNY Property Trust Annual Report for the year ended 31 December 2019, together with any public announcements made by the Trust during and subsequent to the half-year ended 30 June 2020 in accordance with the continuous disclosure requirements of the Listing Rules of the Australian Securities Exchange.

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RNY Property Trust

ARSN 115 585 709

Financial Report

For the Half Year Ended 30 June 2020

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RNY PROPERTY TRUST

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Directors' Report

The directors of Huntley Management Limited ('Huntley'), the Responsible Entity of RNY Property Trust ('RNY' or 'the Trust'), present their report together with the audit reviewed financial report of the Trust and its controlled entity, together known as 'the Group', for the half year ended 30 June 2020.

Directors

The names of the persons who served on the Board of Directors of the Responsible Entity at any time during or since the end of the financial period are:

John Knox
Stephen Law (ceased 31 December 2019, appointed 1 June 2020)
Brian Silvia
Peter Krejci
Andrew Pointer (ceased 1 June 2020)

Huntley is incorporated in Australia and has its principal place of business at Level 3, 37 Bligh Street, Sydney, NSW 2000.

Principal activities

The Trust is a registered managed investment scheme domiciled in Australia and has its principal place of business at Level 3, 37 Bligh Street, Sydney, NSW 2000. The Trust has a 100% interest in RNY Australia LPT Corp. ('the US REIT'), which in turn has a 75% interest in RNY Australia Operating Company LLC ('the US LLC'), a Delaware Limited Liability Company that as at 30 June 2020 owned five commercial office properties (31 December 2019: five properties) in the New York Tri-State area in the United States (the 'US'), which is in accordance with the stated investment strategy as set out in the Product Disclosure Statement dated 15 August 2005.

Results

The consolidated net profit of the Group is presented in the Statement of Comprehensive Income. The net profit attributable to the members of the Group for the half-year ended 30 June 2020 was \$119,020 (30 June 2019: profit \$9,976,765).

Distributions

No distributions were paid to unitholders for the half-year ended 30 June 2020 and no provision for distribution has been recognised in the financial statements.

Investment properties

CBRE Group Inc. valued the five investment properties held in the US LLC as at 20 August 2019. The directors have determined that this valuation adjusted for capital improvement works and certain deferred rental revenue and expenses is appropriate as at 30 June 2020. As announced on 26 August 2020, the market valuations of the 5 properties obtained as at July 2020 reflect an overall improvement in the valuation of the portfolio since August 2019, however, due to material uncertainty primarily as a consequence of COVID-19, these recent valuations have not been adopted. Refer to Note 5 in these accounts for further details.

Aurora Funds Management Limited ('Aurora'), as investment manager, continues to work with various stakeholders to improve the properties.

Significant changes in the state of affairs

On 25 February 2020, the HHY Fund ARSN 112 579 129 ('the HHY Fund') announced a 1-for-1 non-renounceable entitlement offer to raise up to \$3.25 million ('Entitlement Offer'). Aurora acts as responsible entity of the HHY Fund.

On 16 March 2020, the HHY Fund announced the cancellation of the Entitlement Offer due to the global market volatility associated with COVID-19. The Group will continue to rely on the financial support provided by Aurora – see Note 2 (b) Going Concern of the attached condensed financial statements.

Significant changes in the state of affairs (continued)

The change of auditor to Grant Thornton Audit Pty Ltd from Ernst & Young was completed on 6 March 2020.

In March 2020, the World Health Organisation declared the outbreak of a novel coronavirus ('COVID-19') as a pandemic, which continues to spread throughout the United States. The spread of COVID-19 has caused significant volatility in the United States and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to the COVID-19, as well as its impact on the United States and international economies. The Group cannot reasonably estimate the length or severity of this pandemic, however management cannot rule out a material adverse impact on the Group's consolidated financial position, consolidated results of operations and consolidated cash flows in fiscal 2020.

On 29 June 2020, Keybridge Capital Limited ('Keybridge') advised that it intended to make an all scrip takeover bid for 100% of the units in RNY and released a copy of its Bidder's Statement to the ASX, dated 14 August 2020 ('Keybridge Offer'). The Keybridge Offer was sent to RNY Unitholders on 28 August 2020.

The Board of Huntley issued a Target's Statement on 11 September 2020 in which it made no recommendation whether to Accept or Reject the Keybridge Offer. The Target Statement stated that the reason the Huntley Board chose to make no recommendation on the Keybridge Offer was due to the conflicting issue that whilst the Keybridge Offer is materially below RNY's current NTA, RNY's current NTA is contingent upon future successful capital raisings. In addition to these conflicting issues, the Huntley Board are still assessing the impact of COVID 19 on the New York commercial real estate market, which is still being understood and is expected to play out over a prolonged period of time.

On 30 September 2020, Keybridge announced that the closing date of the Keybridge Offer had been extended until 14 October 2020. On 14 October 2020, Keybridge announced that the closing date of the Keybridge Offer had been further extended until 16 November 2020.

Likely developments and expected results of operations

On 1 April 2019, RNY was suspended from trading on the ASX. The suspension has not yet been lifted. Huntley has been working with ASX to have the suspension lifted.

Matters subsequent to the end of the financial period

As detailed above, on 11 September 2020, the Board of Huntley issued a Target Statement in response to the Keybridge Offer and the Keybridge Offer has been extended until 14 October 2020. On 14 October 2020, Keybridge announced that the closing date of the Keybridge Offer had been further extended until 16 November 2020.

On 11 September 2020, Huntley also announced that it intends to conduct a 1-for-1 non-renounceable entitlement offer to raise up to \$2.89 million at 1.1 cents per new unit ('Entitlement Offer'). The timetable for the Entitlement Offer will be determined following the closure of the Keybridge Offer.

The Entitlement Offer is to be underwritten by Aurora Funds Management Limited ('Aurora') in its capacity as responsible entity of the Aurora Property Buy-Write Income Trust, Aurora Fortitude Absolute Return Fund, Aurora Dividend Income Trust, Aurora Global Income Trust and the HHY Fund.

