ARSN 088 581 097

28 August 2009

2009 Annual Report

Bunnings Property Management Limited, the responsible entity for the Bunnings Warehouse Property Trust wishes to advise that the 2009 Annual Report will be available on 31 August 2009 and will be forwarded to Unitholders who have elected to receive an Annual Report.

A copy of the 2009 Annual Report is attached to this announcement and will also be available on the Trust's website at www.bwptrust.com.au.

KAREN LANGE
Company Secretary

ASX ANNOUNCEMENT

BUNNINGS WAREHOUSE PROPERTY TRUST

ANNUAL REPORT 2009

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www.bwptrust.com.au

Bunnings Warehouse Property Trust
ARSN 088 581 097

Responsible Entity
Bunnings Property Management Limited
ABN 26 082 856 424

Australian Financial Services License
No. 247830

The Bunnings Warehouse Property Trust aims to provide unitholders with a secure, growing income stream and capital growth through acquiring, developing and managing property, predominantly for use in the bulky goods retail sector.

Southport, QLD

OUR INVESTMENT APPROACH

The Trust's investments comprise commercial real estate - predominantly warehouse retailing properties and, in particular, Bunnings Warehouse properties. Investments are made on behalf of the Trust by the responsible entity, which has established the following objectives and strategies for the Trust:

Objectives

- provide unitholders with a secure, growing income stream and capital growth
- distribute all net income each financial year
- add quality properties to the portfolio
- protect unitholders' interests

Strategies

- acquiring properties with long term leases to substantial tenants
- ensuring that properties are well located and the portfolio is geographically diversified
- maintaining a prudent interest rate hedging position
- operating within an appropriate compliance plan
- ensuring focussed and proactive asset management

The sites

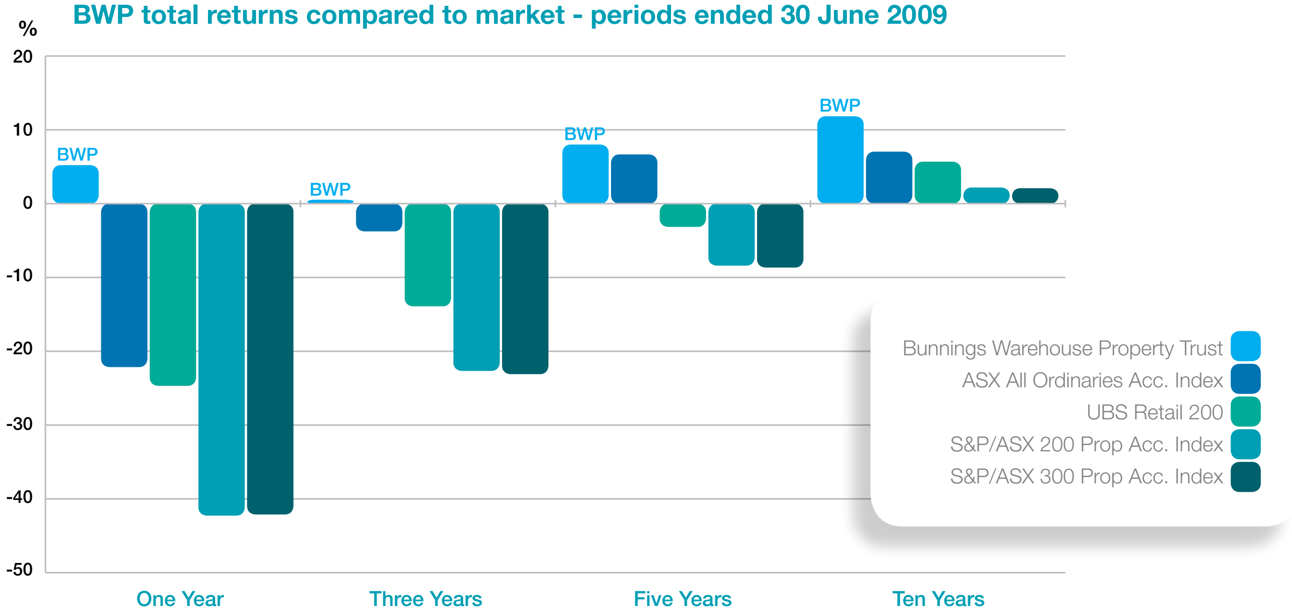
- visible and accessible from a major road, highway or freeway
- ready vehicle access and ample customer parking
- significant catchment area
- average size of three hectares

Noarlunga, SA

HIGHLIGHTS

- Income of $73.2 million for the year – up 11.0 per cent on the previous year
- Distributable profit of $40.5 million for the year – up 1.1 per cent on the previous year
- Full-year distribution of 11.57 cents per unit – down 12.8 per cent on the previous year due to increased units issued during the year
- Market rent reviews on 19 properties - average 12.2 per cent increase in annual rent
- Acquisitions, developments and other improvements to portfolio totalling $45.4 million
- Portfolio value $955.6 million - down by $6.7 million following full year net revaluation loss of $52.1 million and capital expenditure of $45.4 million during the year
- Improved financial position as a result of a $150 million capital raising and agreement with two banks to extend existing banking facilities ($180 million) to calendar year 2012
- Gearing (debt/total assets) 22.6 per cent at 30 June 2009 (2008: 31.5 per cent)
- Covenant gearing (debt and non-current liabilities/total assets) 23.1 per cent (2008: 31.5 per cent)
- Outperformed the market for total returns over one, three, five and ten year periods (refer to chart below)

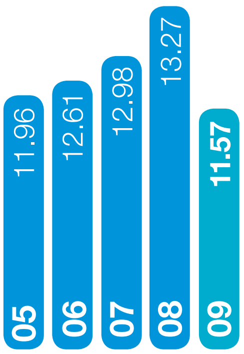
BWP total returns compared to market - periods ended 30 June 2009



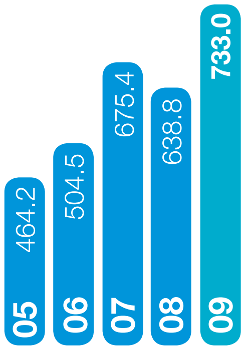
Total returns include distributions and movement in price (assumes distributions are reinvested). Source: UBS

FINANCIAL SUMMARY

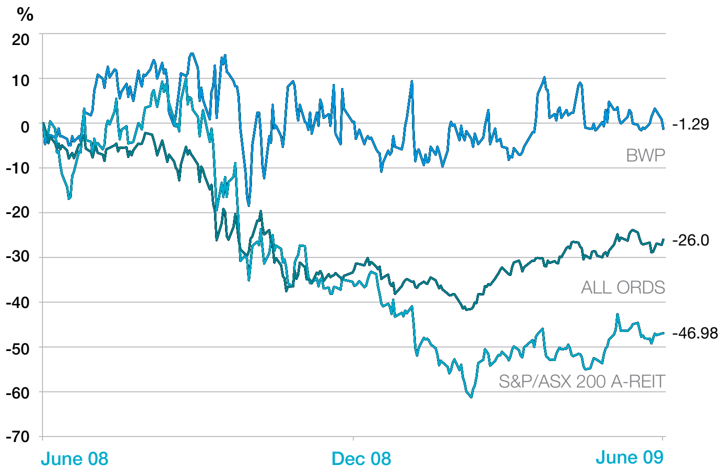
Distribution per unit
(cents per unit)



Unitholders' equity
($ million)



BWP unit price vs market indices



Financial performance

Year ended 30 June			2009	2008	2007	2006	2005
Total income		$m	**73.2**	65.9	59.8	55.1	50.6
Net (loss)/profit		$m	**(11.7)**	0.7	207.0	75.2	79.9
Unrealised loss/(gain) in fair value of investment properties		$m	**52.1**	39.3	(167.9)	(37.2)	(43.9)
Distributable profit		$m	**40.5**[1]	40.0	39.1	38.0	36.0
Distribution per ordinary unit	interim	cents	**6.70**	6.55	6.42	6.22	5.79
	final	cents	**4.87**	6.72	6.56	6.39	6.17
	total	cents	**11.57**	13.27	12.98	12.61	11.96
Tax advantaged component		%	**28.07**	23.55	23.62	24.22	25.20
Total assets		$m	**999.9**	979.9	963.4	731.6	656.8
Borrowings		$m	**225.9**	308.5	258.6	200.9	166.9
Unitholders' equity		$m	**733.0**	638.8	675.4	504.5	464.2
Gearing (debt to total assets)		%	**22.6**	31.5	26.8	27.5	25.4
Number of units on issue		m	**410**	301	301	301	301
Number of unitholders			**12,583**	12,471	12,840	12,477	12,474
Net tangible asset backing per unit		$	**1.79**	2.12	2.24	1.67	1.54
Unit price at 30 June*		$	**1.63**	1.65	2.23	1.93	1.84
Management expense ratio (annualised)		%	**0.69**	0.67	0.70	0.67	0.65

* prior years adjusted to reflect effect of $150 million capital raising in May 2009
[1] adjusted for rounding

LETTER FROM THE CHAIRMAN

The Trust has continued to perform well through what have been unprecedented, difficult global financial and economic conditions. While the Trust's year-on-year performance has been pleasing, the real strength of the Trust has been demonstrated by its performance relative to the market.

Dear unitholder,

On behalf of the board of directors of Bunnings Property Management Limited, the responsible entity for the Bunnings Warehouse Property Trust, I am pleased to present the Trust's 2009 Annual Report.

We are delighted that the Trust has continued to perform well through what have been unprecedented, difficult global financial and economic conditions. Revenue was up by 11.0 per cent on last year to $73.2 million. Distributable profit for 2008/09 also increased, by 1.1 per cent to $40.5 million, but was affected by one-off costs of $3.3 million associated with reducing debt as part of recent capital management initiatives.

While the Trust's year-on-year performance has been pleasing, the real strength of the Trust has been demonstrated by its performance relative to the market. Bunnings Warehouse Property Trust was the only stock in the listed property trust sector S&P/ASX 200 A-REIT index to make a positive total return during the year, with a positive 5.2 per cent return (based on movement in unit price and distributions). This compares with the sector's negative 42.3 per cent return and the broader market's return of negative 22.1 per cent. The strength of the Trust's unit price over the year compared with the sector and broader market is shown in the graph opposite.

Over a longer timeframe as well, the Trust has outperformed the market - ranking either first or second in the S&P/ASX 200 A-REIT sector for total returns over one, three, five and ten year periods.

Other financial and operational highlights of the Trust for the year are addressed elsewhere in this Annual Report, however, I would like to comment on three areas here:

First, we are pleased to have been able to continue to make improvements to the Trust's portfolio of properties, including the acquisition of another established Bunnings Warehouse and the completion of developments at existing Trust properties, particularly the completion of the new multi-level format Bunnings Warehouse at Hawthorn, Victoria. These improvements show the board's "business as usual" approach, focused on the longer-term objectives of the Trust, rather than being unduly influenced or distracted by short-term conditions and prevailing market sentiment.

Second, the outcome of the 19 market rent reviews completed for the year showed solid growth, with an average 12.2 per cent increase in annual rent. Many of the market reviews were the second time leases had been reviewed to market.

Third, a significant highlight of the year was the success of the Trust's $150 million equity raising. These funds have been used to reduce the Trust's debt, to a very comfortable gearing level of 22.6 per cent of total assets at 30 June 2009. The decision to ask unitholders for additional capital was not a decision that the directors took lightly. However, given the uncertainty regarding credit and property markets it was considered a prudent initiative for improving the Trust's short-term flexibility to manage debt funding and better position the Trust over the medium-term for growth. There was strong support from existing unitholders and new investors for the equity raising and, on behalf of the board, I thank our unitholders for your confidence in and support of the Trust.

Finally, the board wishes to acknowledge the valuable contribution made by management throughout what has been a challenging, but rewarding year.

