

# BUNNINGS WAREHOUSE PROPERTY TRUST

ARSN 088 581 097

28 August 2007

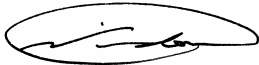
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## 2007 Annual Report

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Bunnings Property Management Limited, the responsible entity for the Bunnings Warehouse Property Trust wishes to advise that the 2007 Annual Report will be available on 29 August 2007 and will be forwarded to Unitholders who have elected to receive an Annual Report.

A copy of the 2007 Annual Report is attached to this announcement and will also be available on the Trust's website at [www.bunningspropertytrust.com.au](http://www.bunningspropertytrust.com.au)



ANTHONY NIARDONE  
Company Secretary

A S X R E L E A S E



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# Five new quality properties were added to the portfolio in 2007



Bunnings Warehouse Property Trust  
ARSN 088 581 097  
Responsible Entity  
Bunnings Property Management Limited  
ABN 26 082 856 424  
Australian Financial Services Licence  
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.



- ▲ **Bunnings Warehouse**  
**North Belmont, New South Wales**

<b>Acquired</b>	<b>December 2006</b>
<b>Land Area</b>	<b>4.0 hectares</b>
<b>Total Retail Area</b>	<b>12,620 square metres</b>

# Investment Approach

The Trust comprises predominantly warehouse retailing properties and, in particular, Bunnings Warehouse properties tenanted by Bunnings Group Limited, a wholly owned subsidiary of Wesfarmers Limited. The responsible entity 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

## The sites

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



Bayswater, VIC



North Belmont, VIC



Mandurah, WA



Bayswater, VIC



Croydon, VIC

# Highlights

The value of the property portfolio increased by 31.8 per cent to \$950.2 million, following capital expenditure of \$62.0 million and net revaluation gains of \$167.9 million.

## Acquisitions and upgrades

- acquisition of an **established** Bunnings Warehouse store at North Belmont, New South Wales
- acquisition of **three** office/warehouse properties from Wesfamers Limited subsidiary, J Blackwood and Son Limited
- acquisition of a **0.84 hectare** development site for construction of a Bunnings Warehouse at Hawthorn, Victoria
- completion of **two** major property upgrades (Croydon, Victoria and Mandurah, Western Australia)

## Financial growth

- **2.9** per cent growth in full year distribution to 12.98 cents per unit
- an average **11.7** per cent rental uplift from five market rent reviews completed during the year
- a **31.8** per cent increase in the fair value of Trust properties during the year
- an increase of **34.1** per cent in net tangible asset backing per unit from \$1.67 to \$2.24



Mindarie, WA



Vermont South, VIC



Blacktown, NSW



Hawthorn, VIC



Midland, WA

# Letter from the Chairman

In a very competitive environment for acquiring investment grade assets, we have added five new quality properties to the Trust's portfolio...

## 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 2007 Annual Report.

This has been an eventful year for the Trust. We have added five new properties, completed two major upgrades to existing Bunnings Warehouse properties and have commenced or committed to further upgrades estimated at \$7.5 million. We have also achieved strong rental increases as a result of market rent reviews completed during the year and recorded substantial increases in the fair value of the Trust's investment properties as a result of capital expenditure and revaluations.

In a very competitive environment for acquiring investment grade assets, we have added five new quality properties to the Trust's portfolio, namely: an established Bunnings Warehouse, a development site on which a Bunnings Warehouse is being built and three established office/warehouse properties acquired from and leased back to Wesfarmers Limited subsidiary, J Blackwood and Son Limited.

The acquisition of the Blackwoods properties is the first acquisition by the Trust of non-Bunnings tenanted properties and reflects the board's view that, while the Trust's predominant focus will remain centered on Bunnings Warehouses, other growth opportunities will be considered where they meet the investment criteria of the Trust and promote the interests of unitholders.

The board's view that the Trust should pursue other growth opportunities has been reinforced recently by the sale and lease back of a portfolio of 11 Bunnings Warehouses in Australia and New Zealand by Bunnings Group Limited. This transaction demonstrated the current strong demand for Bunnings properties and the level of competition for securing them. Although we submitted a carefully considered and detailed offer for all 11 properties at a price and on terms considered to be very competitive, we were not successful in acquiring any of these properties.

While the board is disappointed at not having acquired this portfolio, it considers that the lease terms on which these properties were being offered and the price at which they were sold would not have been in the best interests of unitholders.

## Financial performance

Year ended 30 June		2007 <sup>1</sup>	2006 <sup>1</sup>	2005 <sup>1</sup>	2004	2003
Total income	\$m	59.8	55.1	50.6	44.5	35.9
Net profit		207.0	75.2	79.9	32.2	26.3
Unrealised gain in fair value of investment properties		167.9	37.2	43.9	-	-
Distributable profit	\$m	39.1	38.0	36.0	32.2	26.3
Distribution per ordinary unit	interim cents	6.42	6.22	5.79	5.51	5.15
	final cents	6.56	6.39	6.17	5.87	5.35
	total cents	12.98	12.61	11.96	11.38	10.50
Tax advantaged component	%	23.62	24.22	25.20	26.83	30.15
Total assets	\$m	963.4	731.6	656.8 <sup>2</sup>	575.3	471.6
Borrowings	\$m	258.6	200.9	166.9	155.2	149.3
Unitholders' equity	\$m	675.4	504.5	464.2	395.3	302.6
Gearing (debt to total assets)	%	26.8	27.5	25.4	27.0	31.7
Number of units on issue	m	301	301	301	295	266
Number of unitholders		12,840	12,477	12,474	11,544	10,496
Net tangible asset backing per unit	\$	2.24	1.67	1.54	1.34	1.14
Unit price at 30 June	\$	2.31	2.00	1.91	1.57	1.51
Management expense ratio (annualised)	%	0.70	0.67	0.65 <sup>2</sup>	0.68	0.65

<sup>1</sup> based on Australian equivalents to International Financial Reporting Standards (AIFRS) for 2005, 2006 and 2007, based on Australian generally accepted accounting principles (AGAAP) for prior years.

