

31 August 2020

The Manager
Company Announcements
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

RNY Property Trust (ASX: RNY) – Appendix 4D & Extended Lodgement Deadline

Huntley Management Limited ('Huntley'), as responsible entity for RNY Property Trust ('RNY') lodges the attached Appendix 4D and Preliminary Financial Report (unreviewed) for the Half Year ended 30 June 2020.

RNY is relying upon ASIC Corporations (Extended Reporting and Lodgement Deadlines – Listed Entities) Instrument 2020/451 and the ASX class waiver from listing rule 4.2B extending the lodgement date for its auditor reviewed half year accounts.

RNY undertakes that it will immediately make a further announcement to the market if it becomes aware that there will be a material difference between the attached information and the auditor reviewed half year accounts.

This document has been authorised for release by the Company Secretary, Huntley Management Limited.

For further information:

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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 - 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.	Down 96% to \$393,713
Loss from ordinary activities after tax attributable to unitholders	Down 105% to loss \$452,524
Net profit/(loss) for the year attributable to unitholders	Down 105% to loss \$452,524

Net Tangible Asset Backing	Current Period	Previous Corresponding Period
Net tangible asset backing per unit	A\$0.046	A\$0.054

Distributions

Current Period	Amount Per Unit	Tax Deferred
Interim Distribution	Nil	N/A
Previous Corresponding Period:		
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 Preliminary Financial Report (unreviewed) for the Half Year ended 30 June 2020 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.

RNY Property Trust

ARSN 115 585 709

Preliminary Financial Report (unreviewed)

For the Half Year Ended 30 June 2020

RNY PROPERTY TRUST

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The following is based on the preliminary financial report (unreviewed) of the RNY Property Trust ('the Trust') and its controlled entity, together known as 'the Group', for the half year ended 30 June 2020.

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 loss attributable to the members of the Group for the half-year ended 30 June 2020 was \$69,835 (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. It is considered that this valuation plus capital improvements is appropriate as at 30 June 2020. 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, HHY Fund ARSN 112 579 129 ('the HHY Fund') announced that it was undertaking 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. The proceeds from the Entitlement Offer were to be used to provide debt financing to the Group.

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 (e)(ii) Going Concern.

On 29 June 2020, Keybridge Capital Limited 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 Takeover Bid'). The Board of Huntley is still considering its position in relation to the Keybridge Takeover Bid and will release a Target Statement in due course.

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. At this time, management is continuing to assess the impact of COVID-19 on the Group's consolidated financial position, consolidated results of operations and consolidated cash flows in fiscal 2020.

Likely developments and expected results of operations

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

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

Matters subsequent to the end of the financial period

As previously announced to the market, the Amended and Restated Senior Loan Agreement (Loan Agreement) with its US lender, ACORE Capital (Lender), has been extended until 4 September 2020 to facilitate the formal documentation for a longer dated loan modification. Aurora has been working with RNY's US financier, ACORE Capital, on a loan modification, which has been delayed in part by the impact of COVID-19.

The term of a loan facility to the Trust has expired and terms are yet to be renegotiated. The ability of the Trust to continue as a going concern will be significantly impacted adversely if the facility is not renewed or alternative financing sourced.

The Trust's loan to the US LLC also has matured with extended terms to be negotiated.

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.

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.

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).