J A Austin

Chairman
Bunnings Property
Management Limited

MANAGER'S REPORT

The Trust delivered 11.0 per cent growth in revenue following additional rental from acquisitions and developments and solid increases from market rent reviews during the year. Growth in distributable profit of 1.1 per cent was constrained as a result of one-off costs associated with debt reduction from the proceeds of the $150 million capital raised in the second half of the year.

Financial results

Total income for the full-year to 30 June 2009 was $73.2 million, up by 11.0 per cent from last year, due to increases in rental income from rent reviews or new income received from acquisitions and developments.

Finance costs of $21.3 million (excluding one-off costs of terminating interest rate swaps) were 16.3 per cent higher than last year, due to the average level of debt being 15.1 per cent higher ($320.2 million compared with $278.1 million for 2008) and a higher weighted average interest rate after hedging (including margins and fees) of 6.64 per cent, compared with 6.56 per cent in the previous year.

Distributable profit for the year was $40.5 million, an increase of 1.1 per cent on the distributable profit last year. The distributable profit excludes the unrealised net loss of $52.1 million on the revaluations of the fair value of the portfolio (see revaluations section below). The revaluation loss is set-off against prior year's undistributed income.

The management expense ratio for the 12 months to 30 June 2009 (expenses other than property outgoings and borrowing costs as a percentage of average total assets) was 0.69 per cent (2008: 0.67 per cent).

As at 30 June 2009 the Trust's total assets were $999.9 million (2008: $979.9 million), with unitholders' equity of $733.0 million and total liabilities of $266.9 million. Investment properties made up the majority of total assets, comprising $955.6 million (2008: $962.3 million). Details of investment properties are contained in the "Our property portfolio" section at pages 10 to 13.

The underlying net tangible asset backing of the Trust's units ("NTA") at 30 June 2009 was $1.79 per unit, a decline of 4.8 per cent from $1.88 per unit at 31 December 2008 (30 June 2008: $2.12). The decline in NTA over the half-year to 30 June 2009 is mainly due to a 34 per cent increase in the number of issued units during the half-year.

The Trust's gearing ratio (debt to total assets) at 30 June 2009 was 22.6 per cent (2008: 31.5 per cent), and remained within the board's preferred range of 20 to 40 per cent. Covenant gearing (debt and non-current liabilities to total assets) was 23.1 per cent (2008: 31.5 per cent). The interest cover ratio (earnings before interest and tax to interest expense) was 2.9 times (2008: 3.3 times).

Distribution to unitholders

A final distribution of 4.87 cents per ordinary unit has been declared and will be made on 31 August 2009 to unitholders on the Trust's register at 5.00 pm on 30 June 2009.

The final distribution takes the total distribution for the year to 11.57 cents per unit, a 12.8 per cent decrease on last year. The reduction in full-year distribution per unit is mainly due to the effect of additional units issued in the $150 million entitlement offer announced in May 2009 (see capital management section below).

The tax advantaged component of the distribution is 28.07 per cent.

Units issued under the Trust's Distribution Reinvestment Plan ("DRP") in respect of the final distribution will be issued at $1.5932 per unit, representing a 2.5 per cent discount to the volume weighted average price of the Trust's units for the 10 trading days following the record date.

Capital management

The Trust currently has a total of $380.0 million debt facilities with four major Australian banks. Details of the facilities are provided below.

Bank facilities as at 30 June 2009	Limit $m	Amount drawn[a] $m	Expiry date
Australia and New Zealand Banking Group Limited	100.0	56.8	31 July 2010
National Australia Bank Limited	100.0	53.8	Evergreen [b]
Commonwealth Bank of Australia	100.0	61.1	14 January 2010 [c]
Westpac Banking Corporation	80.0	54.5	1 July 2010 [c]
	380.0	**226.2**	

[a] Amount drawn includes accrued interest of $0.3 million as at 30 June 2009.

[b] Facility is extended annually in March each year provided there has been no event of default or potential event of default, with any change to pricing to apply from 1 April the following year.

[c] As at 30 June 2009 offers had been made by banks to extend these facilities - Commonwealth Bank of Australia to 14 January 2012 and Westpac Banking Corporation to 2 July 2012. These extensions have been formalised subsequently.

In May 2009, the Trust announced a $150 million equity raising, via a non-renounceable 1 for 3.09 entitlement offer at a fixed price of $1.50 per unit ("entitlement offer"). The entitlement offer was fully underwritten by J.P. Morgan Australia Limited and was well supported by institutions and retail investors. There was a 63 per cent take-up of entitlements by retail unitholders (including applications for additional units). As a result of the entitlement offer the Trust issued 100,244,757 new units, taking the total number of units on issue at 30 June 2009 to 410,001,055.

Proceeds of the entitlement offer were used to repay debt during the year, with further repayments of debt to be made in 2009/10 as bank bills mature. As a result of reducing debt levels, the Trust had to terminate some interest rate swaps to ensure the level of hedging would not exceed 100 per cent of borrowings. The termination of the interest rate swaps resulted in a one-off cost of $3.3 million during the second half of the year.

The Trust's DRP was reinstated during 2008 and applied to both the interim and final distributions for 2008/09. During the year 8,320,759 new units were issued under the DRP.

At 30 June 2009, the Trust's hedging cover was 85.0 per cent of borrowings, with $192.0 million interest rate swaps against interest bearing debt of $225.9 million. The weighted average term to maturity of hedging was 3.07 years, including delayed start swaps.

Sustainability

This is the first year that a formal position on sustainability, and more particularly the issue of climate change, has been provided by the responsible entity in respect of its own operations and that of the Trust's business. While climate change is only one element of the much broader challenge of sustainability, it is the focus of this statement at this time, given the sense of urgency that surrounds addressing the causes and effects of this critical issue.

Our commitment

The responsible entity for the Bunnings Warehouse Property Trust is committed to acting responsibly and ethically and operating its business in a manner that is sustainable.

The responsible entity's board and management team acknowledge the imperatives of climate change, the impacts of which will be damaging to geographically vulnerable populations and property and will lead to economic disruptions to businesses operating in the sector the Trust invests and operates in. The board and management recognise the need to understand the environmental risks to, and the environmental impacts of, the business. With improved understanding, the strategies and practices of the business can be strengthened and management can develop an action plan to manage risks, identify opportunities to minimise the business's carbon footprint and support and encourage the business's employees, suppliers and tenants in their pursuit of like-minded goals.

The Trust's business in the "climate change" context

The Trust's property business is relatively small on the global and national scales. It owns 60 properties and bulky goods warehouses valued at $955.6 million. The responsible entity's management team occupies a Perth based office of 127 square metres and the business is managed with a small team of less than six employees. It is recognised that the efforts of the responsible entity's employees can have only a nominal impact at best, but they accept that this does not absolve them from the responsibility every person and every business has to strive towards making a positive difference in these critical times.

Grant Gernhoefer
General Manager

MANAGER'S REPORT (continued)

Building on understanding in 2008/09

NGER Act reporting

In 2008/09, the responsible entity completed a review of the Trust's properties to determine the Trust's reporting obligations, if any, under the Commonwealth Government's National Greenhouse and Energy Reporting Act 2007 ("NGER Act").

Almost all of the Trust's properties are subject to "whole of site" leases with Bunnings Group Limited or J Blackwood and Son Limited who have "operational control" of their facilities and have committed to report their aggregate energy consumption/emissions under the corporate banner of their parent company, Wesfarmers Limited. The responsible entity has no access to energy usage/consumption/emissions data and no NGER reporting obligation in relation to these properties.

The Trust's non-Wesfarmers tenants also have "operational control" of their sites. The responsible entity has provided these tenants with NGER information.

The Trust has some vacant land and residual "common area" property that is not subject to a "whole of site" lease. Total energy usage (mostly lighting) for these areas was found to be minimal. Notwithstanding, the responsible entity has committed to maintaining a database of the energy usage/emissions of those sites where it has the ability to influence energy efficiency or reduce emissions.

Opportunities for collaboration

Bunnings Group Limited is the principal tenant of Trust owned warehouses. Bunnings Group Limited has publicly stated its goal to achieve "carbon neutrality" by 2015. The initiatives Bunnings Group Limited has undertaken towards this goal are described each year in the Wesfarmers Sustainability Report which is available at **www.wesfarmers.com.au**.

Bunnings Group Limited's property and warehouse specific initiatives include:

- the monitoring and reduction of energy use and greenhouse gas emissions;
- investing in energy efficient technologies, where cost effective;
- installation of water harvesting systems, water re-use and recycling; and
- "green warehouse" research.

One of the Bunnings Group Limited's initiatives includes an ongoing research partnership with Murdoch University in Western Australia, the objectives of which included a review of the built environment, and future building standards at warehouse stores. The research identified several potential initiatives for evaluation and possible inclusion into new building specifications and refits where appropriate.

The responsible entity has identified training opportunities that, when completed, will enable key personnel to engage suppliers and service providers in the greenhouse abatement effort and make investment decisions that contribute to improved greenhouse performance.

Opportunities exist for the responsible entity of the Trust and Bunnings Group Limited to work in a co-ordinated direction. All of the Trust's stakeholders and the broader community will benefit from any Trust and/or Bunnings Group Limited initiated investment directed at "greening" existing and future warehouses.

Strategic and action plans are next

During the year, the responsible entity was largely in the information-gathering phase in relation to climate change issues. A set of sustainability principles are now being developed against which the Trust will then report its activities and achievements.

The responsible entity's management are also in the process of considering how they can most effectively incorporate the Trust's environmental and sustainability responsibilities into the Trust's strategic plan. This work will be followed by the development of an action plan with likely flow-on implications for the responsible entity's risk management, acquisitions, development, refurbishment and staff training policies and practices. The responsible entity expects to conclude and report on this work in the 2009/10 year.

Grant Gernhoefer

General Manager
Bunnings Property Management Limited

OUTLOOK

The Trust is well positioned to meet a range of economic and market conditions that may arise in the near term.

Following the capital raising undertaken during the year, the Trust has the financial flexibility to manage debt funding should credit markets remain tight or worsen in the short term. The extension of $180 million in bank facilities until 2012 has also significantly reduced refinancing risks for the Trust. While borrowings under debt facilities have reduced as a result of the equity raising, the effects of higher bank fees and margins following refinancing and the high level of hedged debt is expected to increase the Trust's effective interest rate.

The additional debt capacity from paying down borrowings provides ample capacity to take advantage of appropriate growth opportunities. Bunnings Warehouses will continue to be the primary focus for growth, through improvements to existing properties and selective acquisitions.

There is an active market for Bunnings Warehouses currently, with sellers motivated by requirements to manage capital and buyers seeing value at current yields in a low interest environment. Private investors have acquired nine Bunnings Warehouses offered for sale by Bunnings Group Limited and third party owners in the open market during the six months to 30 June 2009.

The current market conditions and the Trust's balance sheet strength may provide a unique opportunity for the Trust to acquire premium assets to enhance the portfolio. Although Bunnings Warehouses are the most likely target for acquisitions, other assets that meet the Trust's investment criteria and complement the existing portfolio will be considered.

There are market rent reviews of 10 of the Trust's Bunnings Warehouses in the 2009/10 financial year. The results of these will depend on a number of factors including specific characteristics of the individual properties and the relativity of current rentals of comparable Bunnings Warehouses. While the market rent reviews completed for 2008/09 generally showed strong increases, these results are not necessarily an indication of the likely outcome of upcoming rent reviews.

Mile End, SA (due for market rent review in 2009/10)

OUR PROPERTY PORTFOLIO

The Trust comprises predominantly warehouse retailing properties, particularly Bunnings Warehouse properties tenanted by Bunnings Group Limited, a wholly owned subsidiary of Wesfarmers Limited. As at 30 June 2009 the Trust owned 60 investment properties, all within Australia, with a total value of $955.6 million and a weighted average lease expiry of 6.3 years (compared with 6.9 years at 30 June 2008).

