BUNNINGS
WAREHOUSE PROPERTY TRUST
ARSN 088 581 097

7 August 2008

The Manager
Company Announcements Office
Australian Securities Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir

RESULTS FOR THE FULL YEAR ENDED 30 JUNE 2008

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

- Full year results announcement
- Appendix 4E Preliminary Final Report
- Financial statements for the year ended 30 June 2008

K A LANGE
COMPANY SECRETARY

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BUNNINGS WAREHOUSE PROPERTY TRUST

ARSN 088 581 097

7 August 2008

ASX RELEASE

Full year results for 2007/08

The Directors of Bunnings Property Management Limited, the responsible entity for the Bunnings Warehouse Property Trust, today announced a distributable profit for the year ended 30 June 2008 of $40.0 million up from $39.1 million last year.

The net profit for the year was $0.7 million, including a $39.3 million unrealised loss in the fair value of investment properties.

Total income was $65.9 million, up by 10.3 per cent from last year due to additional income received from new properties, property upgrades and annual rent reviews.

Final distribution

A final distribution of 6.72 cents per unit has been declared. The final distribution will be made on 29 August 2008 to unitholders on the Trust's register as at 5.00 pm on 30 June 2008. This brings the total distribution for the 2007/08 year to 13.27 cents per unit, a 2.2 per cent increase on last year's distribution of 12.98 cents per unit. The tax advantaged component for the 2007/08 distribution is 23.55 per cent.

The Distribution Reinvestment Plan, which was reinstated during the year, will apply to the final distribution and units issued under the DRP will be at an issue price of $1.62 per unit, after the 2.5 per cent discount.

Property acquisitions, developments and upgrades

Capital expenditure on acquisitions, developments and upgrades during the year amounted to $51.4 million.

The Trust acquired three properties during the year, including an established Bunnings Warehouse at Villawood, New South Wales, an established industrial property in Melbourne's eastern suburb of Blackburn, Victoria and a 1.2 hectare property immediately adjoining the Trust's Bunnings Warehouse in Geraldton, Western Australia.

The Villawood Bunnings Warehouse was acquired in May 2008 and a new ten year lease was negotiated with Bunnings Group Limited, with five options for a further five years each exercisable by the tenant. The outlay for the property, including the new lease, was $18.4 million plus acquisition costs. The rent under the new lease, commencing at $1,332,500, is escalated annually by three per cent and is subject to a market rent review at the exercise of each option, with a ten per cent cap and collar on the preceding year's rent.

The Blackburn industrial property, acquired for a purchase price of $19.0 million plus acquisition costs, is a well located 4.1 hectare site featuring a fully leased 20,464 square metre industrial office/warehouse facility. Annual rental is $1,482,017.

The Geraldton property was acquired for a purchase price of $2.9 million plus acquisition costs. The Trust spent a further $0.5 million to upgrade the existing building into two bulky goods/retail tenancies. The main tenancy of 1,162 square metres was leased to national leisure retailer Boating, Camping, Fishing. Negotiations continue with a national retailer to occupy the remaining 349 square metre tenancy.

Improvements to existing Trust properties completed during the year, included upgrades to the Bunnings Warehouses at Morayfield, Queensland ($3.4 million) and Mile End, South Australia ($2.8 million). These upgrades resulted in rental income increasing by approximately $0.5 million per annum.

Other improvements to existing properties completed during the year included mechanical ventilation systems installed into seven of the existing Trust owned Bunnings Warehouse stores located in south-east Queensland and northern New South Wales and a minor extension at the Trust's property in Regency Park, South Australia. The total expenditure of these additional works was approximately $1.7 million.

Construction of the Trust's Bunnings Warehouse at Hawthorn, Victoria, proceeded well during the year with completion likely to be late in calendar year 2008. Under the terms of the development agreement the developer is responsible for outgoings and pays the Trust a land rent to defray holding costs until the Bunnings Warehouse is completed. The Trust is required to pay the developer $24.0 million on completion of the development at which point the Trust will receive annual rent of $2,710,000.

During the year the Trust committed to fund $0.275 million for the replacement of reflective insulation material to the inside of walls and roofs at four of the Trust's Bunnings Warehouses in New South Wales.

At 30 June 2008, the weighted average lease expiry of the Trust's portfolio was 6.9 years.

Finance

At 30 June 2008, the Trust had total assets of $979.9 million, with unitholders' equity of $638.7 million and total liabilities of $341.2 million.

The gearing ratio (debt to total assets) at 30 June 2008 was 31.5 per cent, within the Trust's preferred range of 20 to 40 per cent.

The Trust currently has a total of $380.0 million debt facilities with four major Australian banks. At 30 June 2008 borrowings under the facilities were $308.5 million. Details of the facilities are provided below.