**Statement of Comprehensive Income
for the half year ended 30 June 2020**

		Consolidated	
	Note	30 Jun 2020	30 Jun 2019
		\$	\$
<hr/>			
CONTINUING OPERATIONS			
Share of net profit of US LLC	4(b)	80,709	10,066,222
Total share of net profit from US LLC		80,709	10,066,222
Interest income		304,264	260,077
Other income		8,740	150,000
Total gain and other income		393,713	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/(loss) from continuing operations before tax expense		(69,835)	9,976,765
US withholding tax		-	-
<hr/>			
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS AFTER TAX		(69,835)	9,976,765
OTHER COMPREHENSIVE INCOME – RECYCLABLE			
Foreign currency translation difference (net of tax)		(382,689)	(14,812)
Other comprehensive loss for the period, net of tax		(382,689)	(14,812)
TOTAL COMPREHENSIVE GAIN/(LOSS) FOR THE PERIOD		(452,524)	9,961,953
<hr/>			
Basic and diluted earnings/(loss) per unit from continuing operations (cents)		(0.03)	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)	10,843,646	11,188,834
Total non-current assets		14,240,238	14,355,194
TOTAL ASSETS		14,974,107	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		12,029,826	12,482,350
Unitholders' Equity			
Units on Issue	8	251,376,587	251,376,587
Reserves	9	1,773,812	2,156,501
Accumulated deficit		(241,120,573)	(241,050,738)
TOTAL EQUITY		12,029,826	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		-	-	(382,689)	(382,689)
Loss for the year		-	(69,835)	-	(69,835)
Total comprehensive loss for the year, net of tax		-	(69,835)	(382,689)	(452,524)
Distributions		-	-	-	-
At 30 June 2020		251,376,587	(241,120,573)	1,773,812	12,029,826

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

This preliminary financial report of RNY Property Trust ('RNY' or 'the Trust') for the half-year ended 30 June 2020 has not been auditor reviewed.

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 (unreviewed) 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 (unreviewed) 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 (unreviewed) 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.

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, the 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. The amount of \$500,000 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.

The term of a loan facility to the Trust has expired and terms are yet to be renegotiated. The ability of the Trust to continue as a going concern will be significantly impacted adversely if the facility is not renewed or alternative financing sourced.

The US LLC has a debt facility that is due to mature on 4 September 2020 (extended from February 2020). All secured borrowings are non-recourse loans with exposure being limited to the properties pledged for each loan facility. The Responsible Entity is of the view that the US LLC will be able to refinance the expiring facility, however, in light of the COVID-19 pandemic, there can be no guarantee that this will happen. Management will seek to extend the loan with the lender or refinance the loan.

If the US LLC is not able to refinance the loan, then doubt may be cast over the US LLC's ability to pay cash distributions or repay liabilities due to the US REIT and RNY in order for RNY to realise its assets and discharge its liabilities in the ordinary course of business at the amounts stated in the financial report.

The Trust's loan to the US LLC also has matured with extended terms to be negotiated.

(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.

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

	Consolidated	
	30 Jun 2020	31 Dec 2019
	\$	\$
3. Other Financial Assets - Related Parties		
<i><u>Financial Assets at Amortised Cost:</u></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).

Non-Current

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 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.

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

Consolidated	
30 Jun 2020	31 Dec 2019
\$	\$

4. Investment in Joint Venture

Investment in joint venture

10,843,646	11,188,834
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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 67% of the Trust’s units (with a further 14% owned by other Aurora Funds).

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.

(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	80,709	8,714,354
Investment in joint venture entities	-	-
Effect of changes in exchange rates	(425,897)	28,873
Carrying amount at the end of the period	10,843,646	11,188,834

**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 (continued)

	Note	Consolidated	
		30 Jun 2020	31 Dec 2019
		\$	\$
<i>Balance Sheet of US LLC</i>		@ 100%	@ 100%
<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		1,838,488	821,414
		<u>6,784,515</u>	<u>6,060,250</u>
<u>Non-current assets</u>			
Investment properties	5	119,793,073	116,489,761
Other non-current assets		3,049,027	2,897,798
		<u>122,842,100</u>	<u>119,387,559</u>
Total Assets		<u>129,626,615</u>	<u>125,447,809</u>
 Current liabilities ⁽ⁱⁱ⁾		102,920,271	101,941,478
Non-current liabilities		12,552,788	8,884,468
Total Liabilities		<u>115,473,059</u>	<u>110,825,946</u>
 Equity in US LLC		<u>14,153,556</u>	<u>14,621,863</u>
 Proportion of the Group's ownership		75%	75%
Group's ownership share @ 75%		10,615,167	10,966,397
Additional investment by RNY ⁽ⁱⁱⁱ⁾		228,479	222,436
Carrying amount of the investment		<u>10,843,646</u>	<u>11,188,833</u>