Proceeds from the Entitlement Offer are to be used to satisfy RNY's current liability obligations, working capital needs and a portion may also be lent to RNY Australia Operating Company LLC, a US entity with the RNY group.

Matters subsequent to the end of the financial period (continued)

In an ASX Announcement dated 6 October 2020, Huntley announced that the Amended and Restated Senior Loan Agreement (Loan Agreement) with its US lender, ACORE Capital (Lender), had been executed. Key terms of the new Loan Agreement include:

- a three year term – comprising an initial 6-month term with, subject to the Borrower providing 30 days notice to the Lender and other compliance conditions, one six-month extension and two 12-month extension terms following the initial term;
- interest only;
- an existing loan facility of US\$76.2 million, with US\$64.6 million having been drawn, leaving US\$11.6 million available for approved capital expenditures and leasing costs;
- a new mezzanine loan facility of US\$15.6 million to fund additional approved leasing costs and capital expenditures; and
- RNY to complete the approved capital expenditure program in accordance with the timelines established.

The Trust's loan to the US LLC which matured on 1 July 2020 has been extended until 30 November 2021.

Subsequent to year end, the two loan facilities relating to the balance of \$1,238,366 of principal and interest owing (note 6) were extended to mature on 30 November 2021. The outstanding balance was a current liability at 30 June 2020.

Since balance date, Huntley Management Limited and Huntley Custodians Limited have become wholly owned subsidiaries of Tangarr Pty Ltd ACN 001 925 695 and Tangarr Pty Ltd has become the immediate parent entity and ultimate parent entity.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Trust, the results of those operations, or the state of affairs of the Trust in future financial periods.

Units on issue

There were 263,413,889 units of the Trust on issue at 30 June 2020 (31 December 2019: 263,413,889 units).

Interests of Responsible Entity

The Responsible Entity held no units in the Trust at 30 June 2020 (31 December 2019: Nil).

Indemnification and Insurance of Officers and Auditors

The Responsible Entity has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The Responsible Entity has paid premiums:

- to insure directors and officers against legal defence costs resulting from a claim alleging a wrongful act arising from their conduct whilst acting in good faith on behalf of the Responsible Entity; and
- to indemnify directors and officers to the extent permitted by the *Corporations Act 2001* against losses, which are legally insurable, resulting from alleged wrongful acts whilst acting in good faith on behalf of the Responsible Entity.

The above coverage is provided as part of an insurance package, the premiums payable in respect of that insurance package are not to be disclosed.

The Responsible Entity has not, during or since the end of the financial period, indemnified or agreed to indemnify an auditor of the Responsible Entity or of any related body corporate against a liability incurred as auditor.

The Trust has not directly indemnified or insured officers of the Responsible Entity or the auditor.

Directors' Report

Environmental Regulation

The Trust's operations are not subject to any significant environmental regulation under Commonwealth, State or Territory legislation. There have been no known significant breaches of any other environmental requirements applicable to the Trust

Audit Independence

A copy of the auditor's independence declaration as required under section 307c of the *Corporations Act 2001* is set out on page 7.

This Directors' report is signed in accordance with a resolution of the Directors made pursuant to s.298(2) of the *Corporations Act 2001*.

On behalf of the Directors of the Responsible Entity, Huntley Management Limited:



JOHN H KNOX

Director

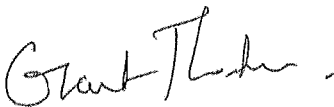
Date: 14 October 2020

Auditor's Independence Declaration

To the Directors of Huntley Management Limited as Responsible Entity for RNY Property Trust

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of RNY Property Trust for the half-year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd
Chartered Accountants



B A Mackenzie
Partner – Audit & Assurance

Melbourne, 14 October 2020

Grant Thornton Audit Pty Ltd ACN 130 913 594
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**Statement of Comprehensive Income
for the half year ended 30 June 2020**

		Consolidated	
	Note	30 Jun 2020	30 Jun 2019
		\$	\$
CONTINUING OPERATIONS			
Share of net profit of US LLC	4(b)	269,564	10,066,222
Total share of net profit from US LLC		269,564	10,066,222
Interest income		304,264	260,077
Other income		8,740	150,000
Total gain and other income		582,568	10,476,299
Expenses			
Administration expenses		(93,738)	(185,763)
Finance costs		(67,988)	(51,728)
Management fees		(212,325)	(163,240)
Expected credit losses		(89,497)	(98,803)
Total expenses		(463,548)	(499,534)
Profit from continuing operations before tax expense		119,020	9,976,765
US withholding tax		-	-
NET PROFIT FROM CONTINUING OPERATIONS AFTER TAX		119,020	9,976,765
OTHER COMPREHENSIVE INCOME – RECYCLABLE			
Foreign currency translation difference (net of tax)		(340,988)	(14,812)
Other comprehensive loss for the period, net of tax		(340,988)	(14,812)
TOTAL COMPREHENSIVE GAIN/(LOSS) FOR THE PERIOD		(221,968)	9,961,953
Basic and diluted earnings per unit from continuing operations (cents)	10	0.05	3.79

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Balance Sheet
as at 30 June 2020

		Consolidated	
	Note	30 Jun 2020	31 Dec 2019
		\$	\$
Current assets			
Cash and cash equivalents		38,829	19,087
Trade and other receivables		11,046	22,363
Other financial assets – related parties	3	681,452	648,988
Other current assets		2,542	-
Total current assets		733,869	690,438
Non-current assets			
Other financial assets – related parties	3	3,396,592	3,166,360
Investment held in US LLC	4(a)	11,074,202	11,188,834
Total non-current assets		14,470,794	14,355,194
TOTAL ASSETS		15,204,663	15,045,632
Current liabilities			
Trade and other payables		1,389,608	1,081,740
Interest bearing loans and borrowings	6	1,238,366	1,177,809
Total current liabilities		2,627,974	2,259,549
Non-current liabilities			
Interest bearing loans and borrowings	6	134,917	125,914
Preferred shares	7	181,390	177,819
Total non-current liabilities		316,307	303,733
TOTAL LIABILITIES		2,944,281	2,563,282
NET ASSETS		12,260,382	12,482,350
Unitholders' Equity			
Units on Issue	8	251,376,587	251,376,587
Reserves	9	1,815,513	2,156,501
Accumulated deficit		(240,931,718)	(241,050,738)
TOTAL EQUITY		12,260,382	12,482,350

The above Balance Sheet should be read in conjunction with the accompanying notes.

