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www.bwptrust.com.au

11 August 2011

The Manager
Company Announcements Office
ASX Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir

Results for the full year ended 30 June 2011

In accordance with ASX Listing Rule 4.3A, the following documents are attached for release to the market:

> Appendix 4E – full-year results to 30 June 2011;

> Full-year results announcement; and

> Financial statements for the year ended 30 June 2011 extracted from the annual report, which will be released separately today.

K A Lange
Company Secretary

BWP TRUST
ARSN 088 581 097

APPENDIX 4E
Financial year ended 30 JUNE 2011

Results for announcement to the market

		Full-year to 30 June 11	Full-year to 30 June 10	Variance (%)
Revenue from ordinary activities	($000)	85,273	78,538	8.6
Net profit before unrealised items	($000)	56,169	50,410	11.4
Unrealised items – gain in fair value of investment properties	($000)	25,328	41,772	(39.4)
Net profit from ordinary activities attributable to unitholders	($000)	81,497	92,182	(11.6)
Net tangible assets per unit	($)	1.90	1.88	1.1

Commentary on the results for the year

The commentary on the results for the year is contained in the ASX release dated 11 August 2011 accompanying this statement.

Audit

This report is based on accounts that have been audited.

Distributions

Interim distribution paid	($000)	26,391	25,268	4.4
Final distribution payable	($000)	30,161	25,159	19.9
Interim distribution per unit	cents	6.18	6.10	1.3
Final distribution per unit	cents	5.80	5.98	(3.0)

Record date for determining entitlements to the final distribution	30 June 2011
Payment date for final distribution	26 August 2011

The Distribution Reinvestment Plan ("DRP") applied for the interim distribution for the year ended 30 June 2011, but was suspended for the final distribution in view of the uncertainty and volatility being experienced in the Australian equity markets and the prevailing market price of BWP Trust units.

Unitholders who had elected to participate in the DRP for the final distribution will receive a cash distribution instead.

This report should be read in conjunction with the annual financial report of the Trust and any announcements made in the period by or on behalf of the Trust in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the ASX Listing Rules.

bwp TRUST

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ASX release

11 August 2011

FULL-YEAR RESULTS TO 30 JUNE 2011

The directors of BWP Management Limited, the responsible entity for the BWP Trust, today announced the results of the Trust for the financial year to 30 June 2011.

Highlights

> Income of $85.3 million for the year – up 8.6 per cent on the previous year

> Distributable profit of $56.6 million for the year – up 12.2 per cent on the previous year

> Full-year distribution of 11.98 cents per unit – down 0.8 per cent on the previous year

> Market rent reviews on 5 properties completed during the year - average 13.7 per cent increase in annual rent

> Full-year net revaluation gain of $25.3 million in the fair value of investment properties

> Acquisition of 11 Bunnings Warehouse properties and agreement to acquire an additional 3

> Net Tangible Assets of $1.90 per unit at 30 June 2011 (2010: $1.88 per unit)

> Weighted Average Lease Expiry of 8.6 years at 30 June 2011 (2010: 9.3 years)

> Gearing (debt/total assets) 17.0 per cent at 30 June 2011 (2010: 18.8 per cent)
Covenant gearing (debt + non-current liabilities/total assets) 17.1 per cent (2010: 19.3 per cent)

Financial results

Total income for the full-year to 30 June 2011 was $85.3 million, up by 8.6 per cent from last year. The increase in income was due predominantly to increases in rental and other property income. Rental income increased as a result of acquisitions and developments completed during the year (contributing an additional $3.4 million, approximately) and from rent reviews and other property income (adding approximately $2.7 million during the year). Interest income increased by approximately $0.6 million.

Finance costs of $19.1 million were in line with last year. While the average level of debt was 2.0 per cent lower at $194.2 million compared with $198.2 million for 2010, bank fees and margins were approximately 5.2 per cent higher as a result of repricing taking effect during or since the previous year. The weighted average cost of net borrowings (finance costs less finance income/average borrowings) was 9.23 per cent, compared with 9.40 per cent for the previous year.

Distributable profit for the year was $56.6 million, an increase of 12.2 per cent on the distributable profit last year. Distributable profit for the year ended 30 June 2011 excludes the unrealised net gain of $25.3 million on the revaluations of the fair value of the portfolio at 30 June 2011, but includes a capital distribution of $0.4 million on the sale of one of the Trust's industrial properties.

The management expense ratio for the year ended 30 June 2011 (expenses other than property outgoings and borrowing costs as a percentage of average total assets) was 0.72 per cent, slightly higher than the previous year's (2010: 0.69 per cent) due to one-off costs associated with the acquisition of a portfolio of properties announced in February 2011.

As at 30 June 2011 the Trust's total assets were $1,242.1 million (2010: $1,026.4 million), with unitholders' equity of $986.3 million and total liabilities of $255.8 million. Investment properties made up the majority of total assets, comprising $1,225.9 million (2010: $1,000.1 million).

The underlying net tangible asset backing of the Trust's units ("NTA") at 30 June 2011 was $1.90 per unit, a decrease of 3.1 per cent from $1.96 per unit at 31 December 2010 (30 June 2010: $1.88 per unit). The decrease in NTA over the six months to 30 June 2011 is mainly due to the increase in the number of units on issue in March 2011, following the $150 million entitlement offer.

The Trust's gearing ratio (debt to total assets) at 30 June 2011 was 17.0 per cent (2010: 18.8 per cent), slightly below the board's preferred range of 20 to 30 per cent. Covenant gearing (debt and non-current liabilities to total assets) was 17.1 per cent (2010: 19.3 per cent). The interest cover ratio (earnings before interest and tax/ interest expense) was 4.1 times (2010: 3.7 times).

Distribution to unitholders

The Trust maintains its policy of paying out 100 per cent of distributable profit each period. A final distribution of 5.80 cents per ordinary unit has been declared and will be made on 26 August 2011 to unitholders on the Trust's register at 5.00 pm on 30 June 2011.

The final distribution takes the total distribution for the year to 11.98 cents per unit, a 0.8 per cent decrease on last year. The tax advantaged component of the distribution is 22.60 per cent.

In view of the uncertainty and volatility being experienced in the Australian equity markets and the prevailing market price of BWP Trust units, the board resolved in August 2011 to suspend the Trust's Distribution Reinvestment Plan ("DRP") in respect of the final distribution. Unitholders who had elected to participate in the DRP for the final distribution will instead receive a cash distribution paid by cheque or direct credit according to the most recent payment instructions for the respective unitholding.

Capital management

The proceeds of the $150 million entitlement offer raised in March 2011 were used to fund the first tranche of Bunnings Warehouse properties acquired by the Trust as part of a portfolio of 13 properties that the Trust has agreed to acquire from and lease back to Bunnings Group Limited ("Bunnings").

The balance of the portfolio acquisition (comprising three properties and completion of development work) totalling approximately $80.2 million will be funded from debt facilities. Details of the Trust's current debt facilities are provided below.

Bank facilities as at 30 June 2011	Limit $m	Amount drawn[1] $m	Expiry date
Australia and New Zealand Banking Group Limited	100.0	36.9	31 July 2013
Commonwealth Bank of Australia	100.0	49.9	14 January 2014
Westpac Banking Corporation	80.0	75.0	2 November 2013
National Australia Bank Limited	50.0	50.0	31 March 2014
	330.0	**211.8**	

[1] amount drawn includes accrued interest of $1.0 million as at 30 June 2011

During the year, the Trust extended or agreed to extend three of the four bank facilities, taking the weighted average duration of the Trust's debt facilities to 2.4 years from 30 June 2011 to expiry.

During the year, 11,062,561 new units were issued under the DRP in respect of the interim distribution for the year ended 30 June 2011 and the final distribution for the previous year.

At 30 June 2011, the Trust's hedging cover was 85.0 per cent of borrowings, with $180.0 million interest rate swaps against interest bearing debt of $211.8 million. The weighted average term to maturity of hedging was 3.34 years, including delayed start swaps.

Capital expenditure

The following table summarises capital expenditure during the year. Details are provided in following sections.

	$m
Acquisitions	
Portfolio acquired from Bunnings (10 of 13 properties)	170.9
Bunnings Warehouse, Port Melbourne, Vic	25.4
Land adjoining Minchinbury Bunnings Warehouse, NSW	4.3
	200.6
Developments	
Bunnings Warehouse, Broadmeadows, Vic	5.9
	5.9
Other expenditure	
Tenancy reconfiguration, Blackburn, Vic	0.2
Miscellaneous non-income producing	1.2
	1.4
Subtotal	**207.9**
Divestments	
Industrial facility, Canning Vale, WA	(7.5)
Total	**200.4**

Property acquisitions / divestments

Portfolio acquisition of 10 properties from Bunnings

In March 2011, unitholders approved a proposal to acquire from Bunnings and lease back a portfolio of ten operational Bunnings Warehouses and three properties on which Bunnings will develop Bunnings Warehouses for the Trust.

As at 30 June 2011, the Trust had settled 10 of the 13 properties. The Dubbo property settled on 5 August 2011 and the Craigieburn Bunnings Warehouse in Victoria is expected to settle in October 2011, following subdivision approval. The acquisition of one of the development sites, at Wallsend, New South Wales, is conditional on Bunnings exercising its option to acquire the land from a third party, consequent on the issue of appropriate planning approval.

Bunnings Warehouse, Port Melbourne, Victoria

In December 2010, the Trust purchased an established Bunnings Warehouse in the Melbourne suburb of Port Melbourne, Victoria. The property was acquired from an institutional owner for $25.4 million (including acquisition costs). The 3.0 hectare property is situated on the corner of Williamstown Road and Bertie and Bridge Streets in Port Melbourne, approximately 2.5 kilometres south-west of the Melbourne central business district. The building comprises a total retail and office area of 13,846 square metres with approximately 327 car parking spaces.

The property is leased to Bunnings, with an initial term expiring in March 2020 and four options, exercisable by the tenant, for a further five years each. The rent is reviewed annually to the CPI and subject to a market review in March 2013 and at the exercise of each option. Market reviews are subject to a 10 per cent cap and a 5 per cent collar; ensuring that the revised rent may be no greater than 110 per cent, nor less than 95 per cent, of the rent in the preceding year.

Land adjoining Bunnings Warehouse, Minchinbury, New South Wales

In May 2011, the Trust acquired a vacant site adjoining the Trust's Bunnings Warehouse in the suburb of Minchinbury, approximately 35 kilometres west of the Sydney central business district.