During the year the Trust entered into a new two-year "evergreen" cash advance facility with the Commonwealth Bank of Australia. The facility has a limit of $100 million and is committed until January 2010, with the first programmed review in October 2008 for extension to January 2011 at the bank's option.

Also during the year, the Trust renegotiated its two existing $30 million and $50 million facilities with Westpac Banking Corporation, combining them into a two-year "evergreen" facility, with a limit of $80 million committed until 1 July 2010. A programmed review is scheduled for July 2009 for extension to 2011 at the bank's option.

A review of pricing for the Trust's $100 million facility with National Australia Bank, which was due in March 2008, was deferred by agreement of both parties until October 2008. The revised pricing will apply from 1 April 2009 until 31 March 2010.

The Trust's $100 million facility with Australia and New Zealand Banking Group was extended to 1 July 2009, to provide more time for negotiation of a longer duration arrangement. Current pricing will apply until 31 January 2009 and pricing to apply from 1 February through to 1 July 2009 will be determined in a review in September 2008.

Bank margins and line fees on existing facilities will average around or below 50 basis points for at least the first half of 2008/09. Costs for the second half will depend on the outcome of the re-pricing reviews referred to.

At 30 June 2008, 77 per cent of the Trust's interest bearing debt was hedged at a weighted average rate, excluding margins of 6.37 per cent and the weighted average term to maturity of the hedged debt was 2.4 years.

Market rent reviews

In accordance with the majority of Trust leases, the rent of properties is reviewed annually in line with movements in the Consumer Price Index except on each fifth anniversary of the lease commencement date when rent is reviewed to market rental. The market rental is determined according to generally accepted rent review criteria. During the year, there were five market rent reviews completed and one in the process of being determined. The results of the market rent reviews completed are shown in the table below.

	Passing rent ($ pa)	Market review ($ pa)	Uplift	Effective date
Artarmon (NSW)	1,313,944	1,396,000	+6%	9 Feb 09
Belrose (NSW)	1,617,6375	1,764,264	+9%	9 Feb 09
Cairns (QLD)	1,107,051	1,107,051	+0%	9 Feb 09
Dandenong (VIC)	1,076,627	1,190,000	+10%	11 Nov 08
Fyshwick (ACT)	1,015,154	1,015,154	0%	24 Dec 08
Hervey Bay (QLD)	904,977	1,000,000	+11%	23 Dec 08
Weighted average			**+6%**	

Revaluations

The entire Trust portfolio was revalued at 31 December 2007 and again at 30 June 2008, including 15 property revaluations performed by independent valuers (6 at 31 December 2007 and 9 at 30 June 2008). Properties not independently revalued at each balance date are subject to directors' valuations. An independent valuer reviews the methodology adopted in the directors' valuations.

The value of the portfolio increased by $12.1 million to $962.3 million; following a net revaluation loss of $39.3 million and capital expenditure of $51.4 million during the year. The weighted average capitalisation rate of the portfolio at 30 June 2008 was 7.08 per cent compared with 6.58 per cent at 30 June 2007. As a result of the net revaluation loss, the underlying net tangible asset backing of the Trust's units decreased from $2.24 per unit at 30 June 2007 to $2.12 per unit at 30 June 2008.

Outlook

At this point we expect that volatile economic and market conditions during 2008/09, while generally creating an uncertain outlook, may provide the Trust with some growth opportunities.

Volatility relating to interest rates and increased bank fees and margins may affect earnings. The Trust's interest rate hedging will help reduce the impact of increases in interest rates and bank margins and line fees on existing facilities will average around or below 50 basis points for at least the first half of 2008/09. The Trust should benefit from increases in rental income from market rent reviews scheduled for 21 of the Trust's existing Bunnings Warehouses and annual CPI increases for the balance.

The economic and market conditions impacting on the property sector may generate some buying opportunities for the Trust, as the requirement to manage capital leads some existing owners to sell assets to rationalise their property holdings, and capital constraints reduce the number of willing buyers.

We believe that the Trust is well placed to weather current economic and market conditions and take advantage of the opportunities to build on the existing quality portfolio for longer term, sustainable growth.

The growth opportunities for the Trust outlined in last year's outlook section will continue to apply, being: acquiring new and established Bunnings Warehouses; improving existing Trust properties; growing rental income from the existing portfolio; acquiring or developing single or multiple tenanted bulky goods outlets anchored by national or international retailers; and considering other properties that meet the Trust's investment criteria by being well located, having long-term leases to substantial tenants and that complement the existing Trust portfolio.