Portfolio at a glance

	2005	2006	2007	2008	2009
Bunnings Warehouses	47	49	50	51	**53**
Bunnings Distribution Centre ("DC")	2	2	2	2	**1#**
Bunnings Warehouse development sites	2	1	2	2	**1**
Retail/bulky goods properties	-	1*	1*	2*	**2***
Office/warehouse industrial properties	-	-	3	4	**4**
Annual capital expenditure	$20.8 m	$33.8 m	$62.0 m	$51.4 m	**$45.4 m**

Cannon Hill DC amalgamated with the adjoining Bunnings Warehouse
* Showrooms at Bayswater are on the same site as the Trust's Bayswater Bunnings Warehouse

Capital expenditure during 2008/09		$m
Acquisitions	Mt Gravatt, QLD, Bunnings Warehouse	11.9
	Altona, VIC, land adjoining existing Bunnings Warehouse	2.8
		14.7
Developments	Cannon Hill, QLD, Bunnings Warehouse expansion	1.2
	Noarlunga, SA, Bunnings Warehouse expansion	3.6
	Hawthorn, VIC, completion of new Bunnings Warehouse	24.1
		28.9
Other improvements	Blackburn, VIC, replace asbestos roof and remove fuel tanks	0.6
	Various other minor works	1.2
		1.8
	Total	**45.4**

Property acquisitions

Bunnings Warehouse, Mt Gravatt, Queensland

In December 2008, the Trust purchased an established Bunnings Warehouse in the Brisbane suburb of Mt Gravatt, Queensland. The 2.7 hectare property was acquired from Bunnings Group Limited on a sale and lease-back basis for $11.9 million (including acquisition costs). The new lease has an initial term of seven years, with five options for a further five years each exercisable by the tenant. The commencing annual rent of $974,000 escalates by three per cent each anniversary and is reviewed to market at the exercise of each option. Market reviews may be no greater than 110 per cent nor less than 90 per cent of the rent in the preceding year.

Land adjoining Bunnings Warehouse, Altona, Victoria

In March 2009 the Trust acquired a vacant site adjoining the Trust's Bunnings Warehouse in the suburb of Altona, approximately 11 kilometres south-west of the Melbourne central business district. The 1.0 hectare vacant site was purchased for $2.8 million (including acquisition costs) and allows for future expansion of the Bunnings Warehouse. Bunnings Group Limited pays the Trust an access fee of 8.0 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 2.4 to 3.4 hectares.

Developments and upgrades

Completion of Bunnings Warehouse Hawthorn, Victoria

In October 2008, the construction of the Trust's Bunnings Warehouse at Hawthorn, Victoria was completed at a cost of $24.1 million. The Trust purchased the land from a third party developer in April 2007 for $20.5 million (including acquisition costs). The Trust will receive an annual rental of $2,736,000.

Amalgamation of Bunnings Warehouse and distribution centre, Cannon Hill, Queensland

In December 2008, a $1.2 million amalgamation of the Trust's Cannon Hill Bunnings Warehouse and distribution centre was completed by Bunnings Group Limited as project manager for the Trust. The resulting upgraded Bunnings Warehouse has a fully enclosed area of 13,913 square metres. The annual rental increased by approximately $203,000 incorporating a 7.0 per cent increase in the passing rental to reflect the likely increase from the market rent reviews that would have occurred in 2009, in addition to an 8.0 per cent return on the cost of the upgrade.

Upgrade of Bunnings Warehouse Noarlunga, South Australia

During the second half of the year, an upgrade of the existing Bunnings Warehouse store, located in the Adelaide suburb of Noarlunga, was completed by Bunnings Group Limited as project manager for the Trust at an estimated cost of approximately $3.6 million. The upgrade expanded the main trade area and timber drive-through. The annual rental will increase by 8.0 per cent return on the cost of the upgrade, plus a 7.0 per cent increase in the passing rental to reflect the likely increase from the market rent review that would have occurred in 2009.

Other improvements

Approximately $1.2 million was spent on other, non-income producing improvements to the portfolio. This included approximately $0.6 million for improvements to the Blackburn industrial property involving replacing the remaining portion of asbestos roof and removing underground fuel storage tanks. Various other minor works at a number of properties made up the balance.

Revaluations

The entire Trust portfolio was re-valued at 31 December 2008 and again at 30 June 2009, including 22 property revaluations performed by independent valuers (12 at 31 December 2008 and 10 at 30 June 2009). Properties not independently revalued at each balance date are subject to directors' valuations, with an independent valuer reviewing the methodology adopted.

The value of the portfolio decreased by $6.7 million over the year to $955.6 million; following a net revaluation loss of $52.1 million and capital expenditure of $45.4 million during the year. Details of the revaluations are disclosed in Note 9 of the notes to the financial statements.

The net revaluation loss was predominantly a result of the increase in capitalisation rates across most of the portfolio, reflecting declines in commercial property values more broadly in Australian property markets. The Trust's weighted average capitalisation rate for the portfolio at 30 June 2009 was 7.81 per cent (December 2008: 7.57 per cent and June 2008: 7.08 per cent).

OUR PROPERTY PORTFOLIO (continued)

Rent reviews

The rent payable for each leased property is increased annually, either by a fixed percentage or by the Consumer Price Index ("CPI"), except when a property is due for a market review. Market reviews occur for each Bunnings Warehouse, generally, 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, 35 properties had annual fixed or CPI increases, resulting in an average increase of 4.5 per cent in the annual rent for these properties.

There were 20 properties due for a market rent review during the year. Nineteen market reviews were completed and one was in the process of being reviewed. Of the 19 reviews completed, six were negotiated between both parties and 13 were determined by an independent valuer. There was a 12.2 per cent average increase in annual rent for these 19 properties as a result of the market rent reviews.

The results of the market rent reviews completed are shown in the table below:

Property location	Passing rent $ pa	Market review $ pa	Uplift %	Effective date
Altona, VIC*	965,287	994,215	+3.0	24 Sep 08
Balcatta, WA	1,454,618	1,680,000	+15.5	24 Sep 08
Bayswater, VIC*	1,500,786	1,500,786	+0.0	21 Apr 09
Broadmeadows, VIC	957,484	1,060,000	+10.7	24 Sep 08
Burleigh Heads, QLD^	1,240,605	1,350,000	+8.8	22 Oct 08
Epping, VIC*	1,027,533	1,070,000	+4.1	12 Mar 09
Hemmant, QLD (Distribution Centre)	1,333,376	2,017,100	+51.3	19 Nov 08
Joondalup, WA	1,009,873	1,200,000	+18.8	24 Sep 08
Lismore, NSW*^	793,599	805,000	+1.4	20 Apr 09
Mandurah, WA*	969,854	1,247,500	+28.6	1 Dec 08
Mentone, VIC	1,103,503	1,370,000	+24.2	24 Sep 08
Port Macquarie, NSW	757,962	800,055	+5.6	17 Nov 08
Rocklea, QLD*	1,412,261	1,412,261	+0.0	16 Aug 08
Sandown, VIC	908,439	1,010,000	+11.2	24 Sep 08
Scoresby, VIC	1,114,657	1,173,000	+5.2	24 Sep 08
Southport, QLD^	1,229,549	1,330,000	+8.2	10 Nov 08
Sunshine, VIC	819,936	905,000	+10.4	24 Sep 08
Tuggeranong, ACT	1,259,477	1,390,000	+10.4	1 Dec 08
Underwood, QLD^	1,140,287	1,250,000	+9.6	22 Oct 08
Weighted average (%)			**+12.2**	

* Negotiated outcome

^ Excludes amortised rent not subject to review

The remaining rent review due during the year for the Bunnings Warehouse at Minchinbury, New South Wales, is likely to be completed in the first half of 2009/10.

As at 30 June 2009	Land area ha	Gross lettable area[1] sq.m	Annual rental $000
Western Australia			
Albany	2.0	13,660	570
Balcatta	4.3	25,439	1,680
Bibra Lake	3.2	13,977	1,217
Canning Vale (Blackwoods)	1.4	6,945	576
Geraldton	3.3	17,809	888
Geraldton Showrooms	1.2	1,511	206
Joondalup	2.5	13,358	1,200
Mandurah	2.5	12,097	1,248
Midland	2.4	13,694	1,317
Mindarie	3.1	14,479	1,275
Morley	1.8	9,852	994
Rockingham	3.3	17,179	1,232
Total	**31.0**	**160,000**	**12,404**
Victoria			
Altona[2]	3.4	9,254	994
Bayswater	4.9	15,193	1,501
Bayswater showrooms		2,484	384
Blackburn (Industrial)	4.1	20,420	1,532
Broadmeadows[3]	1.8	10,435	1,060
Croydon	3.8	13,292	1,493
Dandenong	3.1	12,313	1,244
Epping	3.1	12,027	1,070
Fountain Gate	3.2	12,624	1,281
Frankston	3.7	13,843	1,814
Hawthorn	0.8	7,462	2,736
Hoppers Crossing	2.7	11,170	1,127
Maribyrnong[4]	3.4		
Mentone	2.5	11,814	1,370
Mornington	4.0	13,324	1,374
Northland	3.3	12,027	1,418
Nunawading[5]	3.4	14,766	1,927
Oakleigh South	4.4	16,949	1,724
Sandown	3.1	12,180	1,010
Scoresby	3.4	11,938	1,173
Sunshine	2.0	9,958	905
Vermont South[6]	5.2	16,634	1,920
Total	**69.3**	**260,107**	**29,057**

As at 30 June 2009	Land area ha	Gross lettable area[1] sq.m	Annual rental $000
Australian Capital Territory			
Fyshwick[7]	2.8	6,648	1,068
Tuggeranong	2.8	11,857	1,390
Total	**5.6**	**18,505**	**2,458**
South Australia			
Mile End	3.3	14,786	1,646
Noarlunga	2.6	12,902	1,287
Regency Park	1.1	4,682	395
Total	**7.0**	**32,370**	**3,328**
New South Wales			
Artarmon	0.7	5,746	1,465
Belmont North	4.0	12,640	826
Belrose	2.5	8,888	1,851
Blacktown (Blackwoods)	1.3	8,346	747
Coffs Harbour	2.5	8,657	784
Lismore	2.1	10,076	843
Maitland	3.7	12,797	1,088
Minchinbury	3.1	12,048	1,402
Port Macquarie	2.0	8,801	800
Thornleigh	1.2	5,301	1,128
Villawood	2.6	10,886	1,372
Wollongong	2.7	10,811	1,262
Total	**28.4**	**114,997**	**13,570**
Queensland			
Burleigh Heads	3.3	12,428	1,406
Cairns	2.4	12,917	1,169
Cannon Hill	3.6	16,470	1,905
Hemmant Distribution Centre	3.5	21,523	2,017
Hervey Bay	3.0	11,824	1,050
Morayfield	3.1	12,507	1,416
Mount Gravatt	2.7	11,824	974
Rocklea	3.1	12,671	1,412
Southport	3.5	12,431	1,384
Underwood	2.9	12,245	1,301
Total	**31.1**	**136,840**	**14,035**
Grand Total	**172.4**	**722,819**	**74,852**

Note: totals and grand total adjusted for rounding

[1] total retail area of the Bunnings Warehouse

[2] includes additional land (1.0 hectares) for which Bunnings Group Limited pays the Trust an access fee of $221,636 per annum

[3] includes additional land (0.1 hectares) for which Bunnings Group Limited pays the Trust an access fee of $20,194 per annum

[4] development site for which Bunnings Group Limited pays the Trust an access fee of $602,482 per annum

[5] includes adjoining properties (0.1 hectares) for which Bunnings Group Limited pays the Trust an access fee of $126,935 per annum

[6] includes land (0.4 hectares) for which Bunnings Group Limited pays the Trust an access fee of $68,000 per annum

[7] includes adjoining property (1.0 hectares) for which Bunnings Group Limited pays the Trust an access fee of $301,020 per annum

Properties

Western Australia	12
Victoria	21
Australian Capital Territory	2
South Australia	3
New South Wales	12
Queensland	10
Total	**60**

Burleigh Heads, QLD

DIRECTORS AND SENIOR MANAGEMENT

John A Austin **Assoc Dip Val, FAPI (Val&Econ)**
(Chairman, Non-executive/Independent), Age: 63

Joined the board in 2004 and was appointed Chairman in December 2007. John has been actively involved in professional property investment markets for over 38 years, during which he has been a proprietor of Jones Lang Wootton and an advisor in institutional property markets. He was the Managing Director of GRW Property Ltd, the sponsor and manager of the National Industrial Property Trust that listed in 1993 and was on a number of industry boards and committees. Currently he is Executive Chairman of Ringmer Pacific Pty Ltd, a private property investment company, Chairman of Leighton Properties Pty Ltd and is a non-executive director of the MREEF series of unlisted private property funds, managed by Macquarie Bank.