**Statement of Cash Flows
for the half year ended 30 June 2020**

	Consolidated	
	30 Jun 2020	30 Jun 2019
	\$	\$
Cash flows from operating activities		
Income received from US LLC	-	-
Receipt from related party	-	150,000
Receipts from customers	57,172	-
Payments to suppliers	(36,932)	(208,434)
Financing costs paid	(10,648)	(49,320)
Net cash (outflow)/inflow from operating activities	9,592	(107,754)
Cash flows from investing activities		
Net cash flow from investing activities	-	-
Cash flows from financing activities		
Proceeds from related party	10,110	109,224
Net cash inflow from financing activities	10,110	109,224
Net increase in cash and cash equivalents	19,702	1,470
Cash and cash equivalents at beginning of period	19,087	15,650
Net foreign exchange differences	40	(112)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	38,829	17,008

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

**Statement of Changes in Equity
for the half year ended 30 June 2020**

	Note	Units on Issue	Accumulated Deficit	Reserves	Total Equity
		\$	\$	\$	\$
CONSOLIDATED					
At 1 January 2019		251,376,587	(249,385,247)	2,147,120	4,138,460
Foreign currency translations taken to equity - recyclable		-	-	(14,812)	(14,812)
Profit for the year		-	9,976,765	-	9,976,765
Total comprehensive gain/(loss) for the year, net of tax		-	9,976,765	(14,812)	9,961,953
Distributions		-	-	-	-
At 30 June 2019		251,376,587	(239,408,482)	2,132,308	14,100,413
At 1 January 2020		251,376,587	(241,050,738)	2,156,501	12,482,350
Foreign currency translations taken to equity - recyclable		-	-	(340,988)	(340,988)
Profit for the year		-	119,020	-	119,020
Total comprehensive gain/(loss) for the year, net of tax		-	119,020	(340,988)	(221,968)
Distributions		-	-	-	-
At 30 June 2020		251,376,587	(240,931,718)	1,815,513	12,260,382

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to the Financial Statements for the half year ended 30 June 2020

1. Corporate Information

The financial report of RNY Property Trust ('RNY' or 'the Trust') for the half-year ended 30 June 2020 was authorised for issue in accordance with a resolution of the directors on the date of signing the directors' report.

The Trust was constituted on 2 August 2005. The Responsible Entity of the Trust is Huntley Management Limited ('Huntley'). Huntley was appointed Responsible Entity on 2 July 2018. The Responsible Entity's registered office is at Level 3, 37 Bligh Street, Sydney 2000.

RNY is a trust limited by units incorporated in Australia. These units are publicly traded on the Australian Stock Exchange.

The nature of the operations and principal activities of the Trust are described in Note 12.

2. Basis of Preparation of the Half Year Financial Report

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the annual Financial Report of RNY for the year ended 31 December 2019.

It is also recommended that the half-year financial report be considered together with any public announcements made by RNY, its controlled entities and its associates during the half-year ended 30 June 2020 in accordance with the continuous disclosure obligations arising under the Australian Stock Exchange Listing Rules.

(a) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Trust and its wholly owned subsidiary, RNY Australia LPT Corporation ('the US REIT'), together known as 'the Group', as at 30 June 2020.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Apart from any changes in accounting standards shown in Note 2(c) below, the accounting policies and methods of computation are the same as those adopted in the most recent financial report.

(b) Basis of Accounting

This general purpose condensed financial report for the half-year ended 30 June 2020 has been prepared in accordance with the Trust's Constitution, AASB 134 *Interim Financial Reporting* and other mandatory financial reporting requirements.

The financial report is prepared in accordance with the historical cost convention except for investment properties that are held at fair value and debt financial assets and liabilities which have been measured at amortised cost.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The financial report is presented in Australian dollars.

Notes to the Financial Statements for the half year ended 30 June 2020

2. Basis of Preparation of the Half Year Financial Report (continued)

(b) Basis of Accounting (continued)

Going Concern

The financial report has been prepared on a going concern basis because the Trust expects to be able to pay its debts as and when they fall due in the ordinary course of business for the next twelve months. As at 30 June 2020, the Group's current liabilities exceeded current assets by \$1,894,105, and the Trust does not have sufficient liquid assets nor does it generate sufficient free cash flows to meet its current and ongoing requirements. Given this, RNY and its consolidated subsidiary, US REIT, are reliant on continued access to adequate cash distributions or repayment of amounts receivable from the underlying investment in the US LLC, the joint venture investment, to settle the liabilities within the respective entities. Absent this, RNY is reliant upon the financial support provided by Aurora Funds Management Limited ACN 092 626 885 AFSL 222110 for an amount of \$500,000 in addition to commitments by Aurora to defer payment of asset management fees and lenders not to call on any debt due and payable; working capital to be provided from the announced 1-for-1 non-renounceable entitlement offer to raise up to \$2.89 million at 1.1 cents per new unit intended to be conducted at the closure of the Keybridge Offer; and a further capital raise anticipated for 2021. The amount of \$1,200,000 is considered to be sufficient to meet the current and ongoing obligations, excluding debt repayments, of the Trust for a period of 12 months from the date of these financial statements based on cash flow projections prepared by the Responsible Entity. Subsequent to year end, the two loan facilities relating to the balance of \$1,238,366 of principal and interest owing (note 6) were extended to mature on 30 November 2021. The outstanding balance was a current liability at 30 June 2020.

The Trust's loan to the US LLC matured on 1 July 2020 and has been extended until 30 November 2021.

(c) New Standards

There are no new Standards applicable to the Trust with a commencement date of 1 January 2020.