For further information please contact:

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A question and answer conference call will be held on 7 August 2008 at 2.45 pm AWST (4.45 pm AEST).
Dial 1800 500 536
At the prompt, dial *808291*

BUNNINGS WAREHOUSE PROPERTY TRUST PRELIMINARY FINAL REPORT

APPENDIX 4E

ARSN 088 581 097

Financial year ended 30 JUNE 2008

Results for announcement to the market

				$000
Revenues from ordinary activities	up	10.25%	to	65,901
Net profit from continuing operations attributable to members	down	99.7%	to	692
Net profit for the year attributable to members	down	99.7%	to	692

The Appendix 4E should be read in conjunction with the annual financial report

Distributions	**Amount per ordinary security**
Interim distribution	6.55 cents
Final distribution	6.72 cents
Previous corresponding year	
Interim distribution	6.42 cents
Final distribution	6.56 cents

Record date for determining entitlements to the final distribution	30 June 2008
Date the final distribution is payable	29 August 2008
Has the distribution been declared?	Yes

	Current year $'000	Previous corresponding year $'000
Final distribution amount	20,256	19,774

Distribution Plan

The Bunnings Warehouse Property Trust Distribution Reinvestment Plan has been reinstated to take effect for the distribution for the half-year ending 30 June 2008 and will apply to future distributions unless notice is given of its suspension or termination.

Applications to participate in or to cease or vary participation in the DRP was required to be correctly completed and lodged by 5.00 pm (WST) on 30 June 2008 if they were to apply to the final distribution for 2007/08. Forms received after that time will be effective for subsequent distributions only.

Ratios

Net Tangible Asset Backing

Net tangible asset backing per unit	**$2.12**	$2.24

Profit/Revenue

Net profit as a percentage of revenue	**1%**	346%

Profit/Equity Interests

Net profit attributable to unitholders as a percentage of equity (similarly attributable) at the end of the year	**0.1%**	31%

Related Party Disclosure

Number of units held by the management company or responsible entity or their related parties.	68,250,435
Management fees paid and payable to the management company, Bunnings Property Management Limited, a wholly owned subsidiary of Wesfarmers Limited.	$5,678,297

Segment Reporting

The Trust operates in a single segment being property investment in Australia.

Commentary on the results for the year

The commentary on the results for the year is contained in the press release dated 7 August 2008 accompanying this statement.

Subsequent Event

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.

Audit

This report is based on accounts that have been audited.

BUNNINGS WAREHOUSE PROPERTY TRUST

Financial Statements

For the year ended
30 June 2008

Bunnings Warehouse Property Trust
Income and Distribution Statement
For the year ended 30 June 2008

	Note	**2008 $000**	2007 $000
INCOME STATEMENT			
Rental income		**63,083**	58,047
Other property income		**2,515**	1,454
Finance income	4	**278**	231
Other income		**25**	42
Total income		**65,901**	59,774
Unrealised (loss)/gain in fair value of investment properties	9	**(39,319)**	167,861
Responsible entity's fees	2	**(5,678)**	(4,682)
Other operating expenses		**(1,902)**	(1,772)
Net profit before finance costs		**19,002**	221,181
Finance costs	4	**(18,310)**	(14,203)
Net profit attributable to unitholders of Bunnings Warehouse Property Trust		**692**	206,978
DISTRIBUTION STATEMENT			
Net profit attributable to unitholders of Bunnings Warehouse Property Trust		**692**	206,978
Undistributed income at the beginning of the financial year		**339,051**	171,199
Distributions paid or payable	5	**(40,001)**	(39,126)
Undistributed income at the end of the financial year		**299,742**	339,051
Basic and diluted earnings (cents per unit)	6	**0.23**	68.66
Distribution (cents per unit)	5	**13.27**	12.98

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

Bunnings Warehouse Property Trust
Balance Sheet
As at 30 June 2008

	Note	**2008 $000**	2007 $000
ASSETS			
Current assets			
Cash	7	**6,625**	5,122
Prepayments and receivables	8	**1,341**	1,108
Derivative financial instruments	16	**419**	143
Total current assets		**8,385**	6,373
Non-current assets			
Investment properties	9	**962,300**	950,200
Other receivables	8	**850**	850
Derivative financial instruments	16	**8,414**	5,962
Total non-current assets		**971,564**	957,012
Total assets		**979,949**	963,385
LIABILITIES			
Current liabilities			
Payables and deferred income	10	**12,422**	9,691
Distribution payable	5	**20,256**	19,774
Total current liabilities		**32,678**	29,465
Non-current liabilities			
Interest-bearing loans and borrowings	11	**308,499**	258,552
Total non-current liabilities		**308,499**	258,552
Total liabilities		**341,177**	288,017
Net assets		**638,772**	675,368
Unitholders' equity			
Issued capital	12	**330,206**	330,233
Reserves	13	**8,824**	6,084
Undistributed income		**299,742**	339,051
Total unitholders' equity		**638,772**	675,368
Net tangible asset backing per unit		**$2.12**	$2.24

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

Bunnings Warehouse Property Trust
Cash Flow Statement
For the year ended 30 June 2008