Peter J Mansell **BComm, LLB, H.Dip Tax**
(Director, Non-executive/Independent), Age: 61

Joined the board in 1998. Peter practised as a commercial lawyer for over 35 years until he retired as a partner in Freehills in February 2004. Over the years as a solicitor, he has advised extensively on a number of wide-ranging corporate transactions. He was President of the Council of the Australian Institute of Company Directors, Western Australian Division, having sat on the national board of the Australian Institute of Company Directors Ltd in 2002 and 2003. During the past three years he has served as a director of the following listed companies:

Current other Australian listed company directorships:
- OZ Minerals Limited (June 2008 to date)
- ThinkSmart Ltd (April 2007 to date)
- Great Southern Ltd (November 2005 to date)

Past Australian listed company directorships:
- West Australian Newspapers Holdings Ltd (September 2001 to December 2008) (Chairman 2007-08)
- Zinifex Ltd (Chairman) (March 2004 to June 2008)
- Hardman Resources Ltd (May 2006 to December 2006)

Peter J Johnston **FCIS, FCPA**
(Director, Non-executive/Independent), Age: 66

Joined the board September 2005. Peter previously held the position of Company Secretary of Wesfarmers Limited between 1994 and 2001 and during that time was also an inaugural director of Bunnings Property Management Limited from 1998 until his retirement in 2001. He is also a director of Kresta Holdings Limited and a number of Kresta group subsidiaries.

Rick D Higgins **FAPI**
(Director, Non-executive/Independent), Age: 63

Joined the board in December 2007. Rick is a property professional with over 37 years experience, having provided valuations and consultancy advice to a range of large institutional clients relating to a broad range of properties, including homemaker and bulky goods centres. Before joining the board, Rick was the National Director, Business Development for Colliers International Consultancy & Valuation and prior to this, he was employed by Jones Lang Wootton for 30 years as a National Director (formally proprietor) responsible for the national valuation and consultancy division.

Grant W Gernhoefer **BComm/LLB**
(General Manager), Age: 46

Manager since January 2006. For the 12 years prior to becoming General Manager, Grant has worked for Wesfarmers Limited group of companies, initially as an in-house legal counsel and then in managing the group's risk management and insurance program. Prior to joining Wesfarmers, Grant worked in the building industry in Australia and overseas.

From left to right: P J Johnston, P J Mansell, G W Gernhoefer, J A Austin and R D Higgins.

CORPORATE GOVERNANCE

The responsible entity is committed to fostering a strong governance culture and framework based on the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Principles).

The governance framework is embedded in the Trust's compliance plan (referred to under the heading "Risk control and compliance" on page 17) to ensure ethical behaviour and transparency and to protect unitholders' interests.

This statement outlines the main corporate governance practices of the responsible entity, which were in place throughout the year and at the date of this report. In accordance with the ASX Principles, the responsible entity has posted copies of its corporate governance practices on its website: **www.bwptrust.com.au**.

The ASX Principles have been drafted primarily for listed companies, and not all of the recommendations are readily applicable for a registered managed investment scheme and its responsible entity. However, the responsible entity seeks to comply with the majority of the ASX Principles. Where it does not, it is largely in respect of obligations to disclose material or matters where the nature of regulation of listed trusts or of the Trust's business is such that the board of the responsible entity considers that there has been no detriment to the unitholders of the Trust from non-compliance. Areas of non-compliance and the reasons for non-compliance are noted in this statement.

Relationship between the responsible entity and Wesfarmers Limited

The responsible entity is a wholly owned subsidiary of Wesfarmers Limited ("Wesfarmers"). A majority of the property income of the Trust is received from wholly owned subsidiaries of Wesfarmers. The Trust has purchased property from Wesfarmers subsidiaries, and utilised a Wesfarmers subsidiary, Bunnings Group Limited, as project manager on property developments. Wesfarmers is a substantial unitholder in the Trust, and details of Wesfarmers' unitholding can be found on page 46 of this report. Further information regarding the relationship and transactions with Wesfarmers is detailed in Note 18(d) in the notes to the financial statements. Details of transactions with Wesfarmers are also provided in announcements released to ASX and published on the Trust's website.

Roles of the board and management

The respective roles and responsibilities of the board and management are set out in the compliance plan.

The role of the board of the responsible entity is to ensure that the Trust is managed in a manner that protects and enhances the interests of its unitholders and takes into account the interests of officers of the responsible entity, customers, suppliers, lenders and the wider community.

The board has overall responsibility for corporate governance, including setting the strategic direction for the Trust, establishing goals for management and monitoring the achievement of these goals. The board's responsibilities and duties include:

- adopting annual operating budgets for the Trust and monitoring progress against budgets;
- monitoring and overseeing the Trust's financial position;
- determining that satisfactory arrangements are in place for auditing the Trust's financial affairs;
- ensuring that all transactions with Wesfarmers and other related parties are carried out at arm's length, including obtaining independent valuation support for property related transactions;
- reviewing the level and adequacy of services provided by external service providers including services provided by Wesfarmers;
- ensuring that appropriate policies and compliance systems are in place, and that the responsible entity and its officers act legally, ethically and responsibly on all matters; and
- complying with the statutory duties and obligations as imposed by law.

The board has delegated responsibility for the day to day management of the Trust to the General Manager.

The separation of responsibilities between the board and management is clearly understood and respected.

Board meetings

As provided for in the Trust's compliance plan, the board holds at least six scheduled meetings each year, although additional meetings may be called as and when required. During the year the board held 14 meetings.

Board structure

The board is currently comprised of four non-executive directors including the Chairman. The board is satisfied that the composition of the board is appropriate and accords with the requirements in the Trust's compliance plan to maintain an appropriate range of backgrounds, skills and experience.

Details of directors in office at the date of this report, including their status as executive, non-executive or "external" directors are set out on page 14 of this report.

CORPORATE GOVERNANCE (continued)

Director independence

Directors of the responsible entity are expected to bring an independent view to the board's deliberations.

It is the responsible entity's policy that the board composition will comprise a majority of non-executive directors who are considered to be "independent". Under the regulations applicable to managed investment schemes, "independence" is determined according to the definition of "external directors" in section 601JA of the Corporations Act ("the Act").

Under section 601JA of the Act, a director of the responsible entity is an external director if they:

(a) are not, and have not been in the previous two years, an employee of the responsible entity or a related body corporate;

(b) are not, and have not been in the previous two years, a senior manager of a related body corporate;

(c) are not, and have not been in the previous two years, substantially involved in business dealings, or in a professional capacity, with the responsible entity or a related body corporate;

(d) are not a member of a partnership that is, or has been in the previous two years, substantially involved in business dealings, or in a professional capacity, with the responsible entity or a related body corporate;

(e) do not have a material interest in the responsible entity or a related body corporate; and

(f) are not a relative of a person who has a material interest in the responsible entity or a related body corporate.

All directors of the responsible entity including the Chairman are external directors as defined by section 601JA of the Corporations Act.

This definition against which their independent status is assessed differs from that applied by the ASX Principles to directors of listed companies.

The board's assessment of the independence of each of the directors is included as part of the directors' details on page 14 of this report. In particular, the board reviewed the independence of Mr Mansell, who has been a principal of a professional advisor of the Trust, details of which can be found in Note 18(d) to the financial statements in this report. The board considers that Mr Mansell is an independent director in accordance with the criteria for "external directors" set out above and given his continued and demonstrated performance and ability to make objective judgments on matters before the board.

The board is satisfied that all directors bring an independent judgement to bear on board decisions in relation to the affairs of the Trust and its unitholders.

Selection and appointment of directors

The responsible entity has recognised the importance of having a balanced board comprised of directors with an appropriate range of backgrounds, skills and experience. In considering potential candidates for appointment to the board, the board considers the following factors:

- the qualifications, expertise and experience of the person which are relevant to the role of director of the responsible entity;
- the extent to which the qualifications, expertise and experience of the person complement the qualifications, expertise and experience of incumbent directors;
- the professional and personal reputation of the person; and
- any person nominated as an executive director must be of sufficient stature and security of employment to express independent views on any matter.

All non-executive directors are expected to voluntarily review their membership of the board from time to time taking into account length of service, age, qualifications and expertise relevant to the responsible entity's then current policy and programme, together with the other criteria considered desirable for composition of a balanced board and the overall interests of the responsible entity and the Trust.

In addition, each quarter, all non-executive directors are required to review the number of directorships that they hold and confirm that they are able to devote sufficient time and attention to properly fulfil their duties and responsibilities to the board of the responsible entity.

The board considers that the establishment of a nomination committee is unnecessary given that:

- the board consists of only four directors and is not of a size sufficient to justify the formation of a board committee for this task;
- the board complies with the independence standards applicable to registered managed investment schemes as set out above; and
- when considering new candidates for nomination or appointment as directors, the board assesses the skills, experience and expertise of its existing members, and based on that evaluation is able to select from those candidates who bring a complementary range of skills and expertise to the responsible entity's board.

Given that there is not a nomination committee, the responsible entity does not comply with Recommendation 2.4 of the ASX Principles.

Independent professional advice

Subject to prior approval of the Chairman, directors may obtain independent professional advice at the expense of the responsible entity on matters arising in the course of their board duties.

Trading in units

Trading in the Trust's securities by directors, employees and contractors of the responsible entity is restricted under the responsible entity's Securities Dealing Policy and applicable statutory regulations.

The policy is published on the Trust's website at **www.bwptrust.com.au**.

Financial reporting

General Manager declaration

In accordance with section 295A of the Corporations Act 2001, the Trust's financial report preparation and approval process for the financial year ended 30 June 2009, involved the General Manager of the responsible entity providing a written statement to the board that, to the best of his knowledge and belief:

- the Trust's financial report presents a true and fair view of the Trust's financial condition and operating results and is in accordance with applicable accounting standards; and
- the Trust's financial records for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001.

Audit and risk committee

The compliance plan entrenches processes for reporting and audit purposes.

The board has a formally constituted audit and risk committee. A copy of the Audit and Risk Committee Charter is available on the Trust's website.

The committee consists of the entire board and is chaired by an external director, who is not the chairman of the board. All committee members are non-executive, external directors. During the year the committee held three meetings attended by all directors.

Risk control and compliance

As a registered managed investment scheme, the responsible entity has a compliance plan that has been lodged with the Australian Securities and Investments Commission (ASIC) and a copy of the compliance plan can be obtained from ASIC.

The compliance plan is reviewed comprehensively every year to ensure that the way in which the responsible entity operates protects the rights and interests of unitholders and that business risks are identified and properly managed.

In particular, the compliance plan establishes processes for:

- identifying and reporting breaches of or non-compliance with the Corporations Act, the compliance plan, the constitution of the Trust and the responsible entity's Australian Financial Services Licence;
- complying with the ASX Listing Rules;
- protecting Trust property;
- ensuring proper acquisition and disposal practices are followed in regard to Trust property;
- ensuring the timely collection of Trust income;
- completing regular valuations of Trust property;
- the maintenance of financial and other records to facilitate preparation of audited/reviewed financial reports;
- ensuring proper and timely distributions to unitholders;
- complying with the Trust's investment objectives;
- managing investment risk;
- managing potential conflicts of interest with the various related parties of the Trust;
- holding and maintaining adequate insurance cover;
- ensuring that borrowing occurs only within permitted limits and ensuring that borrowing terms are complied with; and
- handling complaints relating to the Trust.