(d) Foreign currencies

The functional currency of the US REIT and US LLC is United States dollars. As at the reporting date the US currency amounts are translated into Australian dollars as follows:

- the assets and liabilities of these entities are translated at the rate of exchange ruling at the balance sheet date of A\$1.00 = US\$0.69 (31 December 2019: A\$1.00 = US\$0.70); and
- the Statement of Comprehensive Income of these entities are translated at the average rate for the period of A\$1.00 = US\$0.66 (30 June 2019: A\$1.00 = US\$0.71).

Any exchange differences are taken directly to foreign currency translation reserve.

	Consolidated	
	30 Jun 2020	31 Dec 2019
	\$	\$
3. Other Financial Assets - Related Parties		
<i>Financial Assets at Amortised Cost:</i>		
<i>Current</i>		
Amounts owing from related parties	896,218	851,589
	896,218	851,589
Allowance for expected credit loss	(214,766)	(202,601)
Total Current	681,452	648,988

During the year ended 31 December 2018, the Trust lent funds to the US LLC totalling AUD\$750,000. Interest is charged at 12% of the daily loan balance. The loan is unsecured and was repayable on 15 November 2019. During the year ended 31 December 2019, the repayment date was extended to 1 July 2020. As at 30 June 2020, total loan funds of AUD\$750,000 and total interest of AUD\$146,218 is receivable from the US LLC by the Trust (31 December 2019: loan funds of AUD\$750,000 and total interest of AUD\$101,589). Since balance date, the loan repayment date has been extended on similar terms and conditions until 30 November 2021.

**Notes to the Financial Statements
for the half year ended 30 June 2020**

3. Other Financial Assets - Related Parties (continued)

	Consolidated	
	30 Jun 2020	31 Dec 2019
	\$	\$
<i>Non-Current</i>		
Trade debtor – related party	146,272	143,394
Amount owing from related party – amortised cost	4,265,245	3,960,559
	4,411,517	4,103,953
Allowance for expected credit loss	(1,014,925)	(937,593)
Total Non-Current	3,396,592	3,166,360

During the year ended 31 December 2018, the US REIT provided funds to US LLC totalling USD\$4,194,254 (AUD\$6,086,346) at nil interest rate. The loan is unsecured and is repayable on 30 August 2023. The loan was adjusted to fair value on initial recognition using the effective interest rate of 12% p.a. with the difference allocated to the carrying value of the investment in the US LLC. Interest of USD\$170,797 (AUD\$247,847) using the effective interest rate 12% was recognised on the loan for the half-year ended 30 June 2020 (year ended 31 December 2019: USD\$314,268). As at 30 June 2020, total interest of USD\$583,531 (AUD\$846,771) using the effective interest rate of 12% had been recognised on the loan.

	Consolidated	
	30 Jun 2020	31 Dec 2019
	\$	\$
4. Investment in Joint Venture		
Investment in joint venture	11,074,202	11,188,834

Other details are as follows:

Entity	Date Acquired	Payment Consideration	Country of incorporation	Ownership interest
RNY Australia Operating Company LLC (‘the US LLC’)	21 Sep 05	Cash	United States	75%

The Trust has a 100% interest in RNY Australia LPT Corp. (‘the US REIT’), which in turn has a 75% interest in RNY Australia Operating Company LLC (‘the US LLC’), a Delaware Limited Liability Company that, as of 30 June 2020, owned 5 office properties (31 December 2019: 5 office properties) in the New York Tri-State area. The owner of the remaining 25% interest is an affiliate of Aurora Funds Management Limited ACN 092 626 885, AFSL 222110 (‘Aurora’). Aurora is the responsible entity of the Aurora Property Buy-Write Income Trust (‘the Aurora AUP Trust’) which is the Trust’s largest unitholder holding 68.2% of the Trust’s units.

Under the structure created above, the Trust (through the US REIT) and Aurora exercise joint control over the property investments held in the US LLC.

The Group has adopted the equity method of accounting for its investment in the US LLC.

**Notes to the Financial Statements
for the half year ended 30 June 2020**

4. Investment in Joint Venture (continued)

(a) Summarised Statement of Investment Held in US LLC

The following table illustrates summarised financial information relating to the investment in the US LLC:

	Consolidated	
	30 Jun 2020	31 Dec 2019
	\$	\$
<i>Movements in carrying amounts</i>		
Carrying amount at the beginning of the period	11,188,834	2,445,607
Distributions received	-	-
Share of profit of joint venture	269,564	8,714,354
Investment in joint venture entities	-	-
Effect of changes in exchange rates	(384,196)	28,873
Carrying amount at the end of the period	11,074,202	11,188,834

		Consolidated	
		30 Jun 2020	31 Dec 2019
		\$	\$
<i>Balance Sheet of US LLC</i>		<i>@ 100%</i>	<i>@ 100%</i>
<u>Current assets</u>			
Cash and cash equivalents ⁽ⁱ⁾		4,242,021	4,832,830
Trade and other receivables		704,006	406,006
Other current assets		1,807,849	821,414
		<u>6,753,876</u>	<u>6,060,250</u>
<u>Non-current assets</u>			
Investment properties	5	119,722,881	116,489,761
Other non-current assets		3,049,027	2,897,798
		<u>122,771,908</u>	<u>119,387,559</u>
Total Assets		129,525,784	125,447,809
 Current liabilities ⁽ⁱⁱ⁾		 102,512,030	 101,941,478
Non-current liabilities		12,552,788	8,884,468
Total Liabilities		115,064,818	110,825,946
 Equity in US LLC		 14,460,966	 14,621,863
 Proportion of the Group's ownership		 75%	 75%
Group's ownership share @ 75%		10,845,725	10,966,397
Additional investment by RNY ⁽ⁱⁱⁱ⁾		228,477	222,436
Carrying amount of the investment		11,074,202	11,188,833

- (i) Certain cash included above is subject to control by certain lenders. Refer to Note 4(c) for further details.
- (ii) Included in this balance is a loan due to ACORE of \$93,783,412 (31 Dec 19: \$89,713,733). The ACORE loan was negotiated as a non-recourse loan with exposure being limited to the properties pledged for the loan facility. There are no set-off arrangements involving the other assets of the Group.
- The ACORE Loan, which was extended to February 2020 under the Loan Extension and has been further extended to 4 September 2020, contains four (under the Loan Modification) 1-year extension options, bears interest at a variable rate of LIBOR plus weighted average rate of 4.7% per annum, with a minimum LIBOR rate of 25 basis points, and requires monthly payments of interest only during the initial 3-year term. In addition, the ACORE Loan is subject to customary financial covenants.
- All secured borrowings are non-recourse loans with exposure being limited to the properties pledged for each loan facility.
- (iii) Relates to reclassification of fair value adjustment to loan on initial recognition on the loan between the US LLC and its related parties.