The 0.5 hectare vacant site was purchased for $4.3 million (including acquisition costs) and allows for future expansion of the adjoining Bunnings Warehouse. Bunnings pays the Trust an access fee of eight per cent per annum on the Trust's total capital outlay until the adjoining Bunnings Warehouse is expanded over the vacant site. The acquisition increases the Trust's land holding at the location from 3.1 to 3.6 hectares. Details of the proposed expansion of the Bunnings Warehouse are yet to be finalised.

Industrial property, Canning Vale, Western Australia

In October 2010, the Trust sold its Canning Vale industrial facility, vacated by J Blackwood and Son Pty Ltd in February 2010. Selling the property was considered a better outcome for the Trust than re-leasing and the sale price of $7.5 million realised a modest capital appreciation, resulting in a distribution to unitholders of 0.09 of a cent per unit as part of the interim distribution for the half-year ended 31 December 2010.

Developments and upgrades

Completion of upgrade of Bunnings Warehouse Broadmeadows, Victoria

In December 2010, a $5.9 million upgrade of the Trust's Broadmeadows Bunnings Warehouse was completed by Bunnings for the Trust. The upgrade extended the fully-enclosed covered area by 3,824 square metres. The annual rental increased by approximately $472,000 to $1,627,000 per annum.

Following completion of the upgrade, the parties entered into a new ten year lease of the Bunnings Warehouse with one ten year option, exercisable by the tenant. The rent will be reviewed to market every five years and by the CPI in all other years. All other terms and conditions of the existing lease will remain the same.

Commencement of upgrade of Bunnings Warehouse Scoresby, Victoria

In May 2011, Bunnings, on behalf of the Trust, commenced an upgrade of the Trust's existing Bunnings Warehouse in Scoresby, Victoria. The upgrade, utilising the existing yard and nursery area, will increase the fully-enclosed covered area by 2,080 square metres and is estimated to cost $6.3 million.

The existing annual rental of $1,190,000 will increase to $1,784,000 per annum following completion of the upgrade, expected in January 2012, which incorporates a CPI based adjustment that would have occurred at the September 2011 rent review.

On completion of the upgrade, the parties will enter into a new ten year lease of the Bunnings Warehouse with two five year options, exercisable by the tenant. The rent will be reviewed to market every five years and by the CPI in all other years. The rent at each market rent review is to be no less than the rent in the preceding year. All other terms and conditions of the existing lease will remain the same.

Commitment to upgrade Bunnings Warehouse Rocklea, Queensland

In February 2011, the Trust committed to upgrade its Bunnings Warehouse at Rocklea, Queensland, with an estimated cost of $3.8 million. The upgrade, utilising the existing yard and nursery area, will increase the fully-enclosed covered area by 3,531 square metres. The existing annual rental of $1,477,000 will increase to $1,865,000 per annum following completion of the upgrade, expected in June 2012, which incorporates a CPI based adjustment that would have occurred at the October 2011 rent review.

On completion of the upgrade, the parties will enter into a new ten year lease of the Bunnings Warehouse with one ten year option, exercisable by the tenant. The rent will be reviewed to market every five years and by the CPI in all other years. There are no caps or collars restricting the outcome of each market rent review, other than the first market rent review, where the rent is to be no less than the rent in the preceding year. All other terms and conditions of the existing lease will remain the same.

Commitment to upgrade Bunnings Warehouse Fyshwick, Australian Capital Territory

During the year, the Trust committed to upgrade its Bunnings Warehouse at Fyshwick, Australian Capital Territory, with an estimated cost of $15.0 million. The upgrade, utilising the 1.0 hectare site adjoining the Bunnings Warehouse acquired by the Trust in December 2005, will increase the fully-enclosed covered area by 4,642 square metres and is expected to be completed in the latter half of the 2012 calendar year.

On completion of the upgrade, the parties will enter into a new 12 year lease of the Bunnings Warehouse with four, five year options, exercisable by the tenant.

Leases extended at multi-tenanted industrial property, Blackburn, Victoria

During the year, Sleepmaster Pty Ltd ("Sleepmaster") surrendered approximately 2,559 square metres of its 12,640 square metre tenancy at the Blackburn multi-tenanted industrial property. The adjoining tenant, Gainsborough Hardware Industries Limited ("Gainsborough") leased the area surrendered by Sleepmaster and now occupies an area of 9,068 square metres. The works required to reconfigure the tenancies were completed in March 2011 at a cost of approximately $0.2 million.

Following the completion of the works, Sleepmaster exercised its five year option commencing on 1 April 2012 for its reduced tenancy of 10,081 square metres. The Trust and Gainsborough entered into a new lease commencing in March 2011 for a term of eight years with one five year option, exercisable by the tenant. As at 30 June 2011, the property has a weighted average lease expiry of 6.5 years (1.7 years at 30 June 2010).

Other improvements

Approximately $1.2 million was spent on various other non-income producing improvements to the portfolio during the year.

Work in progress of approximately $1.4 million relating to roof access and safety improvements to 34 properties was incurred during the year. We expect to complete these improvements in the 2011 calendar year.

Rent reviews

The rent payable for each leased property is increased annually, either by a fixed percentage or by the CPI, except when a property is due for a market review. Market reviews occur for most of the Trust's Bunnings Warehouses every five years from the date of the commencement of the lease. The market rental is determined according to generally accepted rent review criteria, based on rents paid at comparable properties in the market.

During the year, 60 leases in the portfolio had annual fixed or CPI increases, resulting in an average increase of 2.9 per cent in the annual rent for these properties.

Market rent reviews were completed on five properties during the year. The results of these market rent reviews are shown in the following table.

Property location	Passing rent ($ pa)	Market review ($ pa)	Uplift (%)	Effective date
Mile End, SA[1]	1,411,052	1,845,000	+30.8	22 Mar 10
Morley, WA	1,015,777	1,168,142	+15.0	3 Jul 10
Northland, Vic	1,452,546	1,628,000	+12.1	19 Aug 10
Rockingham, WA	1,261,993	1,475,000	+16.9	16 Aug 10
Vermont South, Vic	1,959,187	1,959,187	-	15 Aug 10
Weighted average (%)			**+13.7**	

1 excludes amortised rent not subject to review.

2 Morley, Rockingham and Vermont South were negotiated between the Trust and the tenant; Mile End and Northland were determined by independent valuers.

Revaluations

The entire Trust portfolio was revalued at 31 December 2010 and again at 30 June 2011, including 15 property revaluations performed by independent valuers (6 at 31 December 2010 and 9 at 30 June 2011). Properties not independently revalued at each balance date are subject to internal valuations, with an independent valuer reviewing the methodology adopted.

The value of the portfolio increased by $225.8 million to $1,225.9 million during the year following: capital expenditure of $207.9 million; the sale of the Canning Vale industrial property for net sale proceeds of $7.4 million; and a net revaluation gain of $25.3 million during the year.

The net revaluation gain was due to rental growth from rent reviews and incorporates the write-off of acquisition costs from all property acquisitions during the year. The Trust's weighted average capitalisation rate for the portfolio at 30 June 2011 was 7.65 per cent (December 2010: 7.62 per cent and June 2010: 7.65 per cent). Details of the fair value of investment properties are disclosed in Note 9 of the notes to the financial statements.

Outlook

The Trust's rental income has increased substantially following the acquisition of 11 Bunnings Warehouse properties during the year. Rent reviews of the Trust's existing properties are also expected to bolster earnings, with seven Bunnings Warehouses scheduled for five-yearly market reviews and one non-Bunnings tenancy due for a market review in the year ending 30 June 2012 and the balance of the portfolio being subject to fixed rate or consumer price index increases. Upgrades of existing properties will also contribute to earnings growth, with capital commitments to upgrade three Bunnings Warehouses, totalling approximately $25 million over the next 12 to 18 months.

Following the capital raising during the year to fund the initial properties acquired as part of a portfolio of Bunnings Warehouses properties, the Trust's gearing remains relatively low, providing capacity to debt fund the approximate $80.8 million in committed capital expenditure to complete the balance of the portfolio acquisition, as well as the upgrades of existing properties over the next 12 to 18 months. Further acquisitions of appropriately priced quality assets, including non-Bunnings Warehouse properties offering accretive yields, will be considered selectively.

The cost of borrowings is expected to improve, as a result of lower bank margins and fees following refinancing and the effect of higher levels of borrowings over the next 12 to 18 months. The increase in borrowings allows for more efficient use of existing bank facilities by utilising more of the undrawn capacity. Increased borrowings will also provide a larger component of floating rate interest, which is currently at lower rates than the Trust's current average fixed interest rates under hedging arrangements. The fixed rate of interest under hedging will also reduce over the short-to-medium term.

As a result of the improvements in the Trust's borrowings referred to above, based on current estimates and assumptions the weighted average cost of net borrowings is expected to reduce from 9.2 per cent for the year ended 30 June 2011 to approximately 8.3 – 8.4 per cent for the year ending 30 June 2012. The responsible entity continues to assess options for further improving the efficiency, diversity and duration of debt funding.

Based on current estimates and assumptions, including committed capital expenditure, the responsible entity maintains the guidance provided in February 2011 of a forecast distribution of 13.3 cents per unit for the year ending 30 June 2012.

Further information

The BWP Trust internet site, www.bwptrust.com.au is a useful source of information for investors and unitholders. It includes details of the Trust's property portfolio, current activities and future prospects.

The site provides access to annual and half-year reports and also contains releases made to the Australian Securities Exchange covering matters of relevance to investors.

For further information please contact:

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An investor briefing and question and answer teleconference call will be held on **Thursday 11 August 2011** at **2.00pm AWST** (4.00pm AEST).

Dial **1800 500 931** from within Australia or +613 9221 4420 from outside Australia.
Ask to join the BWP **Full-Year Results Investor Presentation** (conference ID number **248363**).

(An investor briefing presentation will be released separately).