<sup>2</sup> restated from previously reported figures due to impact of adoption of AIFRS (see Note 20 of the notes to the financial statements).



In order to continue to grow the Trust without unduly compromising the quality of the investment portfolio and returns to unitholders other acquisition opportunities will be considered. The acquisition from Blackwoods has provided three well located properties leased to a substantial tenant, which were immediately accretive to earnings and offer potential for capital and rental growth. The board will continue to actively pursue such opportunities provided they meet the Trust's investment criteria.

During the year we also acquired, from third parties, an established Bunnings Warehouse at North Belmont, New South Wales, and a development site at Hawthorn, Victoria, on which a Bunnings Warehouse is currently being constructed. The board will continue to actively pursue opportunities such as these to build on the Trust's existing portfolio of quality Bunnings Warehouses.

In addition, the board will look to drive further value and returns from the existing portfolio of Bunnings Warehouses through upgrades and rent reviews. Details of the success in achieving these outcomes during the year are provided in the Manager's Report.

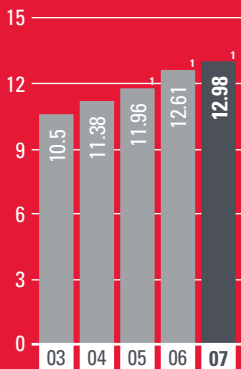
The activities during the year outlined in this report have contributed to what we consider to be a strong performance by the Trust, with a 2.8 per cent growth in net profit excluding revaluation gains, increase in the fair value of the Trust's investment properties by \$229 million and a total return to unitholders (full year distribution and unit price growth) of 43.98 cents per unit. The board wishes to acknowledge the valuable contribution made by management throughout the year in achieving these results.

Finally, thank you for your continued support of the Bunnings Warehouse Property Trust.

**W H Cairns**  
Chairman  
Bunnings Property Management Limited

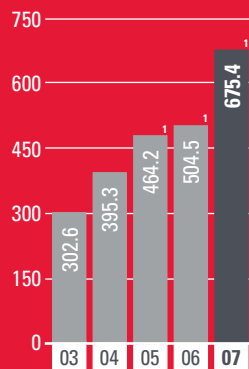
### Distribution per unit

cents

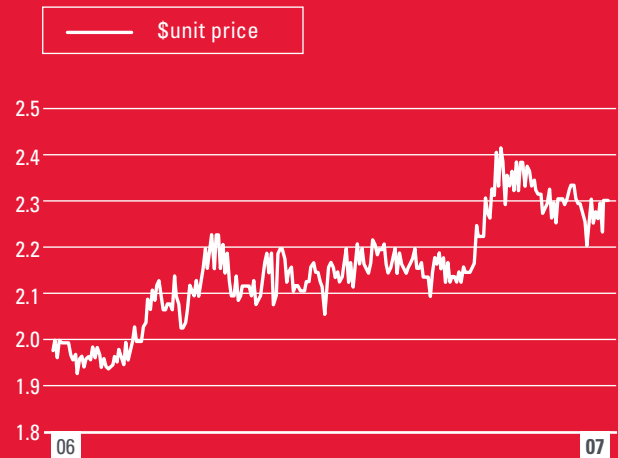


### Unitholder's equity

\$million



### BWP closing unit price



<sup>1</sup> based on Australian equivalents to International Financial Reporting Standards (AIFRS) for 2005, 2006 and 2007, based on Australian generally accepted accounting principles (AGAAP) for prior years.



# Manager's Report

During the year the Trust continued to deliver growth, with acquisitions and developments valued at \$62.0 million, solid rental growth and significant uplift in the value of investment properties. The weighted average lease expiry at 30 June 2007 was 7.9 years.

## Financial results

The Trust reported distributable profit of \$39.1 million for the year, an increase of 2.8 per cent on last year. Full year distributable profit was affected by one-off due diligence costs of approximately \$270,000 associated with the Trust's unsuccessful bid to acquire 11 Bunnings Warehouses offered for sale by Bunnings Group Limited.

Full year profit was earned on revenue of \$59.8 million, up by 8.5 per cent from last year due to additional income received from new properties, property upgrades and rent reviews.

Total assets of the Trust at year end were \$963.4 million, an increase of \$231.8 million on last year, as a result of capital expenditure and property revaluations.

## Distribution to unitholders

A final distribution of 6.56 cents per unit has been declared. The final distribution will be made on 29 August 2007 to unitholders on the Trust's register as at 5pm on 29 June 2007.

This brings the total distribution for the year to 12.98 cents per unit, a 2.9 per cent increase on last year's total distribution.

The tax advantaged component for the 2007 distribution is 23.62 per cent.

Because of the current low gearing ratio, the distribution reinvestment plan remains suspended until further notice.

## Market performance

During the year, units in the Trust traded within a range of \$1.92 to \$2.49. Based on the closing price of \$2.31 as at 30 June 2007, the Trust had a market capitalisation of \$696 million.

The Trust provided a total return, comprising capital appreciation and distributions, of 22.0 per cent for the year, compared with 12.5 per cent for last year.

## Property acquisitions, developments and upgrades

Capital expenditure on acquisitions, developments and upgrades during the year amounted to \$62.0 million. A summary of property activities during the year is presented below.

### Acquisition of Bunnings Warehouse, North Belmont, New South Wales

The Trust acquired an established Bunnings Warehouse property, at North Belmont, approximately 16 kilometres south of the Newcastle central business district, in New South Wales. The property was acquired in December 2006 for a total outlay of \$11.5 million from a private investment syndicate. The property is subject to a lease with Bunnings Group Limited until March 2016, with two options for a further five years each exercisable by the tenant. The rent is reviewed annually to the Consumer Price Index and subject to a market rent review at the exercise of each option.