**Notes to the Financial Statements
for the half year ended 30 June 2020**

4. Investments in Joint Venture (continued)

(b) Summarised Statement of Comprehensive Income of US LLC

	Consolidated	
	30 Jun 2020	30 Jun 2019
	\$	\$
	@ 100%	@ 100%
Revenue & other income		
Rental income from investment properties	10,338,090	9,248,448
Gain on investment property revaluations	894,451	16,319,419
Other income	307,005	427,913
Total revenue	11,539,546	25,995,780
Expenses		
Property expenses	(6,775,594)	(7,356,651)
Borrowing costs	(3,255,146)	(3,744,866)
Other expenses	(1,149,388)	(1,472,633)
Total expenses	(11,180,128)	(12,574,150)
Net profit of US LLC before income tax	359,418	13,421,630
Income tax expense	-	-
Net profit from continuing operations after income tax	359,418	13,421,630

Proportion of the Group's ownership:	75%	75%
Group's share of profit of US LLC for the half year	269,564	10,066,222
Group's share of other comprehensive gain for the year	-	-
Group's share of profit for the half year	269,564	10,066,222

(c) Current Funding of Joint Venture

At 30 June 2020, with regards to the ACORE Loan, the US LLC held the following amounts in cash.

US LLC Cash held	US \$	US \$	AUD \$	AUD \$
	@ 100%	@ 100%	@ 100%	@ 100%
	30 Jun 2020	31 Dec 2019	30 Jun 2020	31 Dec 2019
Lender controlled cash account ⁽ⁱ⁾	873,007	508,383	1,266,834	723,203
Lender controlled reserve accounts ⁽ⁱⁱ⁾	875,202	1,814,355	1,270,019	2,581,022
Tenant security deposits	884,367	955,402	1,283,319	1,359,113
Unrestricted cash	290,707	119,146	421,849	169,492
Total	2,923,283	3,397,286	4,242,021	4,832,830

- (i) The lender controlled cash account is used to fund operating expenses, debt service and reserve accounts on a monthly basis.
- (ii) The lender controlled reserve accounts are used to fund real estate taxes, insurance, capital improvements and tenanting costs.

(d) Commitments and Contingencies of Joint Venture

(i) Capital Commitments

As at 30 June 2020, the US LLC had seven commitment to complete landlord works under a tenant lease. The value of the works to be undertaken were US\$2,288,222 (AUD\$3,320,475) (31 December 2019: US\$1,917,718 (AUD\$2,739,596)). No other future capital commitments existed at balance date (31 December 2019: \$Nil).

(ii) Contingent liabilities

The US LLC had no contingent liabilities existing at balance date (31 December 2019: \$Nil).

**Notes to the Financial Statements
for the half year ended 30 June 2020**

5. US LLC's Investment Properties

	Consolidated	
	30 Jun 2020	31 Dec 2019
	\$	\$
	@ 100%	@ 100%
Investment properties – at fair value	119,722,881	116,489,761
Total Investment Properties	119,722,881	116,489,761
Proportion of the Group's ownership	75%	75%
Group's ownership share @ 75%	89,792,162	87,367,320
Investment properties held in equity accounted investments	89,792,162	87,367,320

All of the joint venture's properties are pledged as security for the joint venture's borrowings.

Valuation assumptions:

The Company engaged expert third party valuers (CBRE) to update valuations for the property portfolio in response to the outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization as a "Global Pandemic" on the 11 March 2020.

The expert third party valuations included the following Market Uncertainty relating to the Novel Coronavirus:

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. Our valuations are therefore being reported as being subject to material valuation uncertainty.

Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this property under frequent review. For the avoidance of doubt, the inclusion of the 'material valuation uncertainty' declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation.

The market valuations of the 5 properties obtained as at July 2020 reflect an overall improvement in the valuation of the portfolio since August 2019, however, due to material uncertainty noted above these valuations have not been adopted and the directors have chosen to retain the properties at the valuation noted in the 31 December 2019 audited financial report, adjusted for the impacts of additional capital improvement works and certain deferred rental revenues and expenses.

**Notes to the Financial Statements
for the half year ended 30 June 2020**

5. US LLC's Investment Properties (continued)

Property Address	Date of Acquisition	Region	Fair Value At 30 Jun 20 @75% US \$	Fair Value At 31 Dec 19 @75% US \$	Fair Value At 30 Jun 20 @75% AUD \$	Fair Value At 31 Dec 19 @75% AUD \$
<i>Investment Properties</i>			(i)	(i)	(i)	(i)
55 Charles Lindbergh Blvd, Long Island	21 Sep 05	Long Island	19,944,567	19,588,894	28,941,871	27,866,300
560 White Plains Rd, Westchester County	21 Sep 05	Westchester	5,315,836	5,179,042	7,713,892	7,367,478
6800 Jericho Turnpike, Long Island	6 Jan 06	Long Island	16,232,030	16,385,303	23,554,551	23,309,011
6900 Jericho Turnpike, Long Island	6 Jan 06	Long Island	9,327,220	9,300,000	13,534,874	13,229,771
580 White Plains Rd, Westchester County	6 Jan 06	Westchester	11,058,371	10,962,493	16,046,974	15,594,760
Total US LLC Investment Properties			61,878,024	61,415,732	89,792,162	87,367,320

- (i) CBRE performed appraisals for the five joint venture properties at 20 August 2019. The Responsible Entity determined that these valuations adjusted for the impacts of capital works were appropriate as at 31 December 2019 and 30 June 2020. See above for additional information regarding valuation assumptions.