Financial statements

Statement of Comprehensive Income

For the year ended 30 June 2011

	Note	June 2011 $000	June 2010 $000
Rental income		**81,875**	76,619
Other property income		**2,236**	1,406
Finance income	3	**1,162**	513
Total revenue		**85,273**	78,538
Finance costs	3	**(19,094)**	(19,144)
Responsible entity's fees	4	**(6,048)**	(5,543)
Other operating expenses		**(3,962)**	(3,441)
Net profit before unrealised gain in fair value of investment properties		**56,169**	50,410
Unrealised gain in fair value of investment properties	9	**25,328**	41,772
Net profit attributable to unitholders of BWP Trust		**81,497**	92,182
Other comprehensive income/(loss)			
Effective portion of changes in fair value of cash flow hedges	3	**2,638**	(81)
Total comprehensive income for the period attributable to the unitholders of BWP Trust		**84,135**	92,101
Basic and diluted earnings (cents per unit) resulting from net profit	6	**17.97**	22.18

The statement of comprehensive income should be read in conjunction with the accompanying notes

Distribution Reconciliation and Statement

For the year ended 30 June 2011

	June 2011 $000	June 2010 $000
DISTRIBUTION RECONCILIATION		
Net profit attributable to unitholders of BWP Trust	**81,497**	92,182
Net realised profit on sale of investment property[1]	**376**	-
Net unrealised profit in fair value of investment properties	**(25,328)**	(41,772)
Distributable profit for the year	**56,545**	50,410
Opening undistributed profit	**16**	33
Closing undistributed profit	**(9)**	(16)
Distributable amount	**56,552**	50,427
Distribution (cents per unit)	**11.98**	12.08
DISTRIBUTION STATEMENT		
Net profit attributable to unitholders of BWP Trust	**81,497**	92,182
Undistributed income at the beginning of the financial year	**289,371**	247,616
Distributions paid or payable	**(56,552)**	(50,427)
Undistributed income at the end of the financial year	**314,316**	289,371

[1] Net sale proceeds less original purchase price and capital expenditure since acquisition

Statement of Financial Position

As at 30 June 2011

	Note	June 2011 $000	June 2010 $000
ASSETS			
Current assets			
Cash	7	**8,942**	21,687
Receivables and prepayments	8	**5,623**	3,259
Total current assets		**14,565**	24,946
Non-current assets			
Other receivables	8	**850**	850
Investment properties	9	**1,225,881**	1,000,111
Derivative financial instruments		**833**	487
Total non-current assets		**1,227,564**	1,001,448
Total assets		**1,242,129**	1,026,394
LIABILITIES			
Current liabilities			
Payables and deferred income	10	**12,664**	10,531
Derivative financial instruments		**378**	203
Distribution payable	5	**30,161**	25,159
Total current liabilities		**43,203**	35,893
Non-current liabilities			
Interest-bearing loans and borrowings	11	**210,844**	193,474
Derivative financial instruments		**1,763**	4,230
Total non-current liabilities		**212,607**	197,704
Total liabilities		**255,810**	233,597
Net assets		**986,319**	792,797
Unitholders' equity			
Issued capital	12	**673,311**	507,372
Reserves	13	**(1,308)**	(3,946)
Undistributed income		**314,316**	289,371
Total unitholders' equity		**986,319**	792,797
Net tangible asset backing per unit[1]		**$1.90**	$1.88

[1] Total net assets divided by the number of units on issue as at 30 June

The statement of financial position should be read in conjunction with the accompanying notes

Statement of Cash Flows

For the year ended 30 June 2011

	Note	June 2011 $000	June 2010 $000
Cash flows from operating activities			
Rent received		**96,964**	86,781
Payments to suppliers		**(14,011)**	(14,197)
Payments to the responsible entity		**(5,887)**	(5,515)
Finance income		**1,162**	513
Finance costs		**(19,118)**	(19,254)
Net cash flows from operating activities	14	**59,110**	48,328
Cash flows from investing activities			
Proceeds from the sale of an investment property		**7,408**	-
Payments for purchase of, and additions to, investment properties		**(211,005)**	(5,780)
Net cash flows used in investing activities		**(203,597)**	(5,780)
Cash flows from financing activities			
Proceeds/(repayments) of borrowings		**17,370**	(32,463)
Proceeds from issue of units via pro-rata entitlement offer		**150,005**	-
Expenses incurred in pro-rata entitlement offer		**(3,647)**	67
Distributions paid		**(31,986)**	(27,186)
Net cash flows from/(used in) financing activities		**131,742**	(59,582)
Net decrease in cash		**(12,745)**	(17,034)
Cash at the beginning of the financial year		**21,687**	38,721
Cash at the end of the financial year	7	**8,942**	21,687

The statement of cash flows should be read in conjunction with the accompanying notes

Statement of Changes in Equity

For the year ended 30 June 2011

	Issued capital $000	Undistributed income $000	Hedge reserve $000	Total $000
Balance at 1 July 2009	489,273	247,616	(3,865)	733,024
Total comprehensive income for the year attributable to the unitholders of BWP Trust				
Net profit attributable to unitholders of BWP Trust	-	92,182	-	92,182
Other comprehensive loss: effective portion of changes in fair value of cashflow hedges	-	-	(81)	(81)
Transactions with unitholders recorded directly in equity				
Distributions to unitholders	-	(50,427)	-	(50,427)
Equity issued during the year:				
Distribution Reinvestment Plan	18,032	-	-	18,032
Expenses incurred in pro-rata entitlement offer	67	-	-	67
Balance at 30 June 2010	**507,372**	**289,371**	**(3,946)**	**792,797**
Balance at 1 July 2010	507,372	289,371	(3,946)	792,797
Total comprehensive income for the year attributable to the unitholders of BWP Trust				
Net profit attributable to unitholders of BWP Trust	-	81,497	-	81,497
Other comprehensive income: effective portion of changes in fair value of cashflow hedges	-	-	2,638	2,638
Transactions with unitholders recorded directly in equity				
Distributions to unitholders	-	(56,552)	-	(56,552)
Equity issued during the year:				
Pro-rata entitlement offer	150,005	-	-	150,005
Distribution Reinvestment Plan	19,581	-	-	19,581
Expenses incurred in pro-rata entitlement offer	(3,647)	-	-	(3,647)
Balance at 30 June 2011	**673,311**	**314,316**	**(1,308)**	**986,319**

The statement of changes in equity should be read in conjunction with the accompanying notes

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with the requirements of the Constitution of BWP Trust (the Trust) and Australian Accounting Standards. The financial statements have been prepared on an historical cost basis, except for investment properties and derivative financial instruments, which have been measured at their fair value.

The financial statements are presented in Australian dollars, which is the Trust's functional currency and all values are rounded to the nearest thousand dollars ($000) under the option available to the Trust under ASIC Class Order 98/100, unless otherwise stated.

(b) Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board and the Corporations Act 2001. The financial statements of the Trust comply with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

The Trust has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for financial reporting periods beginning on or before 1 July 2010. The adoption of these standards has given rise to additional disclosure but did not have a material effect on the financial statements of the Trust.

A number of new standards, amendments to standards and interpretations are available for early adoption but have not been applied in preparing these financial statements. The potential impact of the new standards, amendments to standards and interpretations has been considered and they are not expected to have a significant effect on the financial statements.

(c) Significant judgements and estimates

In applying the Trust's accounting policies management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations about future events that may have an impact on the Trust. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgements, estimates and assumptions. Significant judgements, estimates and assumptions made by management in the preparation of these financial statements are outlined below.

Investment properties – operating leases

The Trust has entered into commercial property leases on its investment portfolio.

The Trust has determined that it retains all the significant risks and rewards of ownership of these properties and has thus classified the leases as operating leases (see Notes 1(e), 1(n), and 9(c)).

Investment properties – valuations

Investment properties are revalued each balance date to reflect their fair value according to the Trust's policy on valuing assets and applying generally accepted valuation criteria, methodology and assumptions (see Notes 1(e) and 9(a)).

Financial instruments - valuations

The fair value of interest rate swap contracts is determined by reference to market values for similar instruments (see Note 1(m)).

Notes to the Financial Statements

For the year ended 30 June 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Finance costs

Finance costs are recognised as an expense when incurred, with the exception of interest charges on funds invested in properties with substantial development and construction phases, which are capitalised to the property until such times as the construction work is complete.

The capitalisation rate used to determine the amount of finance costs to be capitalised is the weighted average interest rate applicable to the Trust's outstanding borrowings during the year.

(e) Investment properties

Initially, investment properties are measured at cost including transaction costs. Expenditure capitalised to properties includes the cost of acquisition, capital and refurbishment additions, and during development includes rates, taxes, financing charges and related professional fees incurred, net of sundry income. Subsequent to initial recognition investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in the statement of comprehensive income in the year in which they arise.

Where assets have been revalued, the potential effect of the capital gains tax (CGT) on disposal has not been taken into account in the determination of the revalued carrying amount. The Trust does not expect to be ultimately liable for CGT in respect of the sale of assets as all realised gains would be distributed to unitholders.

(f) Cash

Cash in the statement of financial position, and for the purposes of the statement of cash flows, comprises cash at bank and short term deposits.

(g) Interest-bearing loans and borrowings

All interest-bearing loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are interest-bearing are included as part of the carrying amount of loans and borrowings.

Borrowings are classified as non-current liabilities if the Trust has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

(h) Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are included in the statement of comprehensive income.

(i) Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not these have been billed to the Trust. These liabilities are normally settled on 30 day terms except for the responsible entity's fees payable, which are settled quarterly in arrears, and retention monies withheld on construction projects which are settled according to the terms of the construction contracts.

(j) Distribution payable

Each reporting period the directors of the responsible entity are required to determine the distribution entitlement of the unitholders in respect of the period. Any amounts so determined but not paid by the end of the period, are recorded as a liability.

(k) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

The following specific measurement criteria must also be met before revenue is recognised:

Rental and other property income

Rental and other property income is recognised on a straight-line basis over the lease term.

Interest income

Revenue is recognised as the interest accrues, using the effective interest method.

(l) Taxation

Income Tax

Under current Australian income tax legislation, the Trust is not liable for income tax, provided that its taxable income (including any realised capital gains) is fully distributed to unitholders each year.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from or payable to the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(m) Derivative financial instruments

The Trust enters into derivative financial instruments in the form of interest rate swap agreements, which are used to convert the variable interest rate of its borrowings to fixed interest rates. For the purpose of hedge accounting, these hedges are classified as cash flow hedges. The swaps are entered into with the objective of reducing the risk associated with interest rate fluctuations.

Derivative financial instruments are stated at fair value. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and any ineffective portion is considered a finance cost and is recognised in net profit or loss in the statement of comprehensive income. The cumulative gain or loss previously recognised in other comprehensive income and presented in the hedging reserve in equity remains there until the forecast transaction affects profit or loss, at which point it is transferred to net profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively.