### Acquisition of three office/warehouse properties from Blackwoods

In January 2007 the Trust acquired, on a sale and leaseback basis, three office/warehouse industrial properties from J Blackwood and Son Limited ("Blackwoods") for a total outlay of \$20.7 million. Blackwoods, a wholly owned subsidiary of Wesfarmers Limited, is the leading supplier of industrial, engineering and safety products in Australia.

The properties, located in key industrial areas in Sydney, Perth and Adelaide, are used as regional offices and warehouses. Each property provides modern office accommodation and warehouse space with clearance heights above six metres.

Details of each property are provided below.

Address	Land Area	Gross Lettable Area	Annual Net Rent	Purchase Price <sup>1</sup>
3-9 Forge Street BLACKTOWN, (NSW)	1.3 ha	8,346m <sup>2</sup>	\$700,000	\$8.24 m
183-189 Bannister Road CANNING VALE, (WA)	1.4 ha	6,945m <sup>2</sup>	\$540,000	\$6.47 m
7-19 Tikalara Street REGENCY PARK, (SA)	1.1 ha	4,535m <sup>2</sup>	\$355,000	\$4.66 m

<sup>1</sup>excludes acquisition costs



### **Grant Gernhoefer**

General Manager  
Bunnings Property Management Limited

The leases are for an initial term of seven years with two five year options exercisable by Blackwoods. However to provide Blackwoods operational flexibilities as its business grows the leases at Blacktown and Canning Vale allow Blackwoods to exit after three years by providing 12 months' notice. The rent is reviewed annually to the Consumer Price Index and subject to a market rent review at the exercise of each option. Market rent reviews are subject to 15 per cent caps and collars on the preceding year's rent.

#### **Acquisition of Bunnings Warehouse development site in Hawthorn, Victoria**

In April 2007 the Trust purchased for a total outlay of \$20.5 million a 0.84 hectare development site in Hawthorn, Victoria. The property, acquired from a private investor, is located at 230 Burwood Road, approximately seven kilometres east of the Melbourne Central Business District.

A Bunnings Warehouse is to be developed on the site, with completion due by the middle of 2009 at a 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 covering holding costs until the Bunnings Warehouse is completed.

The Bunnings Warehouse will have a total retail area of 7,462 square metres and 299 car bays in the first multi-level format Bunnings Warehouse in Australia. The property is subject to an agreement for lease by Bunnings Group Limited, with a 12 year initial term followed by four five-year options exercisable by the tenant. Commencing net rent of \$2.7 million per annum is reviewed to market in year six and at every option. In all other years, annual rent will escalate by the Consumer Price Index. Market rent reviews are subject to ten per cent caps and collars, with a ratchet at year six, preventing the rent falling below the preceding year's rent.

To help defray the short-term dilution of earnings as a result of this acquisition, the directors of the responsible entity have agreed to waive the entire management fee that the responsible entity is entitled to in respect of this property during the construction period and the first two years post completion.

#### **Disposal of surplus land in Hervey Bay, Queensland**

During the year the Trust disposed of surplus land at the Hervey Bay property in Queensland. The disposal was in accordance with the agreement between the Trust and Bunnings Group Limited for the purchase and development of the property when it was acquired in July 2002, with proceeds to the Trust of \$0.75 million.

#### **Showroom complex fully leased**

Last year the Trust completed the development of a complex comprising two showrooms for retail use located adjacent to an existing Trust-owned Bunnings Warehouse store in Bayswater, Victoria. The larger, 1,378 square metre showroom was leased for an initial seven year term in February 2006 for use as a Clark Rubber outlet.

During the year the Trust leased the remaining 1,106 square metre showroom tenancy for use as an Autobarn outlet for an initial term of seven years commencing November 2006, with an option exercisable by the tenant for a further term of seven years. Rent will escalate by the Consumer Price Index annually, except on the exercise of the option by the tenant when rent is reviewed to market rental.

#### **Completion of upgrade of Bunnings Warehouse Croydon, Victoria**

A \$5.6 million upgrade of the existing Bunnings Warehouse store, located in the Melbourne suburb of Croydon, was completed by Bunnings Group Limited as project manager for the Trust in October 2006. The upgrade, which included a land swap with the adjoining owner resulting in a net increase in land area of 1.3 hectares, expanded the main store area, the timber drive-through and the nursery as well as increasing the number of car bays. The annual rental increased by approximately \$450,000 as a result of the upgrade.

#### **Completion of upgrade of Bunnings Warehouse Mandurah, Western Australia**

A \$1.6 million upgrade of the existing Bunnings Warehouse store, located in Mandurah, approximately 65 kilometres south of Perth, was completed by Bunnings Group Limited as project manager for the Trust during the second half of the year. The upgrade expanded the main trade area and fully enclosed the timber drive-through. The upgrade will result in an increase of approximately \$128,000 to the annual rental.

### Other upgrades commenced or committed to

Other upgrade works that were commenced but not completed during the financial year or for which the Trust has committed to are outlined below.

A \$3.4 million upgrade of an existing Trust-owned Bunnings Warehouse store at Morayfield, Queensland, was commenced by Bunnings Group Limited as project manager for the Trust during the year. The upgrade will increase the retail area by 1,890 square metres and add a further 56 car bays. Completion is anticipated towards the end of the 2007 calendar year and is expected to increase the annual rental by approximately \$272,000.

Civil works for the development of the \$24 million Bunnings Warehouse at Hawthorn, Victoria, commenced in June 2007. Further details are provided in the reference to the acquisition of this development site on page seven.

During the year the Trust committed to upgrade works at the existing Bunnings Warehouse store in Mile End, South Australia, with an estimated cost of \$2.4 million. Work is expected to be completed early in the 2008 calendar year.

Various other work totalling approximately \$1.7 million commenced during the year including installation of mechanical ventilation at seven existing Trust owned Bunnings Warehouses.

The property activity undertaken during the year has enhanced or is expected to enhance the value and geographic diversification of the Trust's portfolio.

### Market rent reviews

In accordance with the majority of Trust leases, rent 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 are shown below.