KPMG, the external auditor of the compliance plan, has completed its annual audit for the year ended 30 June 2009. No material breaches of the plan were identified as a result of this audit.

The audit and risk committee is also responsible for assisting the board in overseeing the Trust's risk management systems. The committee is responsible for reviewing the effectiveness of those systems and recommending improvements to them.

In addition to the compliance plan, the responsible entity has in place a number of risk management controls which include the following:

- guidelines and limits for the approval of capital and operating expenditure;
- policies and procedures for the management of financial risk, including exposure to financial instruments and movement in interests rates; and
- an insurance and risk management programme.

CORPORATE GOVERNANCE (continued)

As the majority of members of the board are "external directors" (as defined in section 601JA of the Corporations Act), the board does not consider it is currently necessary to form a separate compliance committee in addition to the board of the responsible entity.

General Manager's statement

In accordance with ASX Principle 7, the General Manager has provided the board with a written statement that:

- the statement given with respect to the integrity of the financial statements (referred to under the heading "Financial Reporting" above) was founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board of the responsible entity; and
- the Trust's risk management and internal compliance and control system was operating effectively in all material respects in relation to financial reporting risks.

Review of board and committee performance

The board and the audit and risk committee participate in performance evaluations on average every two years.

A board performance evaluation was completed in April 2009. All directors participated in a questionnaire that was designed to identify opportunities for continual improvement.

Remuneration policies

The right of the responsible entity to be remunerated and indemnified by the Trust is set out in the constitution of the Trust and disclosed in Note 2 to the financial statements in this report. The constitution is available from ASIC and is available to unitholders on request.

Remuneration of directors and executives

Remuneration expenses 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.

For the financial year ended 30 June 2009, each director was entitled to a director's fee. Directors do not receive options or bonus payments, nor do they receive retirement benefits in connection with their directorships other than statutory superannuation. There are no equity incentive schemes in relation to the Trust.

Details of the remuneration policy for directors are disclosed in Note 18 to the financial statements.

Remuneration committee

The board considers that the establishment of a remuneration committee is not necessary given that:

- the board consists of only four directors and is therefore not of a size sufficient to justify the formation of a separate remuneration committee;
- the responsible entity's fee is prescribed in the constitution of the Trust and any change to that fee would require the approval of unitholders; and
- as directors and officers of the responsible entity are not remunerated by the Trust, unitholders have no direct exposure to those remuneration expenses.

Given that there is not a remuneration committee, the responsible entity does not comply with Recommendation 8.1 of the ASX Principles.

Conflicts management policy

The Trust's compliance plan sets out the conflicts management policy, including the procedure for managing conflicts of interest. The policy applies to all directors and officers of the responsible entity.

The policy identifies circumstances where conflicts of interest may arise and outlines the requirement to evaluate conflicts, control or avoid conflicts and disclose relevant conflicts of interest. The policy also sets out who is responsible for managing conflicts and addresses the requirement to monitor, review and have appropriate approval of the conflicts management policy.

Continuous disclosure and communications with unitholders

The responsible entity has systems in place to ensure timely disclosure of price sensitive information to the market. Officers of the Trust receive training on their continuous disclosure obligations and all announcements made to the market, including information provided to analysts, are posted to the Trust's website.

A summary of the Continuous Disclosure Policy is available on the website.

To enhance communication with unitholders, important information including details of the Trust's properties, financial performance, ASX announcements, governance practices, distribution history and the Trust's complaints handling procedure can be found on the Trust's website.

Ethics and conduct

The responsible entity has adopted a code of conduct that sets out minimum acceptable standards of behaviour to ensure that dealings are conducted with integrity and honesty, and that the highest standards of corporate behaviour and accountability are maintained.

In addition, the board has adopted the Code of Conduct for directors recommended by the Australian Institute of Company Directors.

FINANCIAL STATEMENTS

Income and Distribution Statement
For the year ended 30 June 2009

	Note	June 2009 $000	June 2008 $000
INCOME STATEMENT			
Rental income		**71,208**	63,083
Other property income		**1,662**	2,515
Finance income	4	**291**	278
Other income		**-**	25
Total income		**73,161**	65,901
Finance costs	4	**(21,295)**	(18,310)
Costs associated with terminating interest rate swaps	4	**(3,297)**	-
Total finance expenses		**(24,592)**	(18,310)
Responsible entity's fees	2	**(5,556)**	(5,678)
Other operating expenses		**(2,562)**	(1,902)
Net profit before unrealised loss in fair value of investment properties		**40,451**	40,011
Unrealised loss in fair value of investment properties	9	**(52,140)**	(39,319)
Net (loss)/profit attributable to unitholders of Bunnings Warehouse Property Trust		**(11,689)**	692
Distribution Statement			
Net (loss)/profit attributable to unitholders of Bunnings Warehouse Property Trust		**(11,689)**	692
Undistributed income at the beginning of the financial year		**299,742**	339,051
Distributions paid or payable	5	**(40,437)**	(40,001)
Undistributed income at the end of the financial year		**247,616**	299,742
Basic and diluted earnings (cents per unit)	6	**(3.74)**	0.23
Distribution (cents per unit)	5	**11.57**	13.27

The income and distribution statement should be read in conjunction with the accompanying notes

Balance Sheet

As at 30 June 2009

	Note	**June 2009 $000**	June 2008 $000
ASSETS			
Current assets			
Cash	7	**38,721**	6,625
Receivables and prepayments	8	**1,847**	1,341
Derivative financial instruments	16	**-**	419
Total current assets		**40,568**	8,385
Non-current assets			
Investment properties	9	**955,562**	962,300
Other receivables	8	**850**	850
Derivative financial instruments	16	**2,916**	8,414
Total non-current assets		**959,328**	971,564
Total assets		**999,896**	979,949
LIABILITIES			
Current liabilities			
Payables and deferred income	10	**14,185**	12,422
Derivative financial instruments	16	**1,508**	-
Distribution payable	5	**19,967**	20,256
Total current liabilities		**35,660**	32,678
Non-current liabilities			
Interest-bearing loans and borrowings	11	**225,937**	308,499
Derivative financial instruments	16	**5,275**	-
Total non-current liabilities		**231,212**	308,499
Total liabilities		**266,872**	341,177
Net assets		**733,024**	638,772
Unitholders' equity			
Issued capital	12	**489,273**	330,206
Reserves	13	**(3,865)**	8,824
Undistributed income		**247,616**	299,742
Total unitholders' equity		**733,024**	638,772
Net tangible asset backing per unit		**$1.79**	$2.12

The balance sheet should be read in conjunction with the accompanying notes

Cash Flow Statement

For the year ended 30 June 2009

	Note	**June 2009 $000**	June 2008 $000
Cash flows from operating activities			
Rent received		**81,447**	73,428
Payments to suppliers		**(9,982)**	(10,625)
Payments to the responsible entity		**(5,638)**	(5,471)
Finance income		**291**	278
Finance costs		**(20,981)**	(18,810)
Costs associated with terminating interest rate swaps		**(3,297)**	-
Net cash flows from operating activities	14	**41,840**	38,800
Cash flows from investing activities			
Payments for purchase of, and additions to, the Trust's property investments		**(45,523)**	(47,698)
Net cash flows used in investing activities		**(45,523)**	(47,698)
Cash flows from financing activities			
(Repayments)/proceeds of borrowings		**(82,562)**	49,947
Proceeds from issue of units via pro-rata entitlement offer		**150,367**	-
Expenses incurred in pro-rata entitlement offer		**(4,631)**	-
Expenses incurred in reinstating the Distribution Reinvestment Plan		**-**	(27)
Distributions paid		**(27,395)**	(39,519)
Net cash flows from financing activities		**35,779**	10,401
Net increase in cash		**32,096**	1,503
Cash at the beginning of the financial year		**6,625**	5,122
Cash at the end of the financial year	7	**38,721**	6,625

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

Statement of Changes in Equity
For the year ended 30 June 2009

	Note	Issued capital $000	Undistributed income $000	Hedge reserve $000	Total $000
Balance at 1 July 2007		330,233	339,051	6,084	675,368
Change in fair value of hedge derivatives	13	-	-	2,740	2,740
Expenses incurred in reinstating the Distribution Reinvestment Plan		(27)	-	-	(27)
Total income and expense for the year recognised directly in equity		(27)	-	2,740	2,713
Net profit for the year		-	692	-	692
Distributions to unitholders		-	(40,001)	-	(40,001)
Balance at 30 June 2008		**330,206**	**299,742**	**8,824**	**638,772**
Balance at 1 July 2008		330,206	299,742	8,824	638,772
Change in fair value of hedge derivatives	13	-	-	(12,689)	(12,689)
Expenses incurred in pro-rata entitlement offer		(4,631)	-	-	(4,631)
Total income and expense for the year recognised directly in equity		(4,631)	-	(12,689)	(17,320)
Net loss for the year		-	(11,689)	-	(11,689)
Distributions to unitholders		-	(40,437)	-	(40,437)
Equity issued during the year:					
Pro-rata entitlement offer		150,367	-	-	150,367
Distribution Reinvestment Plan		13,331	-	-	13,331
Balance at 30 June 2009		**489,273**	**247,616**	**(3,865)**	**733,024**

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

Notes to the Financial Statements
For the year ended 30 June 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report has been prepared in accordance with the requirements of the Constitution of Bunnings Warehouse Property Trust (the Trust) and Australian Accounting Standards. The financial report has 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 report is 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 report is a general purpose financial report which has 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 report of the Trust complies 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 2008. 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.

The following standards have been identified as those which may impact the Trust in the period of initial application. They are available for early adoption at 30 June 2009, but have not been applied in preparing this financial report.

- Revised AASB 101 Presentation of Financial Statements introduces as a financial statement (formerly "primary" statement) the "statement of comprehensive income". The revised standard does not change the recognition, measurement or disclosure of transactions and events that are required by other AASBs. The revised AASB 101 will become mandatory for the Trust's 30 June 2010 financial statements. Application of this standard will not affect any of the amounts recognised in the financial statements but may result in changes in the presentation and terminology used in the financial report.
- Revised AASB 123 Borrowing costs removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The reviewed AASB 123 will become mandatory for the Trust's 30 June 2010 financial statements. This will have no impact on the Trust as it currently capitalises all borrowing costs directly attributable to the acquisition, construction or production of a qualifying assets provisions.

(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.

Notes to the Financial Statements
For the year ended 30 June 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Significant judgements and estimates (continued)

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 swaps is based on estimates provided by the respective bankers. Those estimates are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date (see Note 1(m)).

(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 Income and Distribution Statement 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 Balance Sheet, and for the purposes of the Cash Flow Statement, comprises cash at bank and short term deposits.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 yield related 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 sheet 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 Income and Distribution Statement.

(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 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.

Notes to the Financial Statements
For the year ended 30 June 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

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 Balance Sheet.

Cash flows are included in the Cash Flow Statement 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 short-term borrowings to medium-term 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 of rising interest rates.

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 directly in equity as a hedging reserve and any ineffective portion is recognised in the Income and Distribution Statement. The cumulative gain or loss previously recognised in equity remains there until the forecast transaction occurs, at which point it is transferred to the Income and Distribution Statement.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then the underlying amount is transferred to the Income and Distribution Statement.

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.

2. RESPONSIBLE ENTITY'S FEES

The responsible entity, Bunnings Property 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)(i)d).