The Trust manages its financial derivatives (interest rate swaps) to ensure they meet the requirements of a cash flow hedge.

(n) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreements so as to reflect the risks and benefits incidental to ownership.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Leases (continued)

Operating leases

The minimum rental revenues of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased items, are included in the determination of the net profit in equal instalments over the lease term.

Leasing fees incurred in relation to the on-going renewal of major tenancies are deferred and amortised over the lease period to which they relate.

Lease incentives, which may take the form of up-front payments, contributions to certain lessees' costs, relocation costs and fit-outs and improvements, are recognised on a straight-line basis over the lease term as a reduction of rental income.

(o) Units on issue

Units on issue are recognised at the fair value of the consideration received by the Trust. Any transaction costs arising on the issue of ordinary units are recognised directly in equity as a reduction of the unit proceeds received.

The Trust operates a Distribution Reinvestment Plan (DRP). An issue of units under the DRP results in an increase in issued capital.

(p) Earnings per unit

Basic earnings per unit is calculated as net profit attributable to unitholders divided by the weighted average number of units.

The diluted earnings per unit is equal to the basic earnings per unit.

(q) Segment Reporting

The Trust determines and presents operating segments based on the internal information that is provided to the General Manager, who is the Trust's chief operating decision maker.

The Trust operates wholly within Australia and derives rental income from investments in commercial property of which 95.3 per cent of this income is derived from one tenant and as such this is considered to be the only segment in which the Trust is engaged. Refer to notes 16 and 18 for further information.

The operating results are regularly reviewed by the General Manager to make decisions about resources to be allocated and to assess performance. There are no reconciling items that exist between the discrete financial information reviewed by the General Manager and the financial statements relating to revenue, profit or loss, assets and liabilities or other material items.

2. AUDITOR'S REMUNERATION

	June 2011 $	June 2010 $
Auditing and review of the financial statements		
KPMG Australia	**69,107**	60,115
Other services		
KPMG Australia - taxation services	**22,800**	17,850
	91,907	77,965

	June 2011 $000	June 2010 $000
3. FINANCE INCOME AND EXPENSE		
Recognised directly in profit and loss		
Finance income - interest income on bank deposits	**1,162**	513
Finance expense - interest expense on financial liabilities measured at amortised cost	**(19,094)**	(19,144)
Net finance income and expense	**(17,932)**	(18,631)
Recognised in other comprehensive income/(loss)		
Net change in fair value of cash flow hedges transferred to net profit - ineffective portion of changes in fair value of cash flow hedges	**-**	(2)
Net gains/(losses) on cash flow hedges for the year	**2,638**	(79)
Finance expense recognised in other comprehensive income	**2,638**	(81)

4. RESPONSIBLE ENTITY'S FEES

The responsible entity, BWP Management Limited, is entitled to a management fee payable quarterly in arrears of 0.55 per cent per annum of the gross asset value of the Trust.

The responsible entity is also entitled to a fee calculated at the rate of 0.05 per cent per annum of the gross asset value of the Trust up to $200 million and 0.035 per cent per annum of the amount by which the gross asset value of the Trust exceeds $200 million.

The responsible entity may waive the whole or any part of the remuneration to which it would otherwise be entitled. (See Note 18(d)(ii)e).

	June 2011 $000	June 2010 $000
5. DISTRIBUTIONS PAID OR PAYABLE		
6.18 cents (2010: 6.10 cents) per unit, interim distribution paid on 25 February 2011	**26,391**	25,268
5.80 cents (2010: 5.98 cents) per unit, final distribution provided	**30,161**	25,159
	56,552	50,427

	June 2011	June 2010

6. EARNINGS PER UNIT

	June 2011	June 2010
Net earnings used in calculating basic and diluted earnings per unit	**$81,497,000**	$92,182,000
Basic and diluted earnings per unit	**17.97 cents**	22.18 cents
Basic and diluted earnings per unit excluding unrealised gain in fair value of investment properties	**12.38 cents**	12.13 cents
Weighted average number of units on issue used in the calculation of basic and diluted earnings per unit	**453,588,624**	415,684,457

7. CASH

	June 2011 $000	June 2010 $000
Cash at bank	**8,942**	6,075
Short term deposits	**-**	15,612
	8,942	21,687
Weighted average effective interest rates	**4.59%**	3.17%

The Trust's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are set out in Note 16.

8. RECEIVABLES AND PREPAYMENTS

	June 2011 $000	June 2010 $000
Current		
Receivables from Wesfarmers Limited subsidiaries	**130**	793
Other receivables	**117**	152
Prepayments	**5,376**	2,314
	5,623	3,259
Non-current		
Loan to Bunnings Group Limited	**850**	850

Wesfarmers Limited is a related party (see Note 18(d)(i)).

Bunnings Group Limited is a controlled entity of Wesfarmers Limited. The terms and conditions of the loan are disclosed in Note 18(d)(ii)f).

9. INVESTMENT PROPERTIES (NON-CURRENT)

(a) Cost and fair value of investments

Property	Acquisition date	Purchase price $000	Acquisition costs $000	Capital improvements since acquisition $000	Fair value adjustment since acquisition $000	Fair value 30 June 2011 $000	Fair value 30 June 2010 $000	Last independent valuation
Albany, WA	01.11.99	4,100	206	3	5,591	9,900	9,600	31.12.10
Altona, VIC	24.09.98	6,800	566	2,781	6,010	16,157	15,757	31.12.09
Artarmon, NSW	10.02.03	14,033	864	47	6,856	21,800	21,200	31.12.08
Balcatta, WA	24.09.98	11,200	555	20	12,425	24,200	23,500	30.06.09
Bayswater, VIC	11.02.03	7,335	796	13,523	2,946	24,600	24,600	30.06.09
Belmont, WA	01.04.11	16,670	920	-	(890)	16,700	-	15.01.11
Belmont North, NSW	04.12.06	10,850	634	290	(974)	10,800	10,600	31.12.09
Belrose, NSW	10.02.03	17,150	1,054	256	7,240	25,700	25,000	31.12.08
Bibra Lake, WA	29.12.98	1,899	95	6,357	11,449	19,800	19,200	31.12.10
Blackburn, VIC	15.01.08	19,000	1,123	1,052	(3,675)	17,500	16,600	31.12.10
Blacktown, NSW	24.01.07	8,235	540	259	(2,634)	6,400	6,000	31.12.09
Broadmeadows, VIC	24.09.98	7,200	431	6,475	6,894	21,000	13,900	30.06.10
Burleigh Heads, QLD	22.10.98	9,700	195	264	5,441	15,600	15,500	30.06.09
Cairns, QLD	10.02.03	10,000	453	1,922	1,825	14,200	13,900	31.12.08
Canning Vale, WA	-	-	-	-	-	-	7,500	31.12.09
Cannon Hill, QLD	24.12.98	5,600	313	7,824	9,663	23,400	21,700	30.06.10
Caroline Springs, VIC	23.05.11	19,080	1,081	-	(1,061)	19,100	-	15.01.11
Cockburn, WA	01.04.11	18,670	1,025	-	(995)	18,700	-	15.01.11
Coffs Harbour, NSW	05.09.01	1,900	112	4,500	3,688	10,200	9,900	30.06.10
Croydon, VIC	24.09.98	7,800	518	5,619	7,563	21,500	20,900	31.12.09
Dandenong, VIC	19.04.02	4,000	255	6,667	5,878	16,800	16,300	31.12.10
Epping, VIC	12.03.99	7,800	463	-	6,237	14,500	14,000	30.06.10
Fairfield Waters, QLD	01.04.11	16,950	977	-	(627)	17,300	-	15.01.11
Fountain Gate, VIC	24.09.98	8,300	505	1,580	7,815	18,200	17,700	31.12.08
Frankston, VIC	26.06.01	7,300	301	9,406	8,993	26,000	25,000	30.06.10
Fyshwick, ACT	23.12.02	10,000	942	3,538	2,291	16,771	17,305	31.12.08
Geraldton, WA	10.12.01	1,250	351	5,228	5,071	11,900	11,600	30.06.10
Geraldton Showrooms, WA	11.09.07	2,897	190	812	(1,399)	2,500	2,500	30.06.10
Greenacre, NSW	01.04.11	13,250	828	-	-	14,078	-	15.01.11
Harrisdale, WA	01.04.11	10,000	571	-	-	10,571	-	15.01.11
Hawthorn, VIC	18.04.07	19,337	1,217	24,497	(4,151)	40,900	39,700	31.12.08
Hemmant, QLD	07.05.03	3,000	143	10,557	8,600	22,300	21,800	30.06.09
Hervey Bay, QLD	12.07.02	2,053	122	6,426	3,899	12,500	12,300	30.06.11
Hoppers Crossing, VIC	11.01.99	2,075	134	5,928	7,263	15,400	15,000	30.06.11
Joondalup, WA	24.09.98	8,100	593	21	7,486	16,200	15,700	30.06.09
Lismore, NSW	21.04.04	7,750	447	928	1,475	10,600	10,700	30.06.09
Maitland, NSW	20.08.03	898	489	9,936	3,577	14,900	14,500	31.12.09
Mandurah, WA	24.09.98	3,050	160	5,496	8,594	17,300	16,800	31.12.09
Maribyrnong, (land) VIC	28.06.01	7,100	462	-	-	7,562	7,562	N/A
Mentone, VIC	24.09.98	9,400	542	104	10,354	20,400	18,500	30.06.09
Midland, WA	06.03.01	4,600	255	4,940	8,605	18,400	17,800	31.12.09
Mile End, SA	22.03.00	11,250	624	3,024	12,702	27,600	24,500	30.06.11
Minchinbury, NSW	31.12.98	9,200	503	4,258	11,494	25,455	20,600	30.06.11
Mindarie, WA	03.03.00	4,184	209	5,606	7,801	17,800	17,200	31.12.08

9. INVESTMENT PROPERTIES (NON-CURRENT) (continued)

(a) Cost and fair value of investments (continued)