Property	Passing rent (\$ pa)	Market review (\$ pa)	Uplift	Effective date
Midland (WA)	967,383	1,235,000	+28%	5 Sep 06
Mindarie (WA)	997,925	1,195,000	+20%	5 Sep 06
Coffs Harbour (NSW)	679,003	735,000	+8%	26 Nov 06
Geraldton (WA)	759,020	830,000	+9%	10 Dec 06
Frankston (Vic)	1,696,635	1,696,635	0%	20 Dec 06
WEIGHTED AVERAGE			12%	

### Revaluations

As required by the Australian Equivalents to International Financial Reporting Standards the entire Trust portfolio was revalued at 31 December 2006 and again at 30 June 2007.

Twenty property revaluations during the year were performed by independent valuers (11 at 31 December 2006 and 9 at 30 June 2007). Properties not independently revalued at each balance date are subject to directors' revaluations. Directors' revaluations are subject to review by an independent valuer.

### Portfolio growth at a glance

Over the past five years, the Trust has invested around \$284 million on acquisitions and improvements to investment properties, increasing the number of properties from 46 to 57.

### 2003

- 41 Bunnings Warehouses
- 1 Bunnings Distribution Centre ("DC")
- 3 Bunnings Warehouse development sites
- 1 Bunnings DC development site

\$114.8 m annual capital expenditure

The value of the portfolio increased to \$950.2 million, following net revaluation gains of \$167.9 million and capital expenditure of \$62.0 million during the year. This represents an increase of 31.8 per cent on the fair value at 30 June 2006 and contributed to an increase in the underlying net tangible asset backing of the Trust's units from \$1.67 per unit at 30 June 2006 to \$2.24 per unit at 30 June 2007. Details of the revaluations are disclosed in Note 9 of the notes to the financial statements.

## Funding

The Trust currently has a total of \$280.0 million debt facilities with three major Australian banks. At 30 June 2007 borrowings under the facilities were \$258.6 million.

During the year a review of funding options for the Trust was undertaken and the current bank bill facilities were considered to provide the most efficient arrangement for the time being. The responsible entity continues to consider the best options for funding existing debt and future acquisitions.

## Gearing

The responsible entity has established a preferred range of 20 to 40 per cent for the Trust's gearing ratio (debt to total assets). The quality of the Trust's lease covenants and the lease expiry profile support this gearing range and allow the effective use of debt funding.

At 30 June 2007, the Trust's gearing was at 26.8 per cent.

## Interest rate management

The Trust has a policy of hedging the majority of its borrowings against interest rate movements to ensure stability of distributions.

The responsible entity continues to actively manage the Trust's exposure to interest rates to ensure a prudent interest rate hedging position. This involved taking out additional cover as required during the year and managing debt repayment to ensure existing hedging remained effective.

At 30 June 2007, 82 per cent of the Trust's interest bearing debt was hedged at a weighted average rate excluding margins of 5.99 per cent, and the weighted average term to maturity of the hedged debt was 2.8 years.



**Grant Gernhoefer**  
General Manager

## 2004

45 Bunnings Warehouses  
2 Bunnings DC's  
2 Bunnings Warehouse development sites

\$52.2 m annual capital expenditure

## 2005

47 Bunnings Warehouses  
2 Bunnings DC's  
2 Bunnings Warehouse development sites

\$20.8 m annual capital expenditure

## 2006

49 Bunnings Warehouses  
2 Bunnings DC's  
1 Bunnings Warehouse development site  
2 retail/bulky goods showrooms

\$33.8 m annual capital expenditure

## 2007

50 Bunnings Warehouses  
2 Bunnings DC's  
2 Bunnings Warehouse development sites  
2 retail/bulky goods showrooms  
3 office/warehouse industrial properties

\$62.0 m annual capital expenditure

# Outlook

Current expectations are for continued growth in the 2007/08 financial year through acquisitions, developments and rent reviews. Bunnings Warehouses will continue to be the primary focus for growth, however, other acquisition opportunities will be considered where they meet the Trust's investment criteria and are considered to be in the best interests of unitholders.

Growth opportunities are expected from the following sources:

Acquisition of new and established Bunnings Warehouses owned or being developed by third parties for lease to Bunnings Group Limited or direct from Bunnings Group Limited, subject to acceptable lease terms and conditions.

Improve existing Trust properties, primarily through upgrades and other developments based on the needs of existing tenants, particularly Bunnings Group Limited.

Grow rental income from the existing portfolio. There are seven market rent reviews scheduled for the 2007/08 financial year.

Acquire or develop single or multiple tenanted bulky goods outlets anchored by national or international retailers.

Consider 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.

The Trust's current low gearing ratio provides substantial capacity to debt fund acquisitions and developments as opportunities arise.

Earnings will be affected in the short to medium term by low yields derived from properties acquired in the current market, funding costs, the impact of management fees and increased land tax.

The responsible entity will endeavour to ensure that the Trust continues to grow in a sustainable manner.

# Properties

Western Australia	11
Victoria	20
Australian Capital Territory	02
South Australia	03
New South Wales	11
Queensland	10
<b>Total properties</b>	<b>57</b>