	Note	**2008 $000**	2007 $000
Cash flows from operating activities			
Rent received		**73,428**	67,063
Payments to suppliers		**(6,904)**	(7,577)
Payments to the responsible entity		**(5,471)**	(4,429)
Finance income		**278**	231
Finance costs		**(18,810)**	(14,203)
Net cash flows from operating activities	14	**42,521**	41,085
Cash flows from investing activities			
Payments for purchase of, and additions to, the Trust's property investments	9	**(51,419)**	(61,969)
Receipts from the sale of the Trust's property investments	9	**-**	755
Net cash flows used in investing activities		**(51,419)**	(61,214)
Cash flows from financing activities			
Proceeds of borrowings		**49,947**	57,653
Expenses incurred in reinstating the Distribution Reinvestment Plan		**(27)**	-
Distributions paid		**(39,519)**	(38,614)
Net cash flows from financing activities		**10,401**	19,039
Net increase/(decrease) in cash		**1,503**	(1,090)
Cash at the beginning of the financial year		**5,122**	6,212
Cash at the end of the financial year	7	**6,625**	5,122

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

Bunnings Warehouse Property Trust
Statement of Changes in Equity
For the year ended 30 June 2008

	Note	Issued capital $000	Undistributed income $000	Hedge reserve $000	Total $000
Balance at 1 July 2006		330,233	171,199	3,067	504,499
Change in fair value of hedge derivatives	13	-	-	3,017	3,017
Total income and expense for the year recognised directly in equity		-	-	3,017	3,017
Net profit for the year		-	206,978	-	206,978
Distributions to unitholders		-	(39,126)	-	(39,126)
Balance at 30 June 2007		**330,233**	**339,051**	**6,084**	**675,368**
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**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial 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 2007. 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 amendment to standards and interpretations has been identified as one that may impact the entity in the period of initial application. It is available for early adoption at 30 June 2008, but has 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.

The Trust has not yet determined the potential effect of this standard on the Trust's financial reports.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Significant judgements and estimates

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

Investment properties – operating leases

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

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

Investment properties – valuations

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

Financial instruments - valuations

The fair value of interest rate 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Cash

Cash in the Balance Sheet, and for the purposes of the Cash Flow Statement, comprises cash at bank.

(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

The constitution of the Trust provides that its distributable profit, which excludes fair value revaluations to investment properties, is to be distributed to unitholders at each half year. As a liability for distribution arises upon the derivation of profits by the Trust, a provision for distribution has been recognised at each balance date.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Revenue

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

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

Rental and other property income

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

Interest income

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

(l) Taxation

Income Tax

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

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority.

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 net profit.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

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.

(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.)

	2008 $	2007 $
3. AUDITORS' REMUNERATION		
Auditing or review of the financial statement		
KPMG Australia	**47,000**	-
Other auditors	**4,712**	38,828
	51,712	38,828
Other services		
KPMG Australia – taxation services	**4,750**	-
Other auditors	**4,624**	11,160
	9,374	11,160
	61,086	49,988

	$000	$000
4. FINANCE INCOME AND EXPENSE		
Recognised directly in the Income and Distribution Statement		
Interest income on bank deposits	**278**	231
Finance income	**278**	231
Interest expense on financial liabilities measured at amortised cost	**(18,310)**	(14,203)
Finance expense	**(18,310)**	(14,203)
Net finance income and expense	**(18,032)**	(13,972)
Recognised directly in equity		
Net change in fair value of cash flow hedges transferred to Income and Distribution	**(11)**	(736)
Net gains on cash flow hedges for the year	**2,751**	3,753
Finance income recognised directly in equity	**2,740**	3,017
5. DISTRIBUTIONS PAID OR PAYABLE		
6.55 cents (2007: 6.42 cents) per unit, interim distribution paid on 29 February 2008	**19,745**	19,352
6.72 cents (2007: 6.56 cents) per unit, final distribution provided	**20,256**	19,774
	40,001	39,126

	2008 $000	2007 $000

6. EARNINGS PER UNIT

	2008	2007
Net earnings used in calculating basic and diluted earnings per unit	**692**	206,978
Basic and diluted earnings per unit	**0.23 cents**	68.66 cents
Basic and diluted earnings per unit excluding unrealised (loss)/gain in fair value of investment properties	**13.27 cents**	12.98 cents
Weighted average number of units on issue used in the calculation of basic and diluted earnings per unit	**301,435,539**	301,435,539

Basic and diluted earnings per unit excluding unrealised (loss)/gain in fair value of investment properties and derivatives $39,319,000 loss (2007: $167,861,000 gain).

7. CASH

	2008	2007
Cash at bank	**6,625**	5,122
Weighted average effective interest rates	**6.33%**	5.6%

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

8. PREPAYMENTS AND RECEIVABLES

	2008	2007
Current		
Receivables from Wesfarmers Limited subsidiaries	**304**	417
Other receivables	**32**	20
Prepayments	**1,005**	671
	1,341	1,108
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.