Property	Acquisition date	Purchase price $000	Acquisition costs $000	Capital improvements since acquisition $000	Fair value adjustment since acquisition $000	Fair value 30 June 2011 $000	Fair value 30 June 2010 $000	Last independent valuation
Morayfield, QLD	22.03.00	8,000	334	3,624	6,642	18,600	19,300	30.06.11
Morley, WA	04.07.05	11,100	642	460	2,798	15,000	12,700	30.06.11
Mornington, VIC	29.12.98	3,400	204	6,499	9,697	19,800	19,300	31.12.10
Mt Gravatt, QLD	18.12.08	11,215	659	-	(74)	11,800	11,700	16.12.08
Noarlunga, SA	13.04.99	2,305	124	7,392	7,479	17,300	16,800	30.06.11
Northland, VIC	24.09.98	8,600	489	2,920	9,691	21,700	19,400	31.12.08
Nunawading, VIC	24.09.98	13,700	786	3,100	14,301	31,887	31,087	31.12.08
Oakleigh South, VIC	05.04.01	6,650	374	9,146	6,430	22,600	22,000	30.06.10
Pakenham, VIC	01.04.11	20,250	1,187	-	(1,137)	20,300	-	15.01.11
Port Kennedy, WA	19.05.11	16,440	915	-	(955)	16,400	-	15.01.11
Port Macquarie, NSW	15.11.02	2,100	141	5,403	2,856	10,500	10,500	30.06.11
Port Melbourne, VIC	10.12.10	24,000	1,391	-	(1,091)	24,300	-	31.12.10
Regency Park, SA	24.01.07	4,656	350	218	(624)	4,600	4,500	31.12.09
Rockingham, WA	30.06.00	3,320	166	5,830	10,384	19,700	16,800	31.12.08
Rocklea, QLD	29.10.02	6,225	296	7,477	4,302	18,300	17,400	31.12.08
Sandown, VIC	24.09.98	7,800	446	5	4,949	13,200	12,800	30.06.09
Scoresby, VIC	24.09.98	8,300	473	3	7,624	16,400	15,900	31.12.09
Smithfield, QLD	19.05.11	15,250	889	-	(639)	15,500	-	15.01.11
Southport, QLD	09.11.98	2,800	188	6,832	5,980	15,800	16,300	30.06.09
Sunshine, VIC	24.09.98	7,000	407	117	4,276	11,800	11,500	30.06.10
Thornleigh, NSW	07.09.04	13,333	782	360	1,325	15,800	15,300	30.06.10
Tuggeranong, ACT	01.12.98	7,900	431	760	10,209	19,300	18,800	31.12.09
Underwood, QLD	22.10.98	3,000	178	6,066	6,056	15,300	14,800	30.06.09
Vermont South, VIC	14.05.03	9,150	635	14,362	1,953	26,100	26,100	31.12.10
Villawood, NSW	14.05.08	18,400	861	48	(509)	18,800	18,200	30.06.11
Wagga Wagga, NSW	01.04.11	15,000	932	-	(932)	15,000	-	15.01.11
Wollongong, NSW	10.02.03	12,000	628	276	3,996	16,900	16,500	31.12.08
		632,860	**37,672**	**241,042**	**314,307**	**1,225,881**	**1,000,111**	

(i) Valuation policy

Investment properties are carried at fair value.

Fair value is determined by a full independent valuation completed at least every three years by an independent valuer who holds a relevant professional qualification and has recent experience in the location and category of the investment property.

Properties that have not been independently valued as at balance date are carried at fair value by way of directors' valuation.

Initially, each investment property is measured at cost including transaction costs (see Note 1(e)). Subsequent revaluations to fair value according to the Trust's revaluations policy may result in transaction costs appearing as a negative adjustment (loss) in fair value.

(ii) Methodology and significant assumptions

Independent valuations

The independent valuer determines the most appropriate valuation method for each property. Methods used for valuations during the year were the discounted cash flow and capitalisation of income valuation methods. Details of the independent valuations conducted as at 30 June 2011 are provided at Note 9(b).

Directors' valuations

The directors adopt the capitalisation of income valuation method for all remaining properties including those under development. The capitalisation rate used varies across properties. The methodology of the directors' valuations is subject to an independent review process by Jones Lang LaSalle.

Discounted cash flow method

The discounted cash flow method calculates a property's value by using projections of reliable estimates of future cashflows, derived from the term of any existing leases, and from external evidence such as current market rents for similar properties in the same area and condition, and using discount rates that reflect the current market assessments of the uncertainty in the amount and timing of cash flows specific to the asset.

Capitalisation of income valuation method

The capitalisation of income valuation method capitalises the current rent received, at a rate analysed from the most recent transactions of comparable property investments, adjusted to take into consideration a number of factors including:

> lease term remaining;

> the relationship of current rent to the market rent;

> the location;

> for Bunnings Warehouses, distribution of competing hardware stores;

> prevailing investment market conditions; and

> other property specific conditions.

In completing the valuations, reliance was placed on market evidence of broadly comparable Bunnings Warehouses sold within the past 12 months, with capitalisation rates ranging between 6.88 per cent to 8.20 per cent (compared with the Trust's weighted average rate of 7.65 per cent).

(b) Independent valuations and valuers

Property	Valuation date	Valuer
Hervey Bay, QLD	30.06.11	CB Richard Ellis, Tom Irving AAPI
Hoppers Crossing, VIC	30.06.11	CB Richard Ellis, Stephen Thomas AAPI
Mile End, SA	30.06.11	CB Richard Ellis, Cameron Olson AAPI
Minchinbury, NSW	30.06.11	Jones Lang LaSalle, Bernard Sweeney FAPI
Morayfield, QLD	30.06.11	CB Richard Ellis, Tom Irving AAPI
Morley, WA	30.06.11	Quantia, Mark Christie AAPI
Noarlunga, SA	30.06.11	CB Richard Ellis, Cameron Olson AAPI
Port Macquarie, NSW	30.06.11	Colliers International, Peter Macadam AAPI
Villawood, NSW	30.06.11	CB Richard Ellis, Kane Sweetman AAPI

9. INVESTMENT PROPERTIES (NON-CURRENT) (continued)

(c) Operating leases

(i) All of the properties listed in Note 9(a) are leased by Bunnings Group Limited except Trust properties at Blackburn, Greenacre, Harrisdale, Maribyrnong, Blacktown, Regency Park, 1.0 hectare of surplus land adjoining Altona, 0.4 hectares of surplus land adjoining Vermont South, 0.5 hectares of surplus land adjoining Minchinbury property, 0.1 hectares of land adjoining Nunawading, 1.0 hectare of land adjoining Fyshwick, Geraldton Showrooms and the showrooms on the Bayswater and Pakenham properties.

(ii) General information regarding the duration of leases is as follows:

> Bunnings Warehouse leases generally commit the tenant to an initial term of ten or fifteen years, followed by a number of optional terms of five years each exercisable by the tenant.

> Leases to J Blackwood and Son Pty Limited at Blacktown and Regency Park have an initial term of seven years, followed by two optional terms of five years each exercisable by the tenant. The Blacktown lease allows the tenant to terminate the lease any time after three years, subject to providing 12 months' prior notice.

> Leases of the Bayswater showrooms commit the tenant to an initial term of seven years, followed by one optional term of seven years for Richard Ventures Pty Ltd and two optional terms of five years for BCF Australia Pty Limited, exercisable by the tenant.

> The lease to BCF Australia Pty Limited at the Geraldton Showrooms is for an initial term of eight years, followed by two optional terms of five years each exercisable by the tenant. The lease to Ultra Tune Properties (WA) No 2 Pty Limited at the Geraldton Showrooms is for an initial term of five years, followed by two optional terms of five years each exercisable by the tenant.

> The lease to Gainsborough Hardware Industries Limited at the Blackburn industrial property is for an initial term of eight years, followed by one optional term of five years exercisable by the tenant. Sleepmaster Pty Ltd has exercised its last five year option at the Blackburn industrial property expiring in March 2017. The lease to Pacific Laboratory Products Pty Ltd at the Blackburn industrial property is for an initial term of five years, followed by one optional term of three years exercisable by the tenant.

> Two leases of the Pakenham showrooms commit the tenant to an initial term of five years, followed by one optional term of five years for Clarkmore Pty Ltd and two optional terms of five years for Dollar Curtains and Blinds Pty Ltd, exercisable by the tenant. The lease to Officeworks Superstores Pty Ltd at the Pakenham property is for an initial term of seven years, followed by four optional terms of five years each exercisable by the tenant.

> At 30 June 2011, the minimum lease expiry (being the duration until which the tenants' committed terms expire) for the Trust's investment properties is 1.3 years (2010: 1.7 years) and the maximum lease expiry is 15.4 years (2010: 16.4 years), with a weighted average lease expiry for the portfolio of 8.6 years (2010: 9.3 years).

(iii) Generally, rents are reviewed annually in line with movements in Consumer Price Indices compiled by the Australian Bureau of Statistics or a fixed percentage increase except when a market rent review is due. Market rent reviews for most Bunnings Warehouses are due each fifth anniversary of the commencement date and for other leases at the exercise of each option by the tenant. Generally, market rents are agreed by the landlord and tenant or if not agreed, determined in accordance with generally accepted rent review criteria.

(iv) The tenant is responsible for payment of most outgoings, which include all normal rates, taxes and assessments (other than land tax in some instances). The tenant is responsible for payment of all utilities utilised by it at the premises.

(v) Some of the leases of Bunnings Warehouses allow for the tenant to repurchase the properties in specified circumstances:

a) at Bayswater, Morley, Thornleigh and Vermont South properties, the tenant may repurchase the property from the landlord in the event that:

(i) the tenant proposes a redevelopment of the relevant property for which the tenant and landlord cannot agree commercial terms and at the time the tenant and landlord are not related bodies corporate; or

(ii) the landlord and tenant cease to be related bodies corporate. In respect to the Bunnings Warehouses at Bayswater and Vermont South properties, in the event that the tenant and landlord cease to be related bodies corporate, the tenant may only exercise the right to repurchase at the end of the initial lease term and at the end of each further option term.

b) If the right to repurchase is exercised in respect of any of these properties, the purchase price for the property will be a price to be agreed between the parties and failing agreement, a price determined by an appointed valuer based on the market value assuming vacant possession for the relevant property.

(vi) There are no lease commitments receivable as at the reporting date.

(vii) There were no contingent rentals recognised as revenues in the financial year.