## As at 30 June 2007

	LAND AREA	GROSS LETTABLE AREA <sup>1</sup>	ANNUAL RENTAL		LAND AREA	GROSS LETTABLE AREA <sup>1</sup>	ANNUAL RENTAL
	ha	sq.m	\$000		ha	sq.m	\$000
<b>Western Australia</b>				<b>South Australia</b>			
Albany	2.0	13,843	535	Mile End	3.3	15,121	1,342
Balcatta	4.3	24,932	1,425	Noarlunga	2.7	11,845	874
Bibra Lake	3.2	17,124	1,141	Regency Park (Blackwoods)	1.1	4,574	355
Canning Vale (Blackwoods)	1.4	6,945	540	<b>Total</b>	<b>7.1</b>	<b>31,540</b>	<b>2,571</b>
Geraldton	3.3	16,337	830	<b>New South Wales</b>			
Joondalup	2.5	13,358	989	Artarmon	0.7	5,945	1,314
Mandurah	2.5	12,062	965	North Belmont	4.0	12,620	778
Midland	2.4	14,437	1,235	Belrose	2.5	10,228	1,618
Mindarie	3.1	14,612	1,195	Blacktown (Blackwoods)	1.3	8,346	700
Morley	1.8	9,877	921	Coffs Harbour	2.5	11,905	735
Rockingham	3.3	17,179	1,153	Lismore	2.1	9,942	775
<b>Total</b>	<b>29.8</b>	<b>160,706</b>	<b>10,929</b>	Maitland	3.1	13,034	1,025
<b>Victoria</b>				Minchinbury	3.1	12,048	1,377
Altona	2.4	9,254	946	Port Macquarie	2.0	8,801	743
Bayswater	4.9	15,193	1,453	Thornleigh	1.2	5,301	1,063
Bayswater showrooms		2,484	330	Wollongong	2.7	12,559	1,147
Broadmeadows <sup>2</sup>	1.7	10,435	938	<b>Total</b>	<b>25.2</b>	<b>110,729</b>	<b>11,275</b>
Croydon	3.8	10,146	1,400	<b>Queensland</b>			
Dandenong	2.7	12,390	1,077	Burleigh Heads	3.3	12,522	1,215
Epping	3.1	12,078	998	Cairns	2.4	10,601	1,107
Fountain Gate	3.2	12,624	1,198	Cannon Hill	2.8	12,676	1,225
Frankston	3.8	13,795	1,697	Cannon Hill Distribution Centre	0.7	4,181	341
Hawthorn <sup>3</sup>	0.8	N/A	N/A	Hemmant Distribution Centre	3.5	11,250	1,283
Hoppers Crossing	2.7	11,170	1,056	Hervey Bay	3.0	11,070	905
Maribyrnong <sup>3</sup>	3.4	N/A	N/A	Morayfield	2.7	10,581	1,008
Mentone	2.5	11,814	1,081	Rocklea	3.2	12,516	1,384
Mornington	4.1	13,183	1,285	Southport	3.5	12,431	1,204
Northland	3.3	12,027	1,328	Underwood	2.9	12,245	1,117
Nunawading <sup>4</sup>	3.4	14,766	1,802	<b>Total</b>	<b>28.5</b>	<b>110,073</b>	<b>10,789</b>
Oakleigh South	4.4	15,157	1,607	<b>Grand Total</b>	<b>160.2</b>	<b>659,321</b>	<b>60,556</b>
Sandown	3.1	12,180	890				
Scoresby	3.4	11,938	1,092				
Sunshine	2.0	10,664	803				
Vermont South <sup>5</sup>	5.3	16,634	1,799				
<b>Total</b>	<b>64.0</b>	<b>227,932</b>	<b>22,780</b>				
<b>Australian Capital Territory</b>							
Fyshwick <sup>6</sup>	2.8	6,400	1,015				
Tuggeranong	2.8	11,941	1,197				
<b>Total</b>	<b>5.6</b>	<b>18,341</b>	<b>2,212</b>				

<sup>1</sup> total retail area of the Bunnings Warehouse  
<sup>2</sup> includes additional land (0.1 hectares) for which Bunnings Group Limited pays the Trust an access fee of \$20,194 per annum  
<sup>3</sup> development site  
<sup>4</sup> includes adjoining properties (0.1 hectares) for which Bunnings Group Limited pays the Trust an access fee of \$126,959 per annum  
<sup>5</sup> includes land (0.4 hectares) for which Bunnings Group Limited pays the Trust an access fee of \$68,000 per annum  
<sup>6</sup> includes adjoining property (1.0 hectares) for which Bunnings Group Limited pays the Trust an access fee of \$300,994 per annum



## Bunnings Warehouse Mandurah, Western Australia

<b>Upgrade Value</b>	<b>\$1.6 million</b>
<b>Land Area</b>	<b>2.5 hectares</b>
<b>Total Retail Area</b>	<b>12,062 square metres</b>



## ◀ Bunnings Warehouse development site Hawthorn, Victoria

<b>Acquired</b>	<b>April 2007</b>
<b>Land Area</b>	<b>0.8 hectares</b>
<b>Total Retail Area</b>	<b>7,462 square metres (on completion)</b>
<b>Pictured</b>	<b>Andrew Ross, Portfolio Manager</b>



# Directors and Senior Management



## **W H Cairns**

Dip Agr, FAPI  
(Val&Econ)

Chairman,  
Non-executive/  
Independent  
Age: 77

## **G W Gernhoefer**

BComm/LLB

General Manager  
Age: 43

## **P J Johnston**

FCIS, FCPA,

Director,  
Non-executive/  
Non-independent  
Age: 64

## **P J Mansell**

BComm, LLB,  
H.Dip Tax,

Director,  
Non-executive/  
Independent  
Age: 60

## **J A Austin**

Assoc Dip Val,  
FAPI (Val&Econ)

Director,  
Non-executive/  
Independent  
Age: 61

## **W H Cairns**

Joined the board in 1998. Bill retired from the AMP Society in 1990 where he was employed for 39 years. At the time of his retirement, Bill held the position of General Manager AMP Investments where he was responsible for managing the group's global investments. Bill is a Fellow of The Australian Property Institute and a Life Fellow of the Property Council of Australia. He is also a director of a number of private companies. During the past four years he has served as a director of the following listed companies:

- Avatar Industries Limited (1998 to date)
- General Property Trust Management Limited (1998 – April 2003)

## **J A Austin**

Joined the board in 2004. John has been actively involved in professional property investment markets for over 36 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, a private property investment company, and is a non-executive director of the MREEF series of unlisted private property funds, managed by Macquarie Bank. John became the Chairman of Leighton Properties Pty Ltd on 1 July 2007.

## **P J Johnston**

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 to his retirement in 2001. He is also a director of Kresta Holdings Limited and a number of Kresta group subsidiaries.