Representative market capitalisation rates and discount rates for each of the geographical regions in which the Group owns properties utilised in CBRE performed appraisals at 20 August 2019 and forming the base for the valuations at 31 December 2019 and 30 June 2020 are as follows:

Region	Market Capitalisation Rate		Discount Rate	
	30 Jun 20	31 Dec 19	30 Jun 20	31 Dec 19
Westchester	8.00%	8.00%	11.17%	11.17%
Long Island	7.37%	7.37%	8.18%	8.18%

The Company engaged expert third party valuers (CBRE) to update valuations for the property portfolio in response to the outbreak of the Novel Coronavirus (COVID-19) (as mentioned above) and it is noted that the following representative capitalisation rates and discount rates for those appraisals:

Region	Market Capitalisation Rate	Discount Rate
Westchester	8.00%	11.00%
Long Island	8.34%	8.36%

**Notes to the Financial Statements
for the half year ended 30 June 2020**

	Consolidated	
	30 Jun 2020	31 Dec 2019
	\$	\$

6. Interest Bearing Loans & Borrowings

Current

Borrowings	1,052,530	1,002,083
Amount owing to related party	185,836	175,726
Total Current	1,238,366	1,177,809

Non-Current

Amount owing to related party	134,917	125,914
Total Non-Current	134,917	125,914

On 15 November 2018, the Trust borrowed funds from an external party totalling AUD\$750,000. During the year ended 31 December 2019, additional funds of \$241,973 were borrowed from the external third party. Interest is charged at 12% of the daily loan balance. The loan was repayable on 15 November 2019. During the year ended 31 December 2019, the repayment date was extended to 1 July 2020. As at 30 June 2020, total loan funds of AUD\$991,973 and total interest payable of AUD\$60,557 is accrued (31 December 2019: loan funds of AUD\$991,973, total interest payable AUD\$10,110).

During the half-year ended 30 June 2020, RNY received funds totalling AUD\$10,110 from Aurora Funds Management Limited to fund working capital. No interest is payable on these funds.

Subsequent to year end, the two loan facilities relating to the balance of \$1,238,366 of principal and interest owing (note 6) were extended to mature on 30 November 2021. The outstanding balance was a current liability at 30 June 2020.

On 2 July 2018, RNY received US\$75,000 (AUD\$106,425) from the Aurora Property Buy-Write Income Trust. The principal and accrued interest is repayable on 2 July 2023. Interest is accrued on the daily balance of the loan at a rate of 12% p.a.

7. Preferred shares

Preferred shares	181,390	177,819
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To comply with US regulations relating to US REITs, on 31 January 2006 an additional 125 persons were allotted shares in the US REIT at US\$1,000 per share. The preferred shares are not convertible into shares of any other class or series. An annual coupon rate of 12.5% applies to these shares. In accordance with Australian accounting standards, the preferred stock has been classified as long-term debt and the amounts paid or payable to the preferred shareholders are included in interest expense.

8. Units on Issue

	Consolidated	
	30 Jun 2020	31 Dec 2019
	Units	Units
Ordinary Units		
(a) Movements in Ordinary units on issue		
Units on issue at beginning of the period – fully paid	263,413,889	263,413,889
Units on issue at the end of the period – fully paid	263,413,889	263,413,889

**Notes to the Financial Statements
for the half year ended 30 June 2020**

8. Units on Issue (continued)

	Consolidated	
	30 Jun 2020	31 Dec 2019
	\$	\$
(b) Movement in issued equity		
Issued equity at the beginning of the period	251,376,587	251,376,587
Issued equity at the end of the period	251,376,587	251,376,587

Each unit ranks equally with all other ordinary units for the purpose of distributions and on termination of the Trust. Ordinary units entitle the holder to one vote, either in person or by proxy, at a meeting of the Trust.

9. Reserves

Foreign currency translation reserve	1,815,513	2,156,501
	1,815,513	2,156,501

Movement in foreign currency translation reserve (i)

Balance at the beginning of the period	2,156,501	2,147,120
Gain/(loss) on translation of controlled foreign entities	(340,988)	9,381
Balance at end of the period	1,815,513	2,156,501

- (i) The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations.

10. Earnings per unit

	Consolidated	Consolidated
	30 Jun 2020	30 Jun 2019
	Cents	Cents
Basic and diluted earnings per unit	0.05	3.79

Earnings per unit are calculated by dividing the net loss attributable to unitholders for the period by the weighted average number of ordinary units on issue during the period. The weighted average number of units used in the calculation of earnings per unit is 263,413,889 (31 December 2019: 263,413,889).

11. Commitments and Contingencies

Commitments, contingent liabilities and impairment losses relating to the joint venture are detailed in Note 4(d). There are no other commitments, contingent liabilities or impairment losses existing at balance date.

Notes to the Financial Statements for the half year ended 30 June 2020

12. Segment reporting

The Group has identified its operating segment based on internal reports that are reviewed and used by the Board of Directors of the Responsible Entity (the chief operating decision makers) in assessing the performance and in determining the allocation of resources.

The Group's management has determined that RNY has one operating segment, represented by the investment in the US LLC.

RNY's income is derived from indirect investments in commercial office properties located outside Australia, held via the US LLC and from short-term deposits and money market securities which are held for and are incidental to those property investments. Except for cash deposits held in Australia, all such investments are located in the United States.

The performance measures used by management differ from those disclosed in the Statement of Comprehensive Income as certain adjustments are made to arrive at an adjusted net profit or loss which better facilitates the decision making of the chief operating decision makers.

Segment revenues are derived from a broad tenant base across the 5 operating properties owned by the US LLC.