(viii) The future minimum non-cancellable rental revenues are:

	June 2011 $000	June 2010 $000
Not later than one year	**92,613**	76,334
Later than one year not later than five years	**349,524**	286,707
Later than five years	**357,435**	342,481
	799,572	705,522

(d) Reconciliation of movement in investment properties

Opening balance at the beginning of the financial year	**1,000,111**	955,562
Acquisitions during the year	**196,276**	335
Divestments during the year	**(7,500)**	-
Capital improvements	**11,666**	2,442
Net gain from fair value adjustments	**25,328**	41,772
Closing balance at the end of the financial year	**1,225,881**	1,000,111

10. PAYABLES AND DEFERRED INCOME

	June 2011 $000	June 2010 $000
Current		
Trade creditors and accruals	**3,034**	2,741
Responsible entity's fees payable	**1,706**	1,545
Rent received in advance	**7,924**	6,245
	12,664	10,531

The Trust's exposure to liquidity risk in respect of payables is disclosed in Note 16.

11. INTEREST-BEARING LOANS AND BORROWINGS

		June 2011		June 2010	
	Expiry date	**Limit $000**	**Amount drawn $000**	Limit $000	Amount drawn $000
Australia and New Zealand Banking Group Limited	31 July 2013	**100,000**	**36,900**	100,000	48,800
Commonwealth Bank of Australia	14 January 2014	**100,000**	**49,900**	100,000	49,900
Westpac Banking Corporation	2 November 2013	**80,000**	**75,000**	80,000	45,500
National Australia Bank Limited	31 March 2014	**50,000**	**50,000**	50,000	50,000
Less: accrued interest and borrowing costs			**(956)**		(726)
Bank loans: non current		**330,000**	**210,844**	330,000	193,474

At 30 June 2011 the minimum duration of the facilities was 25 months (2010: 19 months) and the maximum was 33 months (2010: 37 months) with a weighted average duration of 29.2 months (2010: 26.6 months). The borrowings under the facilities are not secured by assets of the Trust, but are subject to reporting and financial undertakings by the Trust to the banks under negative pledge agreements with each bank.

Refer to Note 16 for information on interest rate and liquidity risk.

12. ISSUED CAPITAL

(a) Book value of units on issue

	June 2011 $000	June 2010 $000
Book value at the beginning of the financial year	**507,372**	489,273
Equity issued during the year - DRP: - August 2010, 6,330,873 units @ $1.8028 per unit	**11,413**	6,733
- February 2011, 4,731,688 units @ $1.7261 per unit	**8,168**	11,299
Equity issued during the year - pro-rata entitlement offer: - March 2011, 88,238,459 units @ $1.70 per unit	**150,005**	-
Expenses incurred in pro-rata entitlement offer	**(3,647)**	67
Book value at the end of the financial year	**673,311**	507,372

(b) Number of ordinary units on issue

	June 2011	June 2010
Number of fully paid units on issue at the beginning of the financial year	**420,711,773**	410,001,055
Issue of units during the year – DRP	**11,062,561**	10,710,718
Issue of units during the year – Pro-rata entitlement offer	**88,238,459**	-
Number of fully paid units on issue at the end of the financial year	**520,012,793**	420,711,773

(c) Rights

The Trust is a unit trust of no fixed duration and the units in the Trust have no right of redemption.

Each unit entitles the unitholder to receive distributions as declared and, in the event of winding up the Trust, to participate in all net cash proceeds from the realisation of assets of the Trust in proportion to the number of and amounts paid up on units held.

(d) Distribution Reinvestment Plan

The DRP was in place for the interim distribution for the year ended 30 June 2011 and for the preceding year.

During August 2011 the board resolved to suspend the DRP in respect of the final distribution for the year ended 30 June 2011 in view of the uncertainty and volatility being experienced in the Australian equity markets and the prevailing market price of BWP Trust units.

13. RESERVES

This reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.

	June 2011 $000	June 2010 $000
Opening balance at the beginning of the financial year	**(3,946)**	(3,865)
Amounts recognised in net profit for the year	**-**	(2)
Net gain/(loss) on cash flow hedges for the year	**2,638**	(79)
Closing balance at the end of the financial year	**(1,308)**	(3,946)

14. CASH FLOW

(a) Reconciliation of operating profit to the net cash flows from operation

	June 2011 $000	June 2010 $000
Net profit	**81,497**	92,182
Net fair value change on investment properties	**(25,328)**	(41,772)
Decrease/(increase) in receivables and prepayments	**1,110**	(1,412)
Increase/(decrease) in payables and deferred income	**1,831**	(670)
Net cash flows from operating activities	**59,110**	48,328

(b) Reconciliation of cash

Cash balance comprises:

	June 2011 $000	June 2010 $000
Cash (see Note 7)	**8,942**	6,075
Short term deposits (see Note 7)	**-**	15,612
	8,942	21,687

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Trust has exposure to the following risks from its use of financial instruments:

> credit risk;

> liquidity risk; and

> interest rate risk.

This Note and Note 16 present information about the Trust's exposure to each of these risks, and the Trust's objectives, policies and processes for measuring and managing risk, and managing capital. Further quantitative disclosures are included throughout these financial statements.

The board of directors of the responsible entity has overall responsibility for the establishment and oversight of the Trust's risk management framework.

Risk management policies are established to identify and analyse all risks faced by the Trust, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems contained in the Trust's compliance plan are reviewed regularly to reflect changes in internal operations and market conditions.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

The Trust's principal financial instruments are bank loans. The main purpose of the bank loans is to raise finance for the Trust's operations. To assist in minimising the risk associated with maintaining adequate finance for the Trust's operations, the Trust sources borrowings from a range of reputable financial institutions under facilities with differing maturity dates.

The Trust has various other financial assets and liabilities such as other receivables and payables, which arise directly from its operations. The Trust also enters into derivative transactions (interest rate swaps) to manage the interest rate risks arising from the Trust's operations. The main risk arising from the Trust's financial instruments is interest rate risk. The board of directors of the responsible entity reviews and agrees policies for managing this risk and this is summarised in Note 16.

16. FINANCIAL INSTRUMENTS

The Trust has recognised certain financial instruments in the accounts. These financial instruments are disclosed in Notes 7, 8, 10 and 11. The main risks associated with the Trust's financial instruments and the means by which these risks are managed, the measurement of financial instruments and how capital is managed are outlined below:

(a) Concentration of credit risk

Credit risk is the risk of financial loss to the Trust if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Trust's receivables from customers and payments due to the Trust under interest rate swaps.

Receivables

The credit risk associated with 96.8 per cent (2010: 96.9 per cent) of the rental income is with three tenants, Bunnings Group Limited 95.3 per cent (2010: 94.7 per cent), J Blackwood and Son Pty Limited 1.4 per cent (2010: 2.2 per cent) and Officeworks Superstores Pty Ltd 0.1 per cent (2010: nil), wholly owned subsidiaries of Wesfarmers Limited. Bunnings Group Limited, J Blackwood and Son Pty Limited, Officeworks Superstores Pty Ltd and Wesfarmers Limited are currently subject to a Deed of Cross Guarantee under which they covenant with a trustee for the benefit of each creditor that they guarantee to each creditor payment in full of any debt in the event of any entity that is included in the Deed of Cross Guarantee being wound up. Wesfarmers Limited has been assigned a credit rating of A-(stable)/A2 by Standard & Poor's (Baa1(positive)/P2 – Moody's).

Cash

The Trust limits its exposure to credit risk associated with its cash by maintaining limited cash balances and having cash deposited with reputable, major financial institutions subject to regulation in Australia.

Derivative financial instruments

The Trust limits its exposure to credit risk associated with future payments from its interest rate swaps by contracting with reputable major financial institutions subject to regulation in Australia.

16. FINANCIAL INSTRUMENTS (continued)

(a) Concentration of credit risk (continued)

Exposure to credit risk

The carrying amount of the Trust's financial assets represents the maximum credit exposure. The Trust's maximum exposure to credit risk at the reporting date was:

		Carrying amount	
		June 2011	June 2010
	Note	**$000**	$000
Cash and short term deposits	7	**8,942**	21,687
Loans and receivables	8	**1,097**	1,795
Interest rate swaps assets		**833**	487
		10,872	23,969

The Trust's maximum exposure to credit risk for loans and receivables at the reporting date by type of customer was:

	Carrying amount	
	June 2011	June 2010
	$000	$000
Tenants		
Wesfarmers Limited subsidiaries	**130**	793
Other tenants	**117**	152
Loans		
Bunnings Group Limited – (See Note 18(d)(ii)f).	**850**	850
	1,097	1,795

Impairment losses

Rental receivables of approximately $1,995 were overdue at 30 June 2011 (2010: $1,000 overdue).

There was no allowance for impairment in respect of receivables during the current year or the previous year.

Based on historic default rates, the Trust believes that no impairment allowance is necessary in respect of receivables.

(b) Liquidity risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they fall due. The Trust's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Trust's reputation. The Trust regularly updates and reviews its cashflow forecasts to assist in managing its liquidity.

The following are the contractual maturities of financial liabilities (including estimated interest payments) and receipts of interest rate swap. The amounts disclosed in the table below are the contractual undiscounted cashflows and hence will not necessarily reconcile with the amount disclosed in the statement of financial position:

30 June 2011	Carrying amount $000	Contractual cash flows $000	1 year $000	1-2 years $000	2-5 years $000	More than 5 years $000
Non-derivative financial liabilities						
Bank loans - principal	(210,844)	(211,800)	-	-	(211,800)	-
Bank loans – future interest	-	(34,331)	(13,254)	(13,484)	(7,593)	-
Payables and deferred income	(12,664)	(12,664)	(12,664)	-	-	-
Derivative financial liabilities						
Interest rate swaps	(1,308)	255	(1,167)	(553)	1,421	554
	(224,816)	**(258,540)**	**(27,085)**	**(14,037)**	**(217,972)**	**554**
30 June 2010						
Non-derivative financial liabilities						
Bank loans - principal	(193,474)	(194,200)	-	(99,900)	(94,300)	-
Bank loans – future interest	-	(25,112)	(11,143)	(9,882)	(4,087)	-
Payables and deferred income	(10,531)	(10,531)	(10,531)	-	-	-
Derivative financial liabilities						
Interest rate swaps	(3,946)	(3,040)	(2,529)	(1,231)	316	404
	(207,951)	**(232,883)**	**(24,203)**	**(111,013)**	**(98,071)**	**404**

(c) Interest rate risk

Interest rate risk is the risk that the Trust's finances will be adversely affected by fluctuations in interest rates. To help reduce this risk in relation to bank loans, the Trust has employed the use of interest rate swaps whereby, the Trust agrees with various banks to exchange at specified intervals, the difference between fixed rate and floating rate interest amounts calculated by reference to an agreed notional principal amount. Any amounts paid or received relating to interest rate swaps are recognised as adjustments to interest expense over the life of each contract swap, thereby effectively fixing the interest rate on the underlying obligations. At 30 June 2011 the fixed rates varied from 5.15 per cent to 7.72 per cent (2010: 5.15 per cent to 7.85 per cent) and the floating rates were at bank bill rates plus a bank margin.