## **P J Mansell**

Joined the board in 1998. Peter practised as a commercial lawyer for nearly 34 years until he retired as a partner in Freehills in February 2004. 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 directorships:**

- Zinifex Ltd (Chairman) (March 2004 to date)
- ThinkSmart (Chairman) (April 2007 to date)
- West Australian Newspapers Holdings Ltd (Chairman) (September 2001 to date)
- Great Southern Plantations Ltd (November 2005 to date)

### **Past directorships:**

- JDV Ltd (Chairman) (December 2001 to August 2005)
- Foodland Associated Ltd (October 2003 to November 2005)
- Tethyan Copper Company Ltd (February 2005 to May 2006)
- Hardman Resources Ltd (May 2006 to December 2006)

## **G W Gernhoefer**

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

# Corporate Governance

The responsible entity is committed to fostering a strong governance culture based on the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice 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 18) to ensure ethical behaviour and transparency and to protect and promote the interests of unitholders.

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.bunningspropertytrust.com.au](http://www.bunningspropertytrust.com.au)

The responsible entity complies 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). During the year 99.1 per cent of the property income of the Trust was received from wholly owned subsidiaries of Wesfarmers. The Trust also purchased property from a Wesfarmers subsidiary, and utilised Bunnings Group Limited as project manager on a number of property upgrades. Wesfarmers is a substantial unitholder in the Trust, and details of Wesfarmers' unitholding can be found on page 48 of this report.

## 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 which 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.

This entails:

- 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 Limited and other related parties are carried out at arms 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 Limited;
- 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 structure

The board is currently comprised of four non-executive directors including the Chairman. During the year the directors reviewed the composition of the board and determined that it is appropriate.

Details of directors in office at the date of this report, including their status as executive, non-executive or independent directors are set out on pages 14 and 15 of this report.

## Director independence

A majority of directors of the responsible entity are independent.

The board considers that a director is independent if the director is a non-executive director and:

- is not a substantial unitholder of the Trust or an officer of, or otherwise associated directly with, a substantial unitholder of the Trust;
- has not, within the last three years, been employed in an executive capacity by the responsible entity or been employed or engaged as a director of a related body corporate of the responsible entity;
- has not, within the last three years, been a principal of a professional adviser to the Trust, the responsible entity or a related body corporate of the responsible entity where the adviser's revenues derived from these entities exceeds five per cent of the adviser's total revenues from all sources;

- is not an officer of or otherwise associated directly or indirectly with a material supplier, where total revenues derived by that supplier from the Trust, the responsible entity or a related body corporate of the responsible entity exceeds five per cent of that supplier's total revenues;
- has no material contractual relationship with the Trust, the responsible entity or a related body corporate of the responsible entity other than as a director of the responsible entity, where "material contractual relationship" is a relationship which could, or could be reasonably perceived to, materially interfere with the director's ability to act in the best interests of the Trust;
- has not served on the board of the responsible entity for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Trust; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Trust.

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 independence criteria set out above and given his continued and demonstrated performance and ability to make objective judgments on matters before the board.

## **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 therefore not of a size sufficient to justify the formation of a board committee for this task; and
- the board's adoption of the independence standards set out above, combined with the factors considered by the board in assessing potential candidates for directorship of the responsible entity, ensure that the nomination and selection process for directors is transparent and that appointees to the board have the requisite qualifications, experience and expertise in the market.

Given that there is not a nomination committee, the responsible entity does not comply with Recommendation 2.3 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**

Directors may only buy or sell the Trust's units after reference to the Secretary of the responsible entity and in accordance with the responsible entity's Unit Trading Policy, a copy of which is available on the Trust's website.

## Financial reporting

### General Manager declaration

Consistent with ASX Principle 4 and 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 2007, 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 formally constituted an 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 during the year the committee was chaired by Mr Mansell, being an independent director of the responsible entity. During the year the committee held two meetings attended by all directors.

### Rotation of lead external audit partner

In accordance with the requirements of the Corporations Act a new lead audit partner was appointed for the financial year commencing 1 July 2006.

### 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 of the compliance plan are available through 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 among 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.

Ernst & Young, the external auditor of the compliance plan, has completed its annual audit for the year ended 30 June 2007. 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.

As the majority of members of the board are external directors, 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" on page 17) 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 efficiently and effectively in all material respects.

## Review of board and committee performance

During the year the board determined that the formal evaluation of the performance of the board and audit and risk committee through feedback obtained from the completion of qualitative and quantitative surveys by the directors would be undertaken every two years and that the results of the survey would be considered and discussed at the board's annual performance and planning session. No survey was conducted in 2007.

## 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 2007, each director was entitled to a director's fee. Directors do not receive option 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 of 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 9.2 of the ASX Principles.

## 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.

To enhance communication with unitholders, important information including details of the Trust's properties, financial performance, distribution history and the Trust's complaints handling procedure can be found on the website. The website is periodically reviewed to ensure the accuracy and relevance of the information it contains.

## Ethics and conduct

The responsible entity has adopted a code of conduct which 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.