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 2008 $000	Fair value 30 June 2007 $000	Last independent valuation
Albany, WA	01.11.99	4,100	206	-	2,894	**7,200**	7,100	31.12.07
Altona, VIC	24.09.98	6,800	395	-	5,705	**12,900**	13,500	31.12.06
Artarmon, NSW	10.02.03	14,033	864	-	9,103	**24,000**	22,900	31.12.05
Balcatta, WA	24.09.98	11,200	555	-	11,045	**22,800**	24,000	31.12.06
Bayswater, VIC	11.02.03	7,335	796	13,163	4,706	**26,000**	27,100	30.06.06
Belmont, NSW	04.12.06	10,850	634	70	(154)	**11,400**	12,000	17.10.06
Belrose, NSW	10.02.03	17,150	1,054	163	7,833	**26,200**	27,000	31.12.05
Bibra Lake, WA	29.12.98	1,899	95	6,350	8,656	**17,000**	16,900	31.12.07
Blackburn, VIC	15.01.08	19,000	1,123	-	(2,622)	**17,501**	-	N/A
Blacktown, NSW	24.01.07	8,235	540	56	269	**9,100**	8,800	30.05.06
Broadmeadows, VIC	24.09.98	7,200	431	240	5,829	**13,700**	14,400	30.06.07
Burleigh Heads, QLD	22.10.98	9,700	195	233	6,372	**16,500**	17,400	30.06.06
Cairns, QLD	10.02.03	10,000	453	982	3,265	**14,700**	15,400	31.12.05
Canning Vale, WA	24.01.07	6,467	430	21	181	**7,099**	7,000	30.05.06
Cannon Hill Distribution Centre, QLD	01.11.99	3,100	137	-	1,463	**4,700**	4,600	30.06.08
Cannon Hill, QLD	24.12.98	2,500	176	6,573	6,850	**16,099**	17,000	30.06.07
Coffs Harbour, NSW	05.09.01	1,900	112	4,500	4,188	**10,700**	11,000	30.06.07
Croydon, VIC	24.09.98	7,800	518	5,614	6,468	**20,400**	21,500	31.12.06
Dandenong, VIC	19.04.02	4,000	255	6,660	6,085	**17,000**	16,000	31.12.07
Epping, VIC	12.03.99	7,800	463	-	6,437	**14,700**	15,400	30.06.07
Fountain Gate, VIC	24.09.98	8,300	505	1,573	7,022	**17,400**	18,400	31.12.05
Frankston, VIC	26.06.01	7,300	301	9,400	7,699	**24,700**	26,100	30.06.07
Fyshwick, ACT	23.12.02	10,000	942	3,525	2,633	**17,100**	18,000	31.12.05
Geraldton, WA	10.12.01	1,250	351	5,225	4,474	**11,300**	11,900	31.12.07
Geraldton Showrooms, WA	11.09.07	2,897	190	467	(654)	**2,900**	-	N/A
Hawthorn (development), VIC	18.04.07	19,337	1,217	3	(3,556)	**17,001**	19,400	01.05.07
Hemmant, QLD	07.05.03	3,000	143	10,472	6,285	**19,900**	21,900	31.12.05
Hervey Bay, QLD	12.07.02	2,053	122	6,425	3,400	**12,000**	13,100	30.06.08
Hoppers Crossing, VIC	11.01.99	2,075	134	5,928	7,363	**15,500**	16,200	30.06.08
Joondalup, WA	24.09.98	8,100	593	-	7,007	**15,700**	15,200	31.12.06
Lismore, NSW	21.04.04	7,750	447	782	2,121	**11,100**	11,100	31.12.06
Maitland, NSW	20.08.03	898	489	9,798	3,715	**14,900**	15,200	30.06.06
Mandurah, WA	24.09.98	3,050	160	5,470	7,020	**15,700**	14,800	31.12.06
Maribyrnong, (land) VIC	28.06.01	7,100	462	-	(62)	**7,500**	8,700	N/A
Mentone, VIC	24.09.98	9,400	542	-	8,658	**18,600**	16,600	30.06.07
Midland, WA	06.03.01	4,600	255	4,930	8,215	**18,000**	19,000	31.12.06
Mile End, SA	22.03.00	11,250	624	3,029	8,097	**23,000**	21,200	30.06.08
Minchinbury, NSW	31.12.98	9,200	503	-	10,997	**20,700**	21,200	30.06.08