13. Fair values

Management assessed the fair values of the Group's financial assets and liabilities are approximately equal to that of their carrying values.

14. Related Party Disclosures

(i) Investment in Controlled Entity and Joint Venture

The condensed consolidated financial statements include the financial statements of RNY and its subsidiary, the US REIT. The US REIT in turn holds an interest in the US LLC, a jointly controlled entity owning properties in the New York Tri State area. The Group's interest in the US LLC is accounted for using the equity method of accounting.

A summary of these investments is as follows. See Note 6 for further details.

Name	Country of Incorporation	Equity interest		Investment	
		2020 %	2019 %	30 Jun 2020 \$	31 Dec 2019 \$
RNY Australia LPT Corp ('US REIT')	United States	100	100		
At cost				252,529,331	252,529,331
Less: impairment ⁽ⁱ⁾				(238,271,831)	(238,390,910)
				14,257,500	14,138,421

(i) The Trust's investment in the US REIT has been adjusted in both the current and prior year to its net asset value which is the best estimate of its recoverable amount. At balance date an impairment provision exists which was decreased in the current half-year.

**Notes to the Financial Statements
for the half year ended 30 June 2020**

14. Related Party Disclosures (continued)

(ii) Responsible Entity & Associates

The Responsible Entity of the Trust is Huntley Management Limited ACN 089 240 513 ('Huntley') a company incorporated in Australia. Huntley was appointed as Responsible Entity on 2 July 2018.

On 29 October 2018, Huntley appointed Huntley Custodians Limited ACN 082 237 241 to act as Custodian of the Trust.

Throughout the reporting period Huntley and Huntley Custodians Limited were wholly owned subsidiaries of BRI Ferrier (NSW) Pty Ltd ACN 128 947 848. Since balance date, Huntley Management Limited and Huntley Custodians Limited have become wholly owned subsidiaries of Tangarr Pty Ltd ACN 001 925 695 and Tangarr Pty Ltd has become the immediate parent entity and ultimate parent entity.

Aurora Funds Management Limited ('Aurora') is the Responsible Entity of the Aurora Property Buy-Write Income Trust which holds 68.2% of the Trust's units. On 2 July 2018, Huntley appointed Aurora as the Investment Manager of RNY. Aurora Asset Management Corp, a company controlled by Aurora, was appointed as the manager of RNY's indirect investments in the US LLC.

(iii) Transactions with Related Parties

The following tables provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Related party	Interest owing (receivable) on related party loans AUD \$	Purchases from related parties AUD \$	Funds received from related parties AUD \$	Amounts owed by related parties AUD \$	Amounts owed to related parties AUD \$
<i>For the half-year ended 30 June 2020</i>					
<i>Consolidated</i>					
Huntley Management Ltd:					
- asset management fees	-	212,325	-	-	811,346
Huntley Custodians Ltd:					
- custodian fees	-	5,083	-	-	8,387
Loan from RNY to US LLC	(44,629)	-	-	681,452 ⁽ⁱⁱ⁾	-
Loan from US REIT to US LLC	(247,847) ⁽ⁱⁱ⁾	-	-	3,396,592 ⁽ⁱⁱ⁾	-
Loan from Aurora ⁽ⁱ⁾ to RNY	6,893	-	-	-	320,753
Funds from Aurora ⁽ⁱ⁾ to US REIT	-	-	-	-	22,674
<i>Parent</i>					
Huntley Management Ltd:					
- asset management fees	-	212,325	-	-	811,346
Huntley Custodians Ltd:					
- custodian fees	-	5,083	-	-	8,387
Loan from RNY to US LLC	(44,629)	-	-	681,452 ⁽ⁱⁱ⁾	-
Loan from Aurora ⁽ⁱ⁾ to RNY	6,893	-	-	-	320,753

**Notes to the Financial Statements
for the half year ended 30 June 2020**

14. Related Party Disclosures (continued)

(iii) Transactions with related parties (continued)

Related party	Interest owing (receivable) on related party loans AUD \$	Purchases from related parties AUD \$	Funds received from related parties AUD \$	Amounts owed by related parties AUD \$	Amounts owed to related parties AUD \$
<u>For the year ended 31 December 2019</u>					
<i>Consolidated</i>					
Huntley Management Ltd:					
- asset management fees	-	360,066	-	-	577,789
- expense reimbursement	-	-	-	-	320
Huntley Custodians Ltd:					
- custodian fees	-	10,042	-	-	-
Loan from RNY to US LLC	(101,589) ⁽ⁱⁱ⁾	-	-	648,988 ⁽ⁱⁱ⁾	-
Loan from US REIT to US LLC	(587,137) ⁽ⁱⁱ⁾	-	-	3,166,360 ⁽ⁱⁱ⁾	-
Loan from Aurora ⁽ⁱ⁾ to RNY	19,222	-	-	-	301,640
Funds from Aurora ⁽ⁱ⁾ to US REIT	-	-	-	-	22,227
<i>Parent</i>					
Huntley Management Ltd:					
- asset management fees	-	360,066	-	-	577,789
- expense reimbursement	-	-	-	-	320
Huntley Custodians Ltd:					
- custodian fees	-	10,042	-	-	-
Funds received by RNY from US LLC	-	-	150,000	-	-
Loan from RNY to US LLC	(101,589) ⁽ⁱⁱ⁾	-	-	648,988 ⁽ⁱⁱ⁾	-
Loan from Aurora ⁽ⁱ⁾ to RNY	19,222	-	-	-	301,640

(i) 'Aurora' includes Aurora Funds Management Limited and its related parties.

(ii) See Note 3. Other Financial Assets – Related Parties.

Terms and conditions of transactions with related parties

Unless otherwise stated, all transactions were made on normal commercial terms and conditions and at market rates. Interest is charged on loans between the parties at commercial rates. Please see Note 3. Other Financial Assets – Related Parties and Note 6. Interest Bearing Loans & Borrowings for terms and conditions of loans between related parties.

Outstanding balances at year-end are unsecured and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivables.