- (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	964,463	16,319,419
Other income	307,005	427,913
Total revenue	11,609,738	25,995,780
Expenses		
Property expenses	(7,089,627)	(7,356,651)
Borrowing costs	(3,255,146)	(3,744,866)
Other expenses	(1,157,353)	(1,472,633)
Total expenses	(11,502,126)	(12,574,150)
Net profit of US LLC before income tax	107,612	13,421,630
Income tax expense	-	-
Net profit from continuing operations after income tax	107,612	13,421,630
Proportion of the Group's ownership:	75%	75%
Group's share of profit of US LLC for the half year	80,709	10,066,222
Group's share of other comprehensive gain for the year	-	-
Group's share of profit for the half year	80,709	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 \$ @ 100% 30 Jun 2020	US \$ @ 100% 31 Dec 2019	AUD \$ @ 100% 30 Jun 2020	AUD \$ @ 100% 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 tenancing costs.

(d) Commitments and Contingencies of Joint Venture

(i) Capital Commitments

As at 30 June 2020, the US LLC had commitments to complete landlord works under a tenant lease. The value of the works to be undertaken is to be confirmed (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
	\$	\$
	<i>@ 100%</i>	<i>@ 100%</i>
Investment properties – at fair value	119,793,073	116,489,761
Total Investment Properties	119,793,073	116,489,761
Proportion of the Group's ownership	75%	75%
Group's ownership share @ 75%	89,844,805	87,367,320
Investment properties held in equity accounted investments	89,844,805	87,367,320

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

**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 \$	Book Value At 31 Dec 19 @75% US \$		Fair Value At 30 Jun 20 @75% AUD \$	Book 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	5,321,992	5,179,042		7,722,826	7,367,478
6800 Jericho Turnpike, Long Island	6 Jan 06	Long Island	16,237,516	16,385,303		23,562,511	23,309,011
6900 Jericho Turnpike, Long Island	6 Jan 06	Long Island	9,328,064	9,300,000		13,536,099	13,229,771
580 White Plains Rd, Westchester County	6 Jan 06	Westchester	11,082,163	10,962,493		16,081,498	15,594,760
Total US LLC Investment Properties			61,914,302	61,415,732		89,844,805	87,367,320

- (i) CBRE performed appraisals for the five joint venture properties at 20 August 2019. The Responsible Entity determined that these valuations plus capital improvements were appropriate as at 31 December 2019 and 30 June 2020.

Representative market capitalisation rates and discount rates for each of the geographical regions in which the Group owns properties 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%

**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		
<i>Current</i>		
Borrowings	1,052,530	1,002,083
Amount owing to related party	185,836	175,726
Total Current	1,238,366	1,177,809
<i>Non-Current</i>		
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 is secured 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\$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.

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	1,773,812	2,156,501
	1,773,812	2,156,501
<i>Movement in foreign currency translation reserve (i)</i>		
Balance at the beginning of the period	2,156,501	2,147,120
Profit/(loss) on translation of controlled foreign entities	(382,689)	9,381
Balance at end of the period	1,773,812	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/(loss) per unit	(0.03)	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 4 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⁾				(238,502,387)	(238,390,910)
				14,026,944	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 increased 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 wholly owned subsidiary of BRI Ferrier (NSW) Pty Ltd ACN 128 947 848, 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. Huntley Custodians Limited is also a wholly owned subsidiary of BRI Ferrier (NSW) Pty Ltd.

Aurora Funds Management Limited ('Aurora') is the Responsible Entity of the Aurora Property Buy-Write Income Trust which holds 67% of the Trust's units (with a further 14% owned by other Aurora Funds). 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 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	-	-	-	-	22,227
<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 \$
<i>For the year ended 31 December 2019</i>					
<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 5. 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).

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. 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).

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

As previously announced to the market, the Amended and Restated Senior Loan Agreement (Loan Agreement) with its US lender, ACORE Capital (Lender), has been extended until 4 September 2020 to facilitate the formal documentation for a longer dated loan modification. Aurora has been working with RNY's US financier, ACORE Capital, on a loan modification, which has been delayed in part by the impact of COVID-19.

The term of a loan facility to the Trust has expired and terms are yet to be renegotiated. The ability of the Trust to continue as a going concern will be significantly impacted adversely if the facility is not renewed or alternative financing sourced.

The Trust's loan to the US LLC also has matured with extended terms to be negotiated.

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.