The Trust has a policy of hedging the majority of its borrowings against interest rate movements to ensure stability of distributions. At 30 June 2011, the Trust's hedging cover was 85.0 per cent of borrowings. Hedging levels are currently higher than the board's preferred 50 per cent to 75 per cent range as a result of reducing borrowings following the Trust's $150 million capital raising in May 2009. Hedging levels are expected to return within the board's preferred range in the next financial year as a result of borrowings to pay for capital commitments (see Note 17).

The Trust's exposure to interest rate risk for classes of financial assets and financial liabilities is set out below.

	Carrying amount June 2011 $000	Carrying amount June 2010 $000
Variable rate instruments		
Cash on short term deposits	**8,942**	21,687
Bank loans	**(210,844)**	(193,474)

Fair value sensitivity analysis for fixed rate instruments

The Trust does not have any fixed rate financial assets and liabilities, other than a loan to Bunnings Group Limited, see Note 18(d)(ii)f), which will be held to maturity, and held at amortised cost.

16. FINANCIAL INSTRUMENTS (continued)

(c) Interest rate risk (continued)

Cash flow sensitivity analysis for variable rate instruments

The analysis below considers the impact on equity and net profit or loss due to a reasonably possible increase or decrease in interest rates. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2010.

	Net profit		Equity	
	100 basis points increase $000	50 basis points decrease $000	100 basis points increase $000	50 basis points decrease $000
30 June 2011				
Variable rate instruments	(2,118)	1,059	-	-
Interest rate swaps	1,800	(900)	7,503	(3,901)
Net impact on net profit and equity	**(318)**	**159**	**7,503**	**(3,901)**

	Net profit		Equity	
	100 basis points increase $000	50 basis points decrease $000	100 basis points increase $000	50 basis points decrease $000
30 June 2010				
Variable rate instruments	(1,942)	971	-	-
Interest rate swaps	1,920	(960)	7,032	(3,123)
Net impact on net profit and equity	**(22)**	**11**	**7,032**	**(3,123)**

(d) Net fair values

The carrying amounts of financial assets and financial liabilities recorded in the financial statements have been determined in accordance with the accounting policies disclosed in Note 1 of the financial statements and are as follows:

	June 2011 $000 Book value and fair value	June 2010 $000 Book value and fair value
Assets and liabilities held at amortised costs		
Loans and receivables	**1,097**	1,795
Cash on short term deposit	**8,942**	21,687
Bank loans	**(210,844)**	(193,474)
Payables and deferred income	**(12,664)**	(10,531)
Liabilities held at fair value		
Interest rate swaps	**(1,308)**	(3,946)
	(214,777)	(184,469)

Interest rate swaps are measured at fair value by valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, where applicable, are based on current market rates for similar instruments and were as follows:

	2011	2010
Interest rate swaps	**4.98% to 6.22%**	4.85% to 6.01%

(e) Capital management

Capital requirements are assessed based on budgeted cash flows, capital expenditure commitments and potential growth opportunities and are monitored on an ongoing basis. Information on capital and equity markets is reviewed on an ongoing basis to ascertain availability and cost of various funding sources.

In order to maintain a manageable level of debt, the responsible entity has established a preferred range of 20 to 30 per cent for the Trust's gearing ratio (debt to total assets), which is monitored on a monthly basis. At 30 June 2011, the gearing level was 17.0 per cent (2010: 18.8 per cent).

The Trust's DRP was in place for the interim distribution for the year ended 30 June 2011, but was suspended in respect of the final distribution.

17. CAPITAL EXPENDITURE COMMITMENTS

Estimated capital expenditure contracted for at balance date, but not provided for, as being payable was:

	June 2011 $000	June 2010 $000
Estimated capital expenditure contracted for at balance date, but not provided for in the financial statements, which is payable:		
Not later than one year		
Unrelated Parties	**1,312**	713
Related Parties	**71,513**	5,410
Later than one year and not later than five years		
Related Parties	**33,790**	-
	106,615	6,123

Capital Commitments to unrelated parties

During the year, the Trust committed to fund $1.3 million (2010: $0.7 million) of expenditure relating to capital improvement works at various properties.

Capital Commitments to related parties

Fyshwick

In December 2010, the Trust committed to upgrade works at the Fyshwick property with an estimated cost of $15.0 million. On completion of the upgrade, the parties will enter into a new twelve-year lease of the Bunnings Warehouse with four five-year options exercisable by the tenant.

17. CAPITAL EXPENDITURE COMMITMENTS (continued)

Portfolio acquisition

Following approval by unitholders in March 2011, the Trust is in the process of acquiring a property portfolio, comprising 13 Bunnings Warehouse properties, from Bunnings Group Limited, a controlled entity of Wesfarmers Limited. The total purchase price of the portfolio is $241,710,000, of which $161,560,000 was paid during the year ended 30 June 2011 following the settlement of 10 of the 13 properties. Subject to the achievement of conditions precedent in respect to the remaining 3 properties and on completion of the development of Bunnings Warehouses on 3 of the properties, a further $61,360,000 is expected to be payable in the year ending 30 June 2012 and the remaining $18,790,000 is expected to be payable in the year ending 30 June 2013.

Rocklea

In February 2011, the Trust committed to upgrade works at the Rocklea property with an estimated cost of $3.8 million. On completion of the upgrade, the parties will enter into a new ten-year lease of the Bunnings Warehouse with one ten-year option, exercisable by the tenant.

Scoresby

In May 2011, the Trust committed to upgrade works at the Scoresby property with an estimated cost of $6.3 million. On completion of the upgrade, the parties will enter into a new ten-year lease of the Bunnings Warehouse with one ten-year option, exercisable by the tenant.

18. DIRECTOR AND EXECUTIVE DISCLOSURES AND RELATED PARTY DISCLOSURES

(a) Details of key management personnel

The following persons were key management personnel of the responsible entity, BWP Management Limited, during the financial year:

Chairman – non-executive

J A Austin

Non-executive directors

B J H Denison
R D Higgins
P J Johnston
P J Mansell

General Manager

G W Gernhoefer

(b) Remuneration policy

Remuneration expenses of the directors and executives of the responsible entity are not borne by the Trust. Directors are remunerated by the responsible entity and management services are provided to the responsible entity by Wesfarmers Limited.

The right of the responsible entity to be remunerated and indemnified by the Trust is set out in the Constitution of the Trust and summarised in Note 4. The Constitution is lodged with ASIC and is available to unitholders on request.

For the financial year ended 30 June 2011, each director was entitled to director's fees and/or superannuation for their services and the reimbursement of reasonable expenses. The fees paid reflect the demands on, and the responsibilities of, those directors. The advice of independent remuneration consultants is taken to establish that the fees are in line with market standards. Directors do not receive option or bonus payments, nor do they receive retirement benefits in connection with their directorships. There are no equity incentive schemes in relation to the Trust.

(c) Unit holdings

Directors	Balance at the beginning of the year	Acquired during the year	Sold during the year	Balance at the end of the year
J A Austin	230,571	65,396	-	295,967
B J H Denison	9,286	1,919	-	11,205
P J Johnston	65,000	13,431	-	78,431
P J Mansell	155,303	44,048	-	199,351
Total	**460,160**	**124,794**	**-**	**584,954**

No directors have other rights or options over interests in the Trust or contracts to which the director is a party or under which the director is entitled to a benefit and that confer a right to call for or deliver an interest in the Trust.

(d) Transactions with related parties

(i) Relationship with the Wesfarmers Group

Wesfarmers Investments Pty Limited, a controlled entity of Wesfarmers Limited, holds 121,112,668 (2010: 97,151,617) units in the Trust, representing 23.29 per cent of the units on issue at 30 June 2011 (2010: 23.09 per cent);

(ii) Transactions with the Wesfarmers Group

During the year ended 30 June 2011, the Trust had the following transactions with Wesfarmers Limited's subsidiaries:

a) Following approval by unitholders in March 2011, the Trust is in the process of acquiring a property portfolio, comprising 13 Bunnings Warehouse properties, from Bunnings Group Limited, a controlled entity of Wesfarmers Limited. The total purchase price of the portfolio is $241,710,000 (excluding acquisition costs), of which $161,560,000 was paid during the year ended 30 June 2011 following the settlement of 10 of the 13 properties. Subject to the achievement of conditions precedent in respect to the remaining 3 properties and on completion of the development of Bunnings Warehouses on 3 of the properties, a further $61,360,000 is expected to be payable in the year ending 30 June 2012 and the remaining $18,790,000 is expected to be payable in the year ending 30 June 2013.

b) Rent and other property income of $81,725,715 (2010: $73,777,165) was received from Bunnings Group Limited. The amount includes an amount received in advance of $7,713,509 (2010: $6,133,784). As at 30 June 2011 there was also a rent receivable of $655 (2010: $685,016).

c) Rent of $1,179,984 (2010: $1,537,193) was received from J Blackwood and Son Pty Limited, a controlled entity of Wesfarmers Limited. As at 30 June 2011 there was also a rent receivable of $94,908 (2010: $108,341).

d) Rent of $83,532 (2010: nil) was received from Officeworks Superstores Pty Ltd, a controlled entity of Wesfarmers Limited. As at 30 June 2011 there was also a rent receivable of $34,423 (2010: nil).

e) The responsible entity's fee of $6,047,659 (2010: $5,543,253) is paid/payable to the responsible entity. During the year the responsible entity waived its entitlement to fees in respect of properties at: Greenacre and Wagga Wagga in New South Wales; Fairfield Waters and Smithfield in Queensland; Hawthorn, Caroline Springs and Pakenham in Victoria; Belmont, Cockburn, Harrisdale and Port Kennedy in Western Australia. For the year ended 30 June 2011 the amount of fees the responsible entity had waived was $344,586 (2010: $228,695).