## Bunnings Warehouse Croydon, Victoria

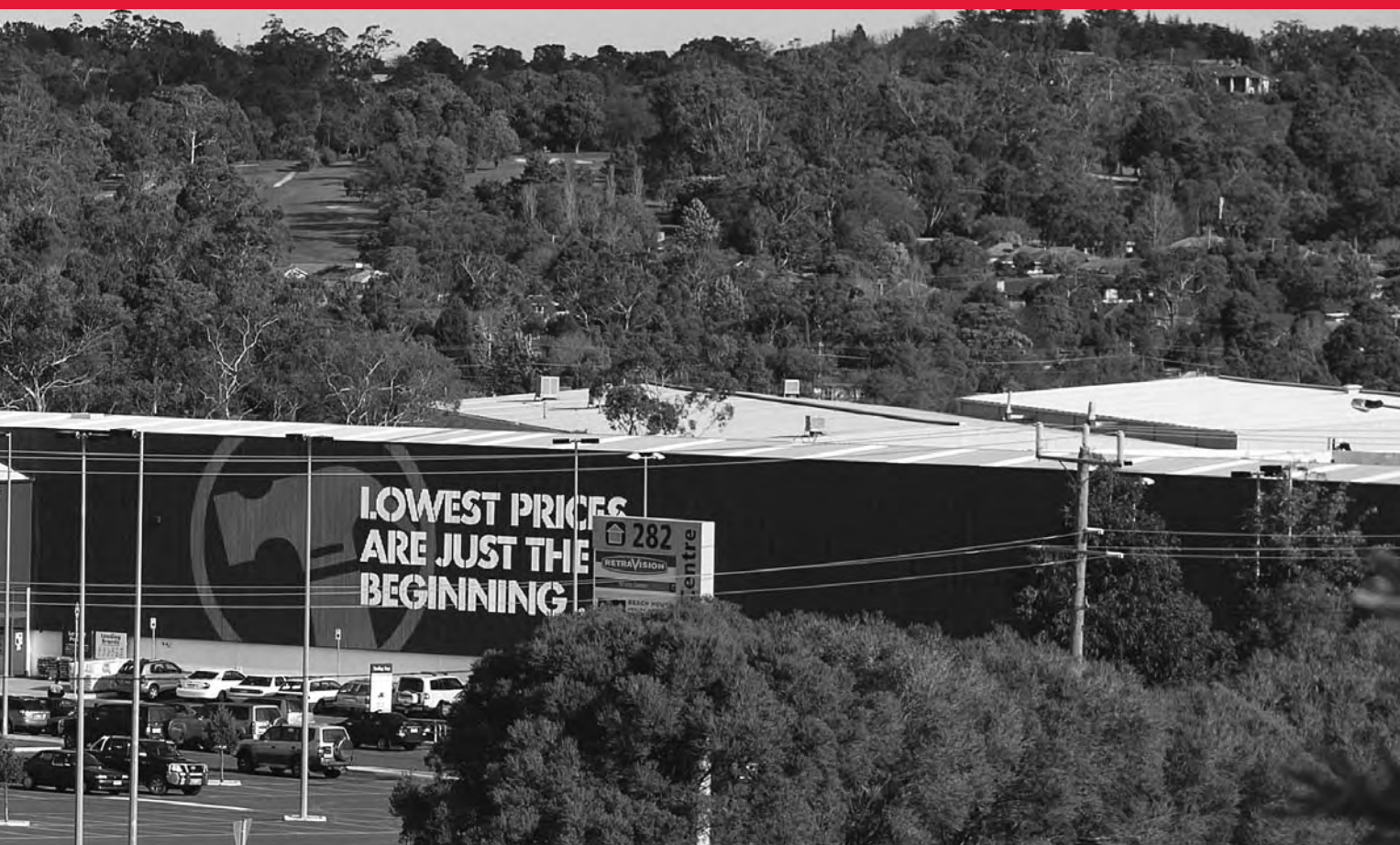
**Upgrade Value**      \$5.6 million  
**Land Area**            3.8 hectares  
**Total Retail Area**    10,146 square metres



# Financial Statements

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## ◀ Bayswater showrooms Bayswater, Victoria

**Tenants** Clark Rubber, Autobarn  
**Gross Lettable Area** 2,484 square metres



# Income and distribution statement

For the year ended 30 June 2007

	Note	2007 \$000	2006 \$000
<b>Continuing operations</b>			
Rental income		58,047	53,891
Other property income		1,454	1,084
Interest income		231	131
Other income		42	13
		<u>59,774</u>	<u>55,119</u>
Unrealised gain in fair value of investment properties	9	167,861	37,180
Responsible entity's fees	2	(4,682)	(3,962)
Other operating expenses		<u>(1,772)</u>	<u>(1,225)</u>
Net profit from continuing operations before finance costs		221,181	87,112
Finance costs	4	<u>(14,203)</u>	<u>(11,866)</u>
Net profit from continuing operations attributable to unitholders of Bunnings Warehouse Property Trust		206,978	75,246
<b>Distribution statement</b>			
Net profit attributable to unitholders of Bunnings Warehouse Property Trust		206,978	75,246
Undistributed income at the beginning of the financial year		171,199	133,964
Distributions paid or payable	5	<u>(39,126)</u>	<u>(38,011)</u>
<b>Undistributed income at the end of the financial year</b>		<u>339,051</u>	<u>171,199</u>
Basic and diluted earnings (cents per unit)	6	68.7	25.0
Distribution (cents per unit)	5	12.98	12.61

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

# Balance sheet

As at 30 June 2007

	Note	2007 \$000	2006 \$000
<b>Current assets</b>			
Cash	7	5,122	6,212
Prepayments	8	1,108	344
Derivative financial instruments	16	143	36
<b>Total current assets</b>		<b>6,373</b>	<b>6,592</b>
<b>Non-current assets</b>			
Investment properties	9	950,200	721,125
Receivables	8	850	850
Derivative financial instruments	16	5,962	3,045
<b>Total non-current assets</b>		<b>957,012</b>	<b>725,020</b>
<b>Total assets</b>		<b>963,385</b>	<b>731,612</b>
<b>Current liabilities</b>			
Payables	10	9,691	6,918
Interest bearing loans and borrowings	11	-	149,430
Derivative financial instruments	16	-	34
Distribution payable	5	19,774	19,262
<b>Total current liabilities</b>		<b>29,465</b>	<b>175,644</b>
<b>Non-current liabilities</b>			
Interest bearing loans and borrowings	11	258,552	51,469
<b>Total non-current liabilities</b>		<b>258,552</b>	<b>51,469</b>
<b>Total liabilities</b>		<b>288,017</b>	<b>227,113</b>
<b>Net assets</b>		<b>675,368</b>	<b>504,499</b>
<b>Unitholders' equity</b>			
Units on issue	12	330,233	330,233
Reserves	13	6,084	3,067
Undistributed income		339,051	171,199
<b>Total unitholders' equity</b>		<b>675,368</b>	<b>504,499</b>
<b>Net tangible asset backing per unit</b>		<b>\$2.24</b>	<b>\$1.67</b>