	June 2009	June 2008
3. AUDITOR'S REMUNERATION		
Auditing or review of the financial statement		
KPMG Australia	**44,000**	47,000
Other services		
KPMG Australia – taxation services	**26,250**	4,750
KPMG Australia – advisory services in relation to pro-rata entitlement offer	**65,000**	-
KPMG Australia – advisory services	**9,000**	-
	100,250	4,750
	144,250	51,750

	$000	$000
4. FINANCE INCOME AND EXPENSE		
Recognised directly in the Income and Distribution Statement		
Interest income on bank deposits	**291**	278
Finance income	**291**	278
Interest expense on financial liabilities measured at amortised cost	**(21,295)**	(18,310)
Cost associated with terminating interest rate swaps	**(3,297)**	-
Finance expense	**(24,592)**	(18,310)
Net finance income and expense	**(24,301)**	(18,032)
Recognised directly in equity		
Net change in fair value of cash flow hedges transferred to Income and Distribution:		
- ineffective portion of changes in fair value of cash flow hedge	**11**	(11)
- costs associated with terminating interest rate swaps	**3,297**	-
Net (losses)/gains on cash flow hedges for the year	**(15,997)**	2,751
Finance (expense)/income recognised directly in equity	**(12,689)**	2,740

During the year, the Trust raised capital through a non-renounceable pro-rata entitlement offer, with the majority of the proceeds raised being used to repay debt. As a result, a number of associated interest rate swaps were terminated resulting in costs of $3.297 million (2008: nil).

	June 2009 $000	June 2008 $000
5. DISTRIBUTIONS PAID OR PAYABLE		
6.70 cents (2008: 6.55 cents) per unit, interim distribution paid on 27 February 2009	**20,470**	19,745
4.87 cents (2008: 6.72 cents) per unit, final distribution provided	**19,967**	20,256
	40,437	40,001

	June 2009	June 2008
6. EARNINGS PER UNIT		
Net earnings used in calculating basic and diluted earnings per unit	**($11,689,000)**	$692,000
Basic and diluted earnings per unit	**(3.74 cents)**	0.23 cents
Basic and diluted earnings per unit excluding unrealised loss in fair value of investment properties	**12.94 cents**	13.27 cents
Weighted average number of units on issue used in the calculation of basic and diluted earnings per unit	**312,488,003**	301,435,539

	June 2009 $000	June 2008 $000
7. CASH		
Cash at bank	**18,721**	6,625
Short term deposits	**20,000**	-
	38,721	6,625
Weighted average effective interest rates	**4.24%**	6.33%

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

	June 2009 $000	June 2008 $000
8. RECEIVABLES AND PREPAYMENTS		
Current		
Receivables from Wesfarmers Limited subsidiaries	**720**	304
Other receivables	**140**	32
Prepayments	**987**	1,005
	1,847	1,341
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)(i)e).

Notes to the Financial Statements
For the year ended 30 June 2009

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 2009 $000	Fair value 30 June 2008 $000	Last independent valuation
Albany, WA	01.11.99	4,100	206	-	2,594	**6,900**	7,200	31.12.07
Altona, VIC	24.09.98	6,800	566	2,781	5,053	**15,200**	12,900	31.12.06
Artarmon, NSW	10.02.03	14,033	864	-	5,303	**20,200**	24,000	31.12.08
Balcatta, WA	24.09.98	11,200	555	-	10,445	**22,200**	22,800	30.06.09
Bayswater, VIC	11.02.03	7,335	796	13,181	2,188	**23,500**	26,000	30.06.09
Belmont, NSW	04.12.06	10,850	634	103	(1,587)	**10,000**	11,400	17.10.06
Belrose, NSW	10.02.03	17,150	1,054	185	5,511	**23,900**	26,200	31.12.08
Bibra Lake, WA	29.12.98	1,899	95	6,350	7,356	**15,700**	17,000	31.12.07
Blackburn, VIC	15.01.08	19,000	1,123	646	(3,769)	**17,000**	17,501	N/A
Blacktown, NSW	24.01.07	8,235	540	56	(1,131)	**7,700**	9,100	30.05.06
Broadmeadows, VIC	24.09.98	7,200	431	240	5,829	**13,700**	13,700	30.06.07
Burleigh Heads, QLD	22.10.98	9,700	195	235	5,570	**15,700**	16,500	30.06.09
Cairns, QLD	10.02.03	10,000	453	996	1,751	**13,200**	14,700	31.12.08
Canning Vale, WA	24.01.07	6,467	430	60	43	**7,000**	7,099	30.05.06
Cannon Hill, QLD	24.12.98	5,600	313	7,820	7,467	**21,200**	20,799	30.06.08
Coffs Harbour, NSW	05.09.01	1,900	112	4,500	3,288	**9,800**	10,700	30.06.07
Croydon, VIC	24.09.98	7,800	518	5,614	5,368	**19,300**	20,400	31.12.06
Dandenong, VIC	19.04.02	4,000	255	6,660	4,585	**15,500**	17,000	31.12.07
Epping, VIC	12.03.99	7,800	463	-	5,137	**13,400**	14,700	30.06.07
Fountain Gate, VIC	24.09.98	8,300	505	1,575	6,720	**17,100**	17,400	31.12.08
Frankston, VIC	26.06.01	7,300	301	9,400	6,399	**23,400**	24,700	30.06.07
Fyshwick, ACT	23.12.02	10,000	942	3,529	2,642	**17,113**	17,100	31.12.08
Geraldton, WA	10.12.01	1,250	351	5,225	3,974	**10,800**	11,300	31.12.07
Geraldton Showrooms, WA	11.09.07	2,897	190	667	(1,454)	**2,300**	2,900	N/A
Hawthorn, VIC	18.04.07	19,337	1,217	24,120	(5,874)	**38,800**	17,001	31.12.08
Hemmant, QLD	07.05.03	3,000	143	10,472	7,585	**21,200**	19,900	30.06.09
Hervey Bay, QLD	12.07.02	2,053	122	6,425	3,000	**11,600**	12,000	30.06.08
Hoppers Crossing, VIC	11.01.99	2,075	134	5,928	5,963	**14,100**	15,500	30.06.08
Joondalup, WA	24.09.98	8,100	593	6	6,101	**14,800**	15,700	30.06.09
Lismore, NSW	21.04.04	7,750	447	884	1,119	**10,200**	11,100	30.06.09
Maitland, NSW	20.08.03	898	489	9,798	3,015	**14,200**	14,900	30.06.06
Mandurah, WA	24.09.98	3,050	160	5,470	6,620	**15,300**	15,700	31.12.06
Maribyrnong, (land) VIC	28.06.01	7,100	462	-	-	**7,562**	7,500	N/A
Mentone, VIC	24.09.98	9,400	542	94	8,164	**18,200**	18,600	30.06.09
Midland, WA	06.03.01	4,600	255	4,930	7,815	**17,600**	18,000	31.12.06
Mile End, SA	22.03.00	11,250	624	3,022	6,804	**21,700**	23,000	30.06.08
Minchinbury, NSW	31.12.98	9,200	503	-	9,697	**19,400**	20,700	30.06.08
Mindarie, WA	03.03.00	4,184	209	5,598	7,009	**17,000**	17,400	31.12.08
Morayfield, QLD	22.03.00	8,000	334	3,621	4,545	**16,500**	16,800	30.06.08
Morley, WA	04.07.05	11,100	642	332	626	**12,700**	14,200	30.06.08
Mornington, VIC	29.12.98	3,400	204	6,481	8,215	**18,300**	18,700	31.12.07
Mt Gravatt, QLD	18.12.08	11,215	659	-	(674)	**11,200**	-	N/A
Noarlunga, SA	13.04.99	2,305	124	7,352	6,919	**16,700**	12,300	30.06.08
Northland, VIC	24.09.09	8,600	489	2,920	7,391	**19,400**	20,300	31.12.08

Notes to the Financial Statements
For the year ended 30 June 2009

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 2009 $000	Fair value 30 June 2008 $000	Last independent valuation
Nunawading, VIC	24.09.98	13,700	786	3,100	10,601	**28,187**	29,400	31.12.08
Oakleigh South, VIC	05.04.01	6,650	374	9,146	6,030	**22,200**	23,800	30.06.07
Port Macquarie, NSW	15.11.02	2,100	141	5,400	2,659	**10,300**	11,200	30.06.08
Regency Park, SA	24.01.07	4,656	350	199	(805)	**4,400**	3,900	30.05.06
Rockingham, WA	30.06.00	3,320	166	5,830	6,984	**16,300**	17,000	31.12.08
Rocklea, QLD	23.10.02	6,225	296	7,474	3,105	**17,100**	18,800	31.12.08
Sandown, VIC	24.09.98	7,800	446	5	4,349	**12,600**	12,100	30.06.09
Scoresby, VIC	24.09.98	8,300	473	-	6,327	**15,100**	15,400	30.06.07
Southport, QLD	09.11.98	2,800	188	6,825	4,387	**14,200**	14,500	30.06.09
Sunshine, VIC	24.09.98	7,000	407	118	3,775	**11,300**	10,900	30.06.07
Thornleigh, NSW	07.09.04	13,333	782	104	(19)	**14,200**	15,500	31.12.06
Tuggeranong, ACT	01.12.98	7,900	431	753	8,816	**17,900**	18,000	31.12.06
Underwood, QLD	22.10.98	3,000	178	6,060	4,962	**14,200**	14,699	30.06.09
Vermont South, VIC	14.05.03	9,150	635	14,362	1,153	**25,300**	28,400	31.12.07
Villawood, NSW	14.05.08	18,400	861	-	(1,561)	**17,700**	18,400	N/A
Wollongong, NSW	10.02.03	12,000	628	174	3,498	**16,300**	17,901	31.12.08
		453,767	27,386	226,826	247,583	**955,562**	962,300	

(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.

(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 2009 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.

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

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

(ii) Methodology and significant assumptions (continued)

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 six months, with capitalisation rates ranging between 7.4 per cent to 8.2 per cent (compared with the Trust's weighted average rate of 7.81 per cent).

(b) Independent valuations – valuers

Property	Valuation date	Valuer
Balcatta, WA	30.06.09	Knight Frank, Geoff Wilkinson AAPI
Bayswater, VIC	30.06.09	CB Richard Ellis, Stephen Thomas AAPI
Burleigh Heads, QLD	30.06.09	CB Richard Ellis, Tom Irving AAPI
Hemmant, QLD	30.06.09	CB Richard Ellis, Stephen Kenny AAPI
Joondalup, WA	30.06.09	Knight Frank, Geoff Wilkinson AAPI
Lismore, NSW	30.06.09	Colliers International, Peter Macadam AAPI
Mentone, VIC	30.06.09	Jones Lang LaSalle, Bernard Sweeney FAPI
Sandown, VIC	30.06.09	Jones Lang LaSalle, Bernard Sweeney FAPI
Southport, QLD	30.06.09	CB Richard Ellis, Tom Irving AAPI
Underwood, QLD	30.06.09	CB Richard Ellis, Tom Irving AAPI

(c) Operating leases

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

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

(c) Operating leases (continued)

(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 Limited at Blacktown, Canning Vale 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 and Canning Vale leases allow 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.
- Leases at the Blackburn industrial property have varying lease terms all expiring in 2011/12 with tenant exercisable options between three and five years. The weighted average lease expiry for the property is 2.7 years.
- At 30 June 2009, the minimum lease expiry (being the duration until which the tenants' committed terms expire) for the Trust's investment properties is 0.7 years (2008: 1.5 years) and the maximum lease expiry is 11.3 years (2008: 11.3 years), with a weighted average lease expiry for the portfolio of 6.3 years (2008: 6.9 years).

(iii) Generally, rents are reviewed annually in line with movements in Consumer Price Indices compiled by the Australian Bureau of Statistics except when a market rent review is due. Market rent reviews for Bunnings Warehouses are generally 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 all 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 from all 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.