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

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

Mindarie, WA	03.03.00	4,184	209	5,598	7,409	**17,400**	18,400	31.12.05
Morayfield, QLD	22.03.00	8,000	334	3,618	4,848	**16,800**	14,500	30.06.08
Morley, WA	04.07.05	11,100	642	307	2,151	**14,200**	14,500	30.06.08
Mornington, VIC	29.12.98	3,400	204	6,481	8,615	**18,700**	19,800	31.12.07
Noarlunga, SA	13.04.99	2,305	124	3,750	6,121	**12,300**	12,900	30.06.08
Northland, VIC	24.09.98	8,600	489	2,920	8,291	**20,300**	20,400	31.12.05
Nunawading, VIC	24.09.98	13,700	786	3,100	11,814	**29,400**	31,200	31.12.05
Oakleigh South, VIC	05.04.01	6,650	374	9,143	7,633	**23,800**	24,700	30.06.07
Port Macquarie, NSW	15.11.02	2,100	141	5,400	3,559	**11,200**	11,000	30.06.08
Regency Park, SA	24.01.07	4,656	350	198	(1,304)	**3,900**	4,700	30.05.06
Rockingham, WA	30.06.00	3,320	166	5,830	7,684	**17,000**	17,100	31.12.05
Rocklea, QLD	23.10.02	6,225	296	7,475	4,804	**18,800**	20,500	31.12.05
Sandown, VIC	24.09.98	7,800	446	3	3,851	**12,100**	12,700	31.12.06
Scoresby, VIC	24.09.98	8,300	473	-	6,627	**15,400**	16,200	30.06.07
Southport, QLD	09.11.98	2,800	188	6,824	4,688	**14,500**	16,100	30.06.06
Sunshine, VIC	24.09.98	7,000	407	-	3,493	**10,900**	11,300	30.06.07
Thornleigh, NSW	07.09.04	13,333	782	66	1,319	**15,500**	16,400	31.12.06
Tuggeranong, ACT	01.12.98	7,900	431	753	8,916	**18,000**	18,400	31.12.06
Underwood, QLD	22.10.98	3,000	178	6,060	5,461	**14,699**	16,000	30.06.06
Vermont South, VIC	14.05.03	9,150	635	14,183	4,432	**28,400**	28,800	31.12.07
Villawood, NSW	14.05.08	18,400	860	-	(860)	**18,400**	-	N/A
Wollongong, NSW	10.02.03	12,000	628	111	5,162	**17,901**	17,600	31.12.05
		442,552	**26,555**	**193,472**	**299,721**	**962,300**	**950,200**	

(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 2008 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)

(ii) Methodology and significant assumptions (continued)

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.

(b) Independent valuations - valuers

Property	Valuation Date	Valuer
Cannon Hill DC, QLD	30.06.08	Knight Frank, Paul Kwan AAPI
Hervey Bay, QLD	30.06.08	Knight Frank, Tim Uhr AAPI
Hoppers Crossing, VIC	30.06.08	CB Richard Ellis, Stephen Thomas AAPI
Mile End, SA	30.06.08	Jones Lang LaSalle, Simon Hickin AAPI
Minchinbury, NSW	30.06.08	CB Richard Ellis, Mike Steur AAPI FNZPI
Morayfield, QLD	30.06.08	Knight Frank, Paul Kwan AAPI
Morley, WA	30.06.08	CB Richard Ellis, Jason Fenner AAPI
Noarlunga, SA	30.06.08	Jones Lang LaSalle, Simon Hickin AAPI
Port Macquarie, NSW	30.06.08	CB Richard Ellis, Mike Steur AAPI FNZPI

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

(c) Operating leases

(i) With the exceptions of Trust properties at Blackburn, Maribyrnong, Blacktown, Canning Vale, Regency Park, Hawthorn, 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, all of the properties listed in Note 9(a) are leased by Bunnings Group Limited.

(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 at least five years exercisable by the tenant.
- The lease for that part of the Geraldton Showrooms that has been let is for an initial term of eight 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 3.7 years.
- At 30 June 2008, the minimum lease expiry (being the duration until which the tenants' committed terms expire) for the Trust's investment properties is 1.5 years (2007: 2.5 years) and the maximum lease expiry is 11.3 years (2007: 12.3 years), with a weighted average lease expiry for the portfolio of 6.9 years (2007: 7.9 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:

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

(c) Operating leases (continued)

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

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

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

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

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

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

	2008 $000	2007 $000
Not later than one year	**65,703**	60,556
Later than one year not later than five years	**260,196**	242,224
Later than five years	**129,257**	178,125
	455,156	480,905

(d) Reconciliation of movement in investment properties

	2008 $000	2007 $000
Opening balance at the beginning of the financial year	**950,200**	721,125
Capital additions	**51,419**	61,969
Capital disposals	**-**	(755)
Net (loss)/gain from fair value adjustments	**(39,319)**	167,861
Closing balance at the end of the financial year	**962,300**	950,200

	2008 $000	2007 $000
10. PAYABLES AND DEFERRED INCOME		
Current		
Trade creditors and accruals	**5,316**	3,074
Responsible entity's fees payable	**1,599**	1,392
Rent received in advance	**5,507**	5,225
	12,422	9,691

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

	2008 $000	2007 $000
11. INTEREST BEARING LOANS AND BORROWINGS		
Non-current		
Bank loans	**308,499**	258,552

The Trust has access to bank bill lines totalling $380 million (2007: $280 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 2008 was $71.5 million (2007: $21.4 million). At 30 June 2008 the minimum duration of the facilities was 13 months (2007: 13 months) and the maximum was 25 months (2007: 21 months) with a weighted average duration of 17.5 months (2007: 18.7 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 risk.