18. DIRECTOR AND EXECUTIVE DISCLOSURES AND RELATED PARTY DISCLOSURES (continued)

(d) Transactions with related parties (continued)

f) The Trust continued to provide a loan of $850,000 to Bunnings Group Limited. The loan was first provided during the year ended 30 June 2006 to fund the purchase of a parcel of land adjacent to the Vermont South Bunnings Warehouse. The land was exchanged at fair value and the terms of the agreement include charging Bunnings Group Limited an access fee of eight per cent annually until such time as the parcel of land is sold to an external party, at which time Bunnings Group Limited will repay the loan.

g) The Trust reimbursed Bunnings Group Limited $5.9 million for the completion of an upgrade to the Trust's Broadmeadows Bunnings Warehouse.

h) The Trust reimbursed Bunnings Group Limited for minor capital works incurred to the Trust's properties for which the Trust had a contractual obligation to incur.

i) The Trust paid $105,084 (2010: $97,936) to Wesfarmers Risk Management Limited, a subsidiary of Wesfarmers Limited, for insurance premiums on a number of the Trust's properties.

19. ADDITIONAL INFORMATION

(a) Principal activities and investment policy of the Trust

To invest in well located, geographically diversified properties with long-term leases to substantial tenants, predominantly in the bulky goods retail sector with the purpose of providing unitholders with a secure, growing income stream and capital growth.

(b) Commencement and life of the Trust

The Trust is a unit trust of no fixed duration and was constituted under a Trust Deed dated 18 June 1998 as amended. The Trust is managed by BWP Management Limited (formerly known as Bunnings Property Management Limited until a name change in April 2011). Both the Trust and the responsible entity are domiciled in Australia.

(c) Economic dependency

96.8 per cent (2010: 96.9 per cent) of the Trust's rental income received during the year was from Bunnings Group Limited, J Blackwood and Son Pty Limited and Officeworks Superstores Pty Ltd, all controlled entities of Wesfarmers Limited.

(d) Corporate information

The financial report of the Trust for the year ended 30 June 2011 was authorised for issue in accordance with a resolution of the directors on 11 August 2011.

In accordance with the Corporations Act 2001, BWP Management Limited (ABN 26 082 856 424), the responsible entity of BWP Trust, provides this report for the financial year ended 30 June 2011. The information on pages 4 to 8 forms part of this directors' report and is to be read in conjunction with the following information:

Results and distributions

	June 2011 $000	June 2010 $000
Net profit attributable to unitholders	**81,497**	92,182
Net realised profit on sale of investment property[1]	**376**	-
Net unrealised gain in fair value of investment properties	**(25,328)**	(41,772)
Distributable profit for the year	**56,545**	50,410
Opening undistributed profit	**16**	33
Closing undistributed profit	**(9)**	(16)
Distributable amount	**56,552**	50,427

[1] Net sale proceeds less original purchase price and capital expenditure since acquisition.

Distributions

The following distributions have been paid by the Trust or declared by the directors of the responsible entity since the commencement of the financial year ended 30 June 2011.

	June 2011 $000	June 2010 $000
(a) Out of the profits for the year ended 30 June 2010 on ordinary units as disclosed in last year's directors' report		
Final distribution of 5.98 cents per ordinary unit paid on 27 August 2010.	**25,159**	19,967
(b) Out of the profits for the year ended 30 June 2011 (see Note 5 of the notes to the financial statements):		
(i) Interim distribution of 6.18 cents per ordinary unit paid on 25 February 2011.	**26,391**	25,268
(ii) Final distribution of 5.80 cents per ordinary unit declared by the directors for payment on 26 August 2011.	**30,161**	25,159

Units on issue

At 30 June 2011, 520,012,793 units of BWP Trust were on issue (2010: 420,711,773).

Principal activity

The principal activity is property investment.

There has been no significant change in the nature of this activity during the financial year.

Trust assets

At 30 June 2011, BWP Trust held assets to a total value of $1,242.1 million (2010: $1,026.4 million). The basis for valuation of the assets is disclosed in Note 1 of the notes to and forming part of the financial statements.

Directors' Report

For the year ended 30 June 2011

Fee paid to the responsible entity and associates

Management fees totalling $6,047,659 (2010: $5,543,253) were paid or payable to the responsible entity out of Trust property during the financial year.

Trust information

BWP Trust is a Managed Investment Scheme registered in Australia. BWP Management Limited, the responsible entity of the Trust, is incorporated and domiciled in Australia and holds an Australian Financial Services Licence. The responsible entity's parent company and ultimate parent company is Wesfarmers Limited. During the year the Trust changed its name from Bunnings Warehouse Property Trust to BWP Trust.

The registered office of the responsible entity is Level 11, 40 The Esplanade, Perth, Western Australia, 6000. The principal administrative office of the responsible entity is Level 6, 40 The Esplanade, Perth, Western Australia, 6000.

The Trust had no employees during the financial year (2010: Nil).

Directors

Information on directors

J A Austin
B J H Denison
R D Higgins
P J Johnston
P J Mansell

Details of the directors appear on pages 18 and 19.

No director is a former partner or director of the current auditor of the Trust.

Company secretary

Karen A Lange, FCIS, FCPA

Ms K A Lange has been the company secretary since 9 April 2008. Ms Lange has more than 25 years' company secretarial experience including company secretary of Woodside Petroleum Limited and Wesfarmers Limited.

Directors' unitholdings

Units in the Trust or shares in a related body corporate in which directors had a relevant interest at the date of this report were:

	Units in the Trust
J A Austin	295,967
P J Johnston	78,431
P J Mansell	199,351

No directors have other rights or options over interests in the Trust or contracts to which the director is a party or under which the director is entitled to a benefit and that confer a right to call for or deliver an interest in the Trust.

Insurance and indemnity of directors and officers

During and since the end of the financial year insurance has been maintained covering the entity's directors and officers against liability incurred in that capacity. Disclosure of the nature of the liability covered by the insurance and premiums paid is subject to confidentiality requirements under the contract of insurance.

Directors and officers are indemnified by the responsible entity against the costs and expenses of defending civil or criminal proceedings in their capacity as directors and officers in which judgement is given in favour of, or acquittal is granted to, a director or officer.

Review and results of operations

The operations of the Trust during the financial year and the results of those operations are reviewed on pages 4 to 8 of this report and in the accompanying financial statements. This includes information on the financial position of the Trust and its business strategies and prospects for future financial years.

Significant changes in the state of affairs

During the financial year, the value of the Trust's investment properties increased by $225,770,000 (2010: $44,549,000 increase) to $1,225,881,000 (2010: $1,000,111,000), and the number of investment properties increased from 60 to 70 properties at financial year end.

In March 2011, the Trust raised $150 million (2010: nil) through a non-renounceable pro-rata entitlement offer with 88,238,459 new units being issued. The majority of the net proceeds of the pro-rata entitlement offer was used to fund a property portfolio acquisition of 13 properties from Bunnings Group Limited, of which payment for 10 properties was settled prior to the year end.

There were no other significant changes in the state of affairs of the Trust during the financial year.

Significant events after the balance date

No matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations, results of operations or state of affairs of the Trust in subsequent financial years.

Likely developments and expected results

Likely developments in and expected results of the operations of the Trust in subsequent years are referred to elsewhere in this report, particularly on pages 4 to 8. In the opinion of the directors, further information on those matters could prejudice the interests of the Trust and has therefore not been included in this report.

Corporate governance

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of BWP Management Limited support and comply with the majority of the ASX Corporate Governance Principles and Recommendations. The responsible entity's corporate governance statement is contained on pages 20 to 24 of this annual report.

Environmental regulation and performance

The Trust's operations are not subject to any particular significant environmental regulations under either Commonwealth or State legislation. The Trust is not aware of any breach of environmental regulations.

Board committees

As at the date of this report, the responsible entity had an Audit and Risk Committee and Remuneration Committee. Each committee is comprised of all of the board members of the responsible entity.

There were two Audit and Risk Committee meetings held during the year.

Rounding

The amounts contained in this report and in the financial statements have been rounded to the nearest thousand dollars under the option available to the Trust under ASIC Class Order 98/100, unless otherwise stated. The Trust is an entity to which the Class Order applies.

Auditor independence

The lead auditor's independence declaration is set out on page 58 and forms part of the Directors' Report for the year ended 30 June 2011.

Non-audit services

KPMG provided the following non-audit services to the Trust during the year ended 30 June 2011 and received, or is due to receive, the following amount for the provision of these services:

Taxation services	$22,800
Total	$22,800

The Audit and Risk Committee has, following the passing of a resolution, provided the board with written advice in relation to the provision of non-audit services by KPMG.

The board has considered the Audit and Risk Committee's advice, and the non-audit services provided by KPMG, and is satisfied that the provision of these services during the year by the auditor is compatible with, and did not compromise, the general standard of auditor independence imposed by the Corporations Act 2001. The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work or acting in a management or decision making capacity for the Trust.

Signed in accordance with a resolution of the directors of BWP Management Limited.

J A Austin
Chairman
BWP Management Limited
Perth, 11 August 2011

Directors' Declaration

For the year ended 30 June 2011

In accordance with a resolution of the directors of BWP Management Limited, responsible entity for the BWP Trust (the Trust), I state that:

1. In the opinion of the directors:

    a) the financial statements and notes of the Trust are in accordance with the Corporations Act 2001, including:

        (i) giving a true and fair view of the Trust's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

        (ii) complying with Accounting Standards and 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; and

    c) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 1(b).

2. This declaration has been made after receiving the declaration required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial period ended 30 June 2011.

For and on behalf of the board of BWP Management Limited.

J A Austin
Chairman
BWP Management Limited
Perth, 11 August 2011

Auditor's Independence Declaration

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of BWP Management Limited, the responsible entity of BWP Trust

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2011 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG
Perth, 11 August 2011

D P McComish
Partner

Independent Auditor's Report to the Unitholders of BWP Trust

KPMG

Report on the financial report

We have audited the accompanying financial report of BWP Trust (the Trust) which comprises the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 19 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' responsibility for the financial report

The directors of BWP Management Limited (the Responsible Entity) are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In note 1(b), the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Responsible Entity, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Trust's financial position and of its performance.

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

Independent Auditor's Report to the Unitholders of BWP Trust (continued)

KPMG

Independence

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

Auditor's opinion

In our opinion:

(a) the financial report of BWP Trust is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Trust's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1(b).

KPMG

D McComish

KPMG
Perth, 11 August 2011

D P McComish
Partner