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

(c) Operating leases (continued)

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 2009 $000	June 2008 $000
Not later than one year	**74,658**	65,703
Later than one year not later than five years	**277,285**	260,196
Later than five years	**119,423**	129,257
	471,366	455,156

(d) Reconciliation of movement in investment properties

Opening balance at the beginning of the financial year	**962,300**	950,200
Acquisitions during the year	**14,645**	42,992
Capital improvements	**30,757**	8,427
Net loss from fair value adjustments	**(52,140)**	(39,319)
Closing balance at the end of the financial year	**955,562**	962,300

10. PAYABLES AND DEFERRED INCOME

Current

Trade creditors and accruals	**6,348**	5,316
Responsible entity's fees payable	**1,517**	1,599
Rent received in advance	**6,320**	5,507
	14,185	12,422

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

	June 2009 $000	June 2008 $000

11. INTEREST-BEARING LOANS AND BORROWINGS

Non-current		
Bank loans	**225,937**	308,499

The Trust has access to bank bill lines totalling $380 million (2008: $380 million) through facility agreements with ANZ Banking Group Limited, National Australia Bank Limited, Westpac Banking Corporation and Commonwealth Bank of Australia. The amount of credit unused at 30 June 2009 was $154.1 million (2008: $71.5 million). At 30 June 2009 the minimum duration of the facilities was 13 months (2008: 13 months) and the maximum was 31 months (2008: 25 months) with a weighted average duration of 17.7 months (2008: 17.5 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 2009 $000	June 2008 $000
Book value at the beginning of the financial year	**330,206**	330,233
Equity issued during the year – Distribution Reinvestment Plan – August 2008, 4,088,440 units @ $1.62 per unit	**6,623**	-
Equity issued during the year – Distribution Reinvestment Plan – February 2009, 4,232,319 units @ 1.5849 per unit	**6,708**	-
Equity issued during the year – pro-rata entitlement offer – 100,244,757 units @ $1.50 per unit	**150,367**	-
Expenses incurred in pro-rata entitlement offer	**(4,631)**	-
Expenses incurred in reinstating the Distribution Reinvestment Plan	**-**	(27)
Book value at the end of the financial year	**489,273**	330,206

12. ISSUED CAPITAL (continued)

(b) Number of ordinary units on issue

	June 2009	June 2008
Number of fully paid units on issue at the beginning of financial year	**301,435,539**	301,435,539
Issue of units during the year – Distribution Reinvestment Plan	**8,320,759**	-
Issue of units during the year – pro-rata entitlement offer	**100,244,757**	-
Number of fully paid units on issue at the end of the financial year	**410,001,055**	301,435,539

(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 and any other cash of the Trust in proportion to the number of and amounts paid up on units held.

(d) Distribution Reinvestment Plan

The Distribution Reinvestment Plan (DRP) was re-introduced in May 2008, and has been applied to all distributions since this date.

Under the terms of the DRP, eligible unitholders are able to elect to reinvest all or part of their distribution in additional units, free of any brokerage or other transaction costs, rather than receiving their entitlement in cash. Units may be issued at a discount to the market price at a level, if at all, determined by the directors.

The DRP issue price was based on the volume weighted average price of Bunnings Warehouse Property Trust units traded on the Australian Securities Exchange for the ten days following the relevant record date, with a discount, if any, as determined by the directors.

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 2009 $000	June 2008 $000
Opening balance at the beginning of the financial year	**8,824**	6,084
Amounts recognised in net (loss)/profit for the year	**3,308**	(11)
Net (loss)/gain on cash flow hedges for the year	**(15,997)**	2,751
Closing balance at the end of the financial year	**(3,865)**	8,824

Notes to the Financial Statements
For the year ended 30 June 2009

14. CASH FLOW

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

	June 2009 $000	June 2008 $000
Net (loss)/profit	**(11,689)**	692
Net fair value change on investment properties	**52,140**	39,319
Increase in receivables and prepayments	**(506)**	(232)
Increase/(decrease) in payables and deferred income	**1,895**	(979)
Net cash flows from operating activities	**41,840**	38,800

(b) Reconciliation of cash

	June 2009 $000	June 2008 $000
Cash balance comprises:		
Cash (see Note 7)	**18,721**	6,625
Short term deposits (see Note 7)	**20,000**	-
	38,721	6,625

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 this financial report.

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.

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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 95.0 per cent (2008: 95.4 per cent) of the rental income is with two tenants, Bunnings Group Limited 92.7 per cent (2008: 93.0 per cent), and J Blackwoods and Son Limited 2.3 per cent (2008: 2.4 per cent), wholly owned subsidiaries of Wesfarmers Limited. Bunnings Group Limited, J Blackwood and Son Limited, 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 BBB+(stable)/A2 by Standard & Poor's (BAA1(stable)/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.

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:

16. FINANCIAL INSTRUMENTS (continued)

(a) Concentration of credit risk (continued)

	Note	Carrying amount June 2009 $000	June 2008 $000
Loans and receivables	8	**1,710**	1,186
Cash and short term deposits	7	**38,721**	6,625
Interest rate swaps assets		**2,916**	8,833
		43,347	16,644

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

	Carrying amount June 2009 $000	June 2008 $000
Tenants		
Wesfarmers Limited subsidiaries	**720**	304
Other tenants	**140**	32
Loans		
Bunnings Group Limited – (See Note 18(d)(i)e).	**850**	850
	1,710	1,186

Impairment losses

Rental receivables of approximately $7,000 were overdue at 30 June 2009 (2008: nil).

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.

16. FINANCIAL INSTRUMENTS (continued)

(b) Liquidity risk (continued)

The following are the contractual maturities of financial liabilities (including estimated interest payments) and receipts of interest rate swaps:

30 June 2009	Carrying amount $000	Contractual cash flows $000	1 year $000	1-2 years $000	2-5 years $000	More than 5 years $000
Bank loans - principal	(225,937)	(226,200)	-	(165,100)	(61,100)	-
Bank loans - future interest	-	(17,790)	(9,054)	(6,367)	(2,369)	-
Payables and deferred income	(14,185)	(14,185)	(14,185)	-	-	-
Interest rate swaps	(3,867)	(2,616)	(4,814)	(2,049)	3,293	954
	(243,989)	**(260,791)**	**(28,053)**	**(173,516)**	**(60,176)**	**954**
30 June 2008						
Bank loans - principal	(308,499)	(310,400)	-	(260,400)	(50,000)	-
Bank loans - future interest	-	(38,365)	(22,481)	(15,072)	(812)	-
Payables and deferred income	(12,422)	(12,422)	(12,422)	-	-	-
Interest rate swaps assets	8,833	9,748	3,212	2,843	3,598	95
	(312,088)	**(351,439)**	**(31,691)**	**(272,629)**	**(47,214)**	**95**

(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 adjusting the effective interest rate on the underlying obligations. At 30 June 2009 the fixed rates varied from 5.15 per cent to 7.85 per cent (2008: 5.09 per cent to 7.88 per cent) and the floating rates were at bank bill rates plus a bank margin.

The Trust adopts a policy of ensuring that at least 50 per cent of its borrowings are covered by interest rate swaps, with the preferred range being between 50 per cent and 75 per cent.

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

16. FINANCIAL INSTRUMENTS (continued)

(c) Interest rate risk (continued)

	Carrying amount	
	June 2009 $000	June 2008 $000
Variable rate instruments		
Cash on short term deposits	**38,721**	6,625
Bank loans	**(225,937)**	(308,499)

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)(i)e), which will be held to maturity.

Cash flow sensitivity analysis for variable rate instruments

The analysis below considers the impact on equity and net profit due to a reasonably possible increase or decrease in interest rates. This analysis assumes that all other variables remain constant. Due to changes in market conditions since the last report, the analysis used for 2009 differs from the previous year.

	Net loss		Equity	
	100 basis points increase $000	**100 basis points decrease $000**	**100 basis points increase $000**	**100 basis points decrease $000**
30 June 2009				
Variable rate instruments	(2,262)	2,262	-	-
Interest rate swaps	1,920	(1,920)	7,522	(7,914)
Net impact on net loss and equity	**(342)**	**342**	**7,522**	**(7,914)**

	Net profit/(loss)		Equity	
	75 basis points increase $000	**25 basis points decrease $000**	**75 basis points increase $000**	**25 basis points decrease $000**
30 June 2008				
Variable rate instruments	(2,328)	776	-	-
Interest rate swaps	1,826	(609)	2,415	(805)
Net impact on net profit/(loss) and equity	**(502)**	**167**	**2,415**	**(805)**

16. FINANCIAL INSTRUMENTS (continued)

(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 2009 $000	June 2008 $000
	Book value and fair value	Book value and fair value
Loans and receivables	**1,710**	1,186
Cash on short term deposit	**38,721**	6,625
Interest rate swaps	**(3,867)**	8,833
Bank loans	**(225,937)**	(308,499)
Payables and deferred income	**(14,185)**	(12,422)
	(203,558)	(304,277)

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:

	2009	2008
Interest rate swaps	**3.42% to 5.78%**	7.68% to 7.95%

(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 40 per cent for the Trust's gearing ratio (debt to total assets), which is monitored on a monthly basis. At 30 June 2009, the gearing level was 22.6 per cent (2008: 31.5 per cent).

During the year, as part of the Trust's capital management an accelerated non-renounceable pro-rata entitlement offer was as undertaken. This raised total proceeds of $150.4 million of which the majority was used to repay debt.

The Trust's Distribution Reinvestment Plan was reinstated during the 2008 year, effective for the final distribution for the financial year ending 30 June 2008 and applying to subsequent distributions until notice is given of its suspension or termination.

Notes to the Financial Statements

For the year ended 30 June 2009

17. CAPITAL EXPENDITURE COMMITMENTS

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

	June 2009 $000	June 2008 $000
Investment properties		
Not later than one year	**442**	275
Later than one year and not later than five years	**-**	24,000
	442	24,275

Capital commitments

As at 30 June 2009, the Trust had committed to capital expenditure for car park works amounting to $300,000, building services of $115,000, and $27,000 (2008: $275,000) committed to replace reflective insulation at the Bunnings Warehouses at Fyshwick and Wollongong.

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, Bunnings Property Management Limited, during the financial year:

Chairman – non-executive

J A Austin

Non-executive directors

P J Johnston
P J Mansell
R D Higgins

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 2. The Constitution is lodged with ASIC and is available to unitholders on request.

For the financial year ended 30 June 2009, 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.

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

(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	35,000	181,164	-	216,164
P J Johnston	45,303	19,697	-	65,000
P J Mansell	100,000	45,599	-	145,599
Total	**180,303**	**246,460**	**-**	**426,763**

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

a) Wesfarmers Investments Pty Ltd, a controlled entity of Wesfarmers Limited, holds 92,928,076 (2008: 68,250,435) units in the Trust, representing 22.67 per cent of the units on issue at 30 June 2009 (2008: 22.64 per cent);

During the year ended 30 June 2009, the Trust had the following transactions with Wesfarmers Limited, and its associated subsidiaries:

b) rent and other property income of $68,434,632 (2008: $61,308,009) was received from Bunnings Group Limited, a controlled entity of Wesfarmers Limited. The amount includes an amount received in advance of $6,152,663 (2008: $5,257,705);

c) rent of $1,684,472 (2008: $1,625,920) was received from J Blackwood and Son Limited, a controlled entity of Wesfarmers Limited;

d) the responsible entity's fee of $5,556,262 (2008: $5,678,297) is paid/payable to the responsible entity. During the year the responsible entity waived its entitlement to fees in respect of a Bunnings Warehouse at Hawthorn Victoria, acquired in April 2007. For the year ended 30 June 2009 the amount of fee the responsible entity had waived was $178,154 (2008: $113,490);

e) 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 8.0 per cent annually until such time as the parcel of land can be sold to an external party, at which time Bunnings Group Limited will repay the loan;

f) the Trust reimbursed Bunnings Group Limited $2.8 million for the completion of an upgrade to the Trust's Mile End Bunnings Warehouse;

g) the Trust acquired an existing Bunnings Warehouse at Mt Gravatt, Queensland from Bunnings Properties Pty Limited for $11.2 million;

h) the Trust reimbursed Bunnings Group Limited $1.2 million for the completion of an upgrade to the Trust's Cannon Hill Bunnings Warehouse and Distribution Centre;

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

(d) Transactions with related parties (continued)

i) the Trust has agreed to reimburse Bunnings Group Limited $3.4 million for the completion of an upgrade to the Trust's Noarlunga Bunnings Warehouse;

j) 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; and

k) the Trust paid $76,276.05 (2008: $45,034.85) to Wesfarmers Risk Management Limited, a subsidiary of Wesfarmers Limited, for insurance premiums on a number of the Trust's properties.