12. ISSUED CAPITAL

	2008 $000	2007 $000
(a) Book value of units on issue		
Book value at the beginning of the financial year	**330,233**	330,233
Expenses incurred in reinstating the Distribution Reinvestment Plan	**(27)**	-
Book value at the end of the financial year	**330,206**	330,233

	2008	2007
(b) Number of ordinary units on issue		
Number of fully paid units on issue at the beginning of the financial year	301,435,539	301,435,539
Number of fully paid units on issue at the end of the financial year	301,435,539	301,435,539

The Distribution Reinvestment Plan was suspended in February 2005. The Distribution Reinvestment Plan has been re-introduced for the final distribution for the financial year ending 30 June 2008.

	2008 $000	2007 $000

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.

	2008 $000	2007 $000
Opening balance at the beginning of the financial year	**6,084**	3,067
Amounts recognised in net profit for the year	**(11)**	(736)
Net gains on cash flow hedges for the year	**2,751**	3,753
Closing balance at the end of the financial year	**8,824**	6,084

14. CASH FLOW

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

	2008 $000	2007 $000
Net profit	**692**	206,978
Net fair value change on investment properties	**39,319**	(167,861)
Increase in prepayments and receivables	**(232)**	(765)
Increase in payables and deferred income	**2,742**	2,733
Net cash flows from operating activities	**42,521**	41,085

(b) Reconciliation of cash

	2008 $000	2007 $000
Cash balance comprises:		
Cash (see Note 7)	**6,625**	5,122

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 95.4 percent (2007: 99.4 percent) of the rental income is with two tenants, Bunnings Group Limited 93.0 percent (2007: 96.8 percent), and J Blackwoods and Son Limited 2.4 percent (2007: 2.6 percent), 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+ by Standard & Poor's (BAA1 – Moody's).

Cash

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

Derivative financial instruments

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

16. FINANCIAL INSTRUMENTS (continued)

(a) Concentration of credit risk (continued)

Exposure to credit risk

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

		Carrying amount	
	Note	**2008 $000**	2007 $000
Loans and receivables	8	**1,186**	1,287
Cash	7	**6,625**	5,122
Interest rate swaps		**8,833**	6,105
		16,644	12,514

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

	Carrying amount	
	2008 $000	2007 $000
Tenants		
Wesfarmers Limited subsidiaries	**304**	417
Other tenants	**32**	20
Loans		
Bunnings Group Limited – (see Note 18(d)(i)e.)	**850**	850
	1,186	1,287

Impairment losses

None of the Trust's receivables are overdue (2007: 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. The majority of receivables, which includes the amount owed by the Trust's most significant customer (see above), relate to customers that have a good credit history with the Trust.

16. FINANCIAL INSTRUMENTS (continued)

(b) Liquidity risk

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

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

30 June 2008	**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	(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**

30 June 2007						
Bank loans - principal	(258,552)	(260,100)	-	(260,100)	-	-
Bank loans – future interest	-	(28,445)	(17,518)	(10,927)	-	-
Payables and deferred income	(9,691)	(9,691)	(9,691)	-	-	-
Interest rate swaps assets	6,105	7,066	1,703	1,838	2,873	652
	(262,138)	(291,170)	(25,506)	(269,189)	2,873	652

16. FINANCIAL INSTRUMENTS (continued)

(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 2008 the fixed rates varied from 5.09 per cent to 7.88 per cent (2007: 5.09 per cent to 6.67 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.

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

	Carrying amount	
	2008	2007
	$000	$000
Variable rate instruments		
Cash	**6,625**	5,122
Bank loans	**(308,499)**	(258,552)

16. FINANCIAL INSTRUMENTS (continued)

(c) Interest rate risk (continued)

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. The analysis is performed on the same basis for 2007.