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

# Cash flow statement

For the year ended 30 June 2007

	Note	<b>2007</b> \$000	<b>2006</b> \$000
<b>Cash flows from operating activities</b>			
Rent received		67,063	60,353
Payments to suppliers		(7,577)	(6,685)
Payments to the responsible entity		(4,429)	(3,710)
Interest received		231	131
Finance costs		(14,203)	(11,620)
<b>Net cash flows from operating activities</b>	14	<b>41,085</b>	<b>38,469</b>
<b>Cash flows from investing activities</b>			
Payments for purchase of, and additions to, the Trust's property investments		(61,969)	(33,765)
Receipts from the sale of the Trust's property investments		755	-
Loans to related parties		-	(850)
<b>Net cash flows used in investing activities</b>		<b>(61,214)</b>	<b>(34,615)</b>
<b>Cash flows from financing activities</b>			
Proceeds of borrowings		57,653	33,954
Distributions paid		(38,614)	(37,348)
<b>Net cash flows from/(used in) financing activities</b>		<b>19,039</b>	<b>(3,394)</b>
Net (decrease)/ increase in cash		(1,090)	460
Cash at beginning of the financial year		6,212	5,752
<b>Cash at the end of the financial year</b>	7	<b>5,122</b>	<b>6,212</b>

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

# Statement of changes in equity

For the year ended 30 June 2007

	Note	Units on issue \$000	Undistributed income \$000	Reserves \$000	Total \$000
Balance at 1 July 2005		330,233	133,964	(1,204)	462,993
Movement in hedge derivatives	13	-	-	4,271	4,271
Total income and expense for the year recognised directly in equity		-	-	4,271	4,271
Net profit for the year		-	75,246	-	75,246
Equity distributions		-	(38,011)	-	(38,011)
<b>Balance at 30 June 2006</b>		<b>330,233</b>	<b>171,199</b>	<b>3,067</b>	<b>504,499</b>
Balance at 1 July 2006		330,233	171,199	3,067	504,499
Movement in 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
Equity distributions		-	(39,126)	-	(39,126)
<b>Balance at 30 June 2007</b>		<b>330,233</b>	<b>339,051</b>	<b>6,084</b>	<b>675,368</b>

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 2007

## 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 that have been measured at their fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$000) under the option available to the Trust under ASIC Class Order 98/100.

### (b) Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). The financial report also complies with International Financial Reporting Standards (IFRS).

The Trust has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB), that are relevant to its operations and effective for financial reporting periods beginning on or before 1 July 2006. 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.

There are Australian Accounting Standards that have recently been issued or amended but are not yet effective and have not been adopted for the annual reporting period ended 30 June 2007. The amendments when implemented are not expected to have a material effect on the financial statements.

### (c) Significant judgements and estimates

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

#### Investment properties – operating leases

The Trust has entered into commercial property leases on its investment portfolio. The Trust has determined that it retains all the significant risks and rewards of ownership of these properties and has thus classified the leases as operating leases (see Notes 1(e), 1(m), 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)).

### (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 stated 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 unit holders.

# Notes to the financial statements

For the year ended 30 June 2007

## 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 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 costs 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 current liabilities unless the Trust has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

### (h) Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not 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.

### (i) 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.

### (j) 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.

### (k) Taxation

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.

# Notes to the financial statements

For the year ended 30 June 2007

## 1 Summary of significant accounting policies (continued)

### (l) Derivative financial instruments

The Trust enters into interest rate swap agreements that are used to convert the variable interest rate of its short-term borrowings to medium-term fixed interest rates. 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.

For the purpose of hedge accounting, hedges are classified as either fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset or liability; or cash flow hedges where they hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or a liability or a forecasted transaction.

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

### (m) 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.

### (n) 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.

### (o) Earnings per unit

Basic earnings per unit is calculated as net profit attributable to unitholders, adjusted to exclude costs of servicing equity (other than distributions), divided by the weighted average number of units, adjusted for any bonus element.

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)1(v)).

# Notes to the financial statements

For the year ended 30 June 2007

	<b>2007</b>	<b>2006</b>
	\$	\$
<b>3 Auditor's remuneration</b>		
Auditing or review of the financial statements	38,828	35,202
Other services	11,160	9,713
	<u>49,988</u>	<u>44,915</u>
	\$000	\$000
<b>4 Finance costs</b>		
Interest expense – other persons/corporations	14,203	12,028
Interest expense capitalised	-	(162)
	<u>14,203</u>	<u>11,866</u>
<b>5 Distributions paid or payable</b>		
6.42 cents (2006: 6.22 cents) per unit, interim distribution paid	19,352	18,749
6.56 cents (2006: 6.39 cents) per unit, final distribution provided	19,774	19,262
	<u>39,126</u>	<u>38,011</u>
<b>6 Earnings per unit</b>		
Net earnings used in calculating basic and diluted earnings per unit	206,978	75,246
Basic and diluted earnings per unit	68.7 cents	25.0 cents
Basic and diluted earnings per unit excluding gain on revaluations	13.0 cents	12.6 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 gain on revaluations in 2007 of \$167,861 (2006: \$37,180)		
<b>7 Cash</b>		
Cash at bank	<u>5,122</u>	<u>6,212</u>
Weighted average effective interest rates	5.6%	5.0%
<b>8 Prepayments and receivables</b>		
<b>Current</b>		
Prepayments	1,108	344
<b>Non-current</b>		
Loan to Bunnings Group Limited	<u>850</u>	<u>850</u>
Bunnings Group Limited is a controlled entity of Wesfarmers Limited. The terms and conditions of the loan are disclosed in Note 18(d)1(vi).		



# Notes to the financial