For the half-year ended 30 June 2020, the Group recognised additional expected credit losses of \$89,497 relating to amounts owed by related parties (year ended 31 December 2019: \$164,449).

Notes to the Financial Statements for the half year ended 30 June 2020

14. Related Party Disclosure (continued)

(iv) Responsible Entity fees and other transactions

Huntley was appointed as Responsible Entity on 2 July 2018. Also, as of such date, Huntley appointed Aurora Funds Management Limited ('Aurora') as the Investment Manager of the Trust. Under the Investment Management Agreement, Aurora is entitled to receive the Asset Management Fees payable to Huntley under the Trust Constitution and Huntley will receive \$100,000 p.a. (GST exclusive) plus expense reimbursement.

Aurora was entitled to receive Asset Management Fees of \$212,325 (GST exclusive) for the half-year ended 30 June 2020 (half-year ended 30 June 2019: \$163,240).

Huntley was entitled to receive \$45,594 (GST exclusive) to act as Responsible Entity for the half-year ended 30 June 2020 from Aurora under the Investment Management Agreement (half-year ended 30 June 2019: \$45,000).

Huntley Custodians Limited was entitled to receive custodian fees of \$5,083 (GST exclusive) for the half-year ended 30 June 2020 to act as custodian of the trust property from Huntley (half-year ended 30 June 2019: \$5,000).

In accordance with the Trust Constitution, the Responsible Entity is entitled to claim reimbursement for all expenses reasonably and properly incurred in connection with the Trust or in performing its obligations under the Constitution.

Loans to related parties

During the year ended 31 December 2018, the Trust lent funds to the US LLC totalling AUD\$750,000. Interest is charged at 12% of the daily loan balance. The loan is unsecured and was repayable on 15 November 2019. During the year ended 31 December 2019, the repayment date was extended to 1 July 2020. The maturity date of this loan has now been extended until 30 November 2020. As at 30 June 2020, total loan funds of AUD\$750,000 and total interest of AUD\$146,218 is receivable from the US LLC by the Trust (31 December 2019: loan funds of AUD\$750,000 and total interest of AUD\$101,589). Since balance date, the loan repayment date has been extended on similar terms and conditions until 30 November 2021

During the year ended 31 December 2018, the US REIT provided funds to US LLC totalling AUD\$6,094,678 at nil interest rate. The loan is unsecured and is repayable on 30 August 2023. The loan was adjusted to fair value on initial recognition using the effective interest rate of 12% p.a. with the difference reclassified to the carrying value of the investment in the US LLC. Interest of \$247,847 using the effective interest rate was recognised on the loan for the half-year ended 30 June 2020 (year ended 31 December 2019: \$447,065). As at 30 June 2020, total interest of \$846,771 using the effective interest rate had been recognised on the loan.

15. Subsequent Events

On 11 September 2020, Huntley announced that it intends to conduct a 1-for-1 non-renounceable entitlement offer to raise up to \$2.89 million at 1.1 cents per new unit ('Entitlement Offer'). The timetable for the Entitlement Offer will be determined following the closure of the Keybridge Offer.

On 6 October 2020, Huntley announced that the Amended and Restated Senior Loan Agreement (Loan Agreement) with its US lender, ACORE Capital (Lender), had been executed. Key terms of the new Loan Agreement include:

- a three year term – comprising an initial 6-month term with, subject to the Borrower providing 30 days notice to the Lender and other compliance conditions, one six-month extension and two 12-month extension terms following the initial term;
- interest only;
- an existing loan facility of US\$76.2 million, with US\$64.6 million having been drawn, leaving US\$11.6 million available for approved capital expenditures and leasing costs;
- a new mezzanine loan facility of US\$15.6 million to fund additional approved leasing costs and capital expenditures; and

**Notes to the Financial Statements
for the half year ended 30 June 2020**

15. Subsequent Events (continued)

RNY to complete the approved capital expenditure program in accordance with the timelines established

The Trust's loan to the US LLC which matured on 1 July 2020 has been extended until 30 November 2021.

Subsequent to year end, the two loan facilities relating to the balance of \$1,238,366 of principal and interest owing (note 6) were extended to mature on 30 November 2021. The outstanding balance was a current liability at 30 June 2020.

Since balance date, Huntley Management Limited and Huntley Custodians Limited have become wholly owned subsidiaries of Tangarr Pty Ltd ACN 001 925 695 and Tangarr Pty Ltd has become the immediate parent entity and ultimate parent entity.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Trust, the results of those operations, or the state of affairs of the Trust in future financial periods.

Directors Declaration

In accordance with a resolution of the directors of Huntley Management Limited, the Responsible Entity of RNY Property Trust, the Directors declare that:

- a) the interim financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2020 and the performance for the half year ended on that date; and
 - ii. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
- b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

On behalf of the Board of Huntley Management Limited ABN 52 089 240 513



JOHN H KNOX
Sydney

Date: 14 October 2020

Independent Auditor's Report

To the Members of RNY Property Trust

Report on the review of the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of RNY Property Trust (the Trust) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of RNY Property Trust does not give a true and fair view of the financial position of the Group as at 30 June 2020, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

Material uncertainty related to going concern

We draw attention to Note 2(b) in the financial report, which indicates that the Group's current liabilities exceeded its current assets by \$1,894,105. As stated in Note 2(b), these events or conditions, along with other matters, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Emphasis of Matter – Valuation uncertainty

We draw attention to Note 5 in the financial report, which indicates that the property valuation reports performed by the external valuer, CBRE, on each of the five properties owned by the Trust's equity accounted-for investment, RNY Australia Operating Company, contain market uncertainty clauses. Our conclusion is not modified in respect of this matter.

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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

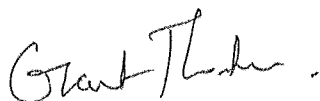
Auditor's responsibility

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 Group's financial position as at 30 June 2020 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 RNY Property Trust, 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Grant Thornton Audit Pty Ltd
Chartered Accountants



B A Mackenzie
Partner – Audit & Assurance

Melbourne, 14 October 2020