	Net profit		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 and equity	(502)	167	2,415	(805)
30 June 2007				
Variable rate instruments	(1,951)	660	-	-
Interest rate swaps	1,590	(530)	2,040	(680)
Net impact on net profit and equity	(361)	130	2,040	(680)

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:

	30 June 2008 $000		30 June 2007 $000	
	Book value	**Fair value**	**Book value**	**Fair value**
Loans and receivables	**1,186**	**-**	1,287	-
Cash	**6,625**	**-**	5,122	-
Interest rate swaps	**-**	**8,833**	-	6,105
Bank loans	**(308,499)**	**-**	(258,552)	-
Payables and deferred income	**(12,422)**	**-**	(9,691)	-
	(313,110)	**8,833**	(261,834)	6,105

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:

	2008	2007
Interest rate swaps	**7.68% to 7.95%**	6.68% to 6.94%

16. FINANCIAL INSTRUMENTS (continued)

(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). At 30 June 2008, the gearing level was 31.5 per cent (2007: 26.8 per cent).

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

	2008	2007
	$000	$000

17. CAPITAL EXPENDITURE COMMITMENTS

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

Investment properties		
Not later than one year	**275**	7,450
Later than one year and not later than five years	**24,000**	30,700
	24,275	38,150

Reflective insulation material

In February 2008 the Trust committed to fund $0.275 million for the replacement of reflective insulation material to four existing Trust-owned Bunnings Warehouse stores in New South Wales.

Hawthorn, Victoria

In April 2007 the Trust acquired for $20.5 million inclusive of acquisition costs, a 0.84 hectare development site in Hawthorn, Victoria.

A Bunnings Warehouse is to be developed on the site, with completion expected late in the 2008 calendar at a fixed cost to the Trust of $24.0 million, to be paid on completion. Under the terms of the development agreement, the developer will be responsible for outgoings and pay the Trust land rent to defray the Trust's holding costs until the Bunnings Warehouse is completed. Upon completion of the development, the Trust will receive an annual rental of $2,710,000.

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 (appointed 5 December 2007)
W H Cairns (retired 5 December 2007)

Non-executive directors
J A Austin (appointed Chairman 5 December 2007)
P J Johnston
P J Mansell
R D Higgins (appointed 5 December 2007)

General manager
G W Gernhoefer

(b) Remuneration policy

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 2008, 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.

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.

(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	-	-	35,000
P J Johnston	45,303	-	-	45,303
P J Mansell	100,000	-	-	100,000
Total	**180,303**	**-**	**-**	**180,303**

* W H Cairns held 49,089 units at the commencement of the year; Mr Cairns retired on 5 December 2007.

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.

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

(d) Transactions with related parties

(i) Relationship with the Wesfarmers Group

a. Wesfarmers Investments Pty Ltd, a controlled entity of Wesfarmers Limited, holds 68,250,435 (2007: 68,250,435) units in the Trust, representing 22.64 per cent of the units on issue at 30 June 2008 (2007: 22.64 per cent).

b. During the year ended 30 June 2008 rent and other property income of $61,308,009 (2007: $58,493,469) was received from Bunnings Group Limited, a controlled entity of Wesfarmers Limited. The amount includes an amount received in advance of $5,257,705 (2007: $4,939,512).

c. During the year ended 30 June 2008 rent of $1,625,920 (2007: $698,884) was received from J Blackwood and Son Limited, a controlled entity of Wesfarmers Limited. The amount includes an amount received in advance of $138,142 (2007: $132,917).

d. The responsible entity's fee of $5,678,297 (2007: $4,681,912) is paid/payable to the responsible entity. During the year the responsible entity waived its entitlement to fees in respect of a development site at Hawthorn Victoria, acquired in April 2007. For the year ended 30 June 2008 the amount of fee the responsible entity had waived was $113,490 (2007: $19,791).

e. During the year ended 30 June 2008 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. During the year ended 30 June 2008 the Trust acquired an existing Bunnings Warehouse from Perpetual Trustee Company Limited as custodian for GEO Management Limited (Responsible Entity of the GEO Property Trust) for $15,200,000. Bunnings Properties Pty Limited (as tenant) entered into a Call Option Deed with Perpetual Trustee Company Limited and subsequently nominated the Trust to acquire the property. The Trust entered into a Nomination Deed with Bunnings Properties Pty Limited to surrender the existing lease and procure Bunnings Group Limited to enter into a new ten year lease the day following settlement of the transaction.

   The Trust paid Bunnings Properties Pty Limited a nomination fee of $3,200,000 which recognised the additional eight years of tenure to the Trust and an increase in the rent paid by Bunnings Group Limited on commencement of the lease.

g. During the year ended 30 June 2008 the Trust reimbursed Bunnings Group Limited $3.4 million for the completion of an upgrade to the Trust's Morayfield Bunnings Warehouse.

h. During the year ended 30 June 2008 the Trust agreed to reimburse Bunnings Group Limited $2.8 million for the completion of an upgrade to the Trust's Mile End Bunnings Warehouse.

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

(d) Transactions with related parties (continued)

(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 $20,123 (2007: $7,565).

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

95.4 per cent (2007: 99.4 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 2008 was authorised for issue in accordance with a resolution of the directors on 7 August 2008.