(ii) During the year Freehills, of which Mr P J Mansell was Managing Partner of the Perth office until 29 February 2004 and subsequently has provided consultancy services, provided legal services on an arms length basis totalling $116,893 (2008: $20,123).

No other benefits have been received or are receivable by directors of the responsible entity or directors of a related entity.

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 Bunnings Property Management Limited. Both the Trust and the responsible entity are domiciled in Australia.

(c) Segment reporting

The Trust operates wholly within Australia and derives rental income from investments in commercial property.

(d) Economic dependency

95.0 per cent (2008: 95.4 per cent) of the Trust's rental income received during the year was from Bunnings Group Limited and J Blackwood and Son Limited, both controlled entities of Wesfarmers Limited.

(e) Corporate information

The financial report of Bunnings Warehouse Property Trust (the Trust) for the year ended 30 June 2009 was authorised for issue in accordance with a resolution of the directors on 13 August 2009. have been extended until January 2012 and July 2012 respectively.

Directors' Report
For the year ended 30 June 2009

In accordance with the Corporations Act 2001, Bunnings Property Management Limited (ABN 26 082 856 424), the responsible entity of Bunnings Warehouse Property Trust, provides this report for the financial year ended 30 June 2009. The information on pages 5 to 9 forms part of this directors' report and is to be read in conjunction with the following information:

Results and distributions

	June 2009 $000	June 2008 $000
Net (loss)/profit attributable to unitholders	**(11,689)**	692
Net unrealised loss in fair value of investment properties	**52,140**	39,319
Distributable profit for the year	**40,451**	40,011
Opening undistributed profit	**19**	9
Closing undistributed profit	**(33)**	(19)
Distributable amount	**40,437**	40,001

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 2009.

	June 2009 $000	June 2008 $000
(a) Out of the profits for the year ended 30 June 2008 on ordinary units as disclosed in last year's directors' report		
Final distribution of 6.72 cents per ordinary unit paid on 29 August 2008.	**20,256**	19,774
(b) Out of the profits for the year ended 30 June 2009 (see Note 5 of the notes to the financial statements):		
(i) Interim distribution of 6.70 cents per ordinary unit paid on 27 February 2009.	**20,470**	19,745
(ii) Final distribution of 4.87 cents per ordinary unit declared by the directors for payment on 31 August 2009.	**19,967**	20,256

Units on issue

At 30 June 2009, 410,001,055 units of Bunnings Warehouse Property Trust were on issue (2008: 301,435,539).

Principal activity

The principal activity is property investment.

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

Directors' Report
For the year ended 30 June 2009

Trust assets

At 30 June 2009, Bunnings Warehouse Property Trust held assets to a total value of $999.9 million (2008: $980.0 million). The basis for valuation of the assets is disclosed in Note 1 of the notes to and forming part of the financial statements.

Fee paid to the responsible entity and associates

Management fees totalling $5,556,262 (2008: $5,678,297) were paid or payable to the responsible entity out of Trust property during the financial year.

Trust information

Bunnings Warehouse Property Trust is a Managed Investment Scheme registered in Australia. Bunnings Property 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.

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 (2008: Nil).

Directors

Information on directors

J A Austin
P J Johnston
P J Mansell
R D Higgins

Details of the directors appear on page 14.

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	Shares in Wesfarmers Limited
J A Austin	216,164	7,255
P J Johnston	65,000	39,500
P J Mansell	145,599	13,000

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.

Directors' Report
For the year ended 30 June 2009

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 5 to 9 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 decreased by $6,738,000 (2008: $12,100,000 increase) to $955,562,000 (2008: $962,300,000), and the number of investment properties remained constant with the previous year at 60 at financial year end.

In June 2009, the Trust raised $150.4 million (2008: nil) through a non-renounceable pro-rata entitlement offer, with 100,244,757 new units being issued. The majority of the net proceeds of the pro-rata entitlement offer was used to retire debt.

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 5 to 9. 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 Bunnings Property Management Limited support and comply with the majority of the ASX Principles of Good Corporate Governance and Best Practice Recommendations. The responsible entity's corporate governance statement is contained on pages 15 to 18 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.

Directors' Report

For the year ended 30 June 2009

Board committees

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

There were three 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 98/0100, 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 53 and forms part of the Directors' Report for the year ended 30 June 2009.

Non-audit services

KPMG provided the following non-audit services to the Trust during the year ended 30 June 2009 and received, or is due to receive, the following amount for the provision of these services:

Advisory services in relation to the pro-rata entitlement offer	$65,000
Advisory services	$9,000
Taxation services	$26,250
Total	$100,250

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 for the following reasons:

- the non-audit services provided did not involve reviewing or auditing the auditor's own work;
- the majority of the advisory services provided in 2009 is considered to be of an intermittent or non-recurring nature;
- the fees paid to KPMG by the Trust are not material in terms of KPMG's Australian or Western Australian revenues; and
- there is no reason to question the veracity of the auditor's independence declaration (a copy of which has been reproduced on page 53).

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

J A Austin

Chairman
Bunnings Property Management Limited
Perth, 13 August 2009

Directors' Declaration

For the year ended 30 June 2009

In accordance with a resolution of the directors of Bunnings Property Management Limited, responsible entity for the Bunnings Warehouse Property 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 2009 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 report also complies 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 2009.

For and on behalf of the board of Bunnings Property Management Limited.

J A Austin

Chairman

Bunnings Property Management Limited

Perth, 13 August 2009

Auditor's Independence Declaration

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

To: the directors of Bunnings Property Management Limited, the responsible entity of Bunnings Warehouse Property Trust

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2009 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

D P McComish
Partner

Perth, 13 August 2009

Independent Auditor's Report to the Unitholders of Bunnings Warehouse Property Trust

Report on the financial report

We have audited the accompanying financial report of Bunnings Warehouse Property Trust (the Trust), which comprises the balance sheet as at 30 June 2009, and the income and distribution statement, statement of changes in equity and cash flow statement for the year ended on that date, a description of significant accounting policies and other explanatory notes 1 to 19 and the directors' declaration.

Directors' responsibility for the financial report

The directors of the Bunnings Property Management Limited (the Responsible Entity) are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note1(b), the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report, comprising the financial statements and notes, complies 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 and fair presentation of the financial report 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, 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 (including the Australian Accounting Interpretations), a 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.

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 Bunnings Warehouse Property 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 2009 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

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

KPMG

KPMG

Perth, 13 August 2009

DMcComish

D P McComish
Partner

Unitholder Information

Substantial unitholders

The number of units held by the Trust's substantial unitholders and the date on which the last notice was lodged with the Trust, were as follows:

	Date of notice	Units
Wesfarmers Limited, its subsidiaries and their associates	16 June 2009	92,928,076
Commonwealth Bank of Australia and its subsidiaries	18 June 2009	20,675,620

Distribution of unitholders

As at 31 July 2009

Range of holding				Holders	Units	%
1	–	1,000		1,293	693,615	0.17
1,001	–	5,000		3,579	10,639,654	2.59
5,001	–	10,000		2,788	20,691,902	5.05
10,001	–	100,000		4,622	106,255,588	25.92
101,000	–	over		185	271,720,296	66.27
			Total	12,467	410,001,055	100.0
Unitholders holding less than a marketable parcel (269 units)				286	35,871	

Voting rights

Each fully paid ordinary unit carries voting rights at one vote per unit.

Twenty largest unitholders

The twenty largest holders of ordinary units in the Trust as at 31 July 2009 were:

	Number of units	Percentage of capital held
Wesfarmers Investments Pty Limited	92,928,076	22.67
J P Morgan Nominees Australia Limited	39,180,298	9.56
HSBC Custody Nominees (Australia) Limited	27,656,299	6.75
Citicorp Nominees Pty Limited	22,991,687	5.61
National Nominees Limited	17,481,738	4.26
ANZ Nominees Limited	10,683,794	2.61
RBC Dexia Investor Services	6,600,420	1.61
Bond Street Custodians Limited	5,838,156	1.42
Cogent Nominees Pty Limited	4,689,874	1.14
AMP Life Limited	4,445,812	1.08
Queensland Investment Corporation	2,713,745	0.66
Kowloon Nominees Pty Limited	2,250,266	0.55
Australian Reward Investment Alliance	1,509,214	0.37
Greenwich Stud Pty Ltd	1,174,711	0.29
RE GL CM & JE Adshead Pty Ltd	1,090,565	0.27
UBS Nominees Pty Ltd	781,422	0.19
Cantala Pty Ltd	756,721	0.18
Invia Custodian Pty Limited	721,429	0.18
CBH Superannuation Holdings Pty Ltd	705,934	0.17
Milton Corporation Limited	698,058	0.17
Total	**244,898,219**	**59.74**

INVESTOR INFORMATION

Stock exchange listing

The Bunnings Warehouse Property Trust is listed on the Australian Securities Exchange and reported in the "Industrial" section in daily newspapers – code BWP.

Distribution Reinvestment Plan

The directors resolved in May 2008 to reinstate the Distribution Reinvestment Plan, to take effect for the final distribution for the financial year ended 30 June 2008 and subsequent distributions until notice is given of its suspension or termination.

Electronic payment of distributions

Unitholders may nominate a bank, building society or credit union account for the payment of distributions by direct credit. Payments are electronically credited on the distribution date and confirmed by mailed payment advice.

Unitholders wishing to take advantage of payment by direct credit should contact the registry manager for more details and to obtain an application form.

Publications

The annual report is the main source of information for unitholders. In addition, unitholders are sent a half-year report in February each year providing a review, in summary, of the six months to December.

Periodically, the Trust may also send releases to the Australian Stock Exchange covering matters of relevance to investors.

Website

The Bunnings Warehouse Property Trust internet site, www.bwptrust.com.au, is a useful source of information for unitholders. It includes details of the Trust's property portfolio, current activities and future prospects. The site also provides access to annual and half year reports and releases made to the Australian Securities Exchange.

Annual tax statements

Accompanying the final distribution payment in August or September each year will be an annual tax statement which details tax advantaged components of the year's distribution.

Profit distributions

Profit distributions are paid twice yearly, normally in February and August.

Unitholder meetings

Unitholder meetings are held from time to time at which unitholders have the opportunity to learn more about the Trust's activities and prospects.

Unitholder enquiries

Please contact the registry manager if you have any questions about your unitholding or distributions:

Computershare Investor Services Pty Limited
Level 2, 45 St Georges Terrace
PERTH WA 6000

Telephone:	1300 136 972 (within Australia)
Telephone:	(+613) 9415 4323 (outside Australia)
Facsimile:	(08) 9323 2033

www.computershare.com.au

DIRECTORY

Responsible Entity

Bunnings Property Management Limited

ABN 26 082 856 424

Level 11, Wesfarmers House
40 The Esplanade
PERTH WA 6000

Telephone:	(08) 9327 4356
Facsimile:	(08) 9327 4344

www.bwptrust.com.au

Directors and Senior Management

J A Austin	(Chairman)
P J Johnston	(Director)
P J Mansell	(Director)
R D Higgins	(Director)
G W Gernhoefer	(General Manager)
K A Lange	(Secretary)

Registry Manager

Computershare Investor Services Pty Limited

Level 2, 45 St Georges Terrace
PERTH WA 6000

Telephone:	1300 136 972 (within Australia)
Telephone:	(+61 3) 9415 4323 (outside Australia)
Facsimile:	(08) 9323 2033

www.computershare.com.au

Auditor

KPMG

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PERTH WA 6000

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bunnings warehouse property trust **annual report 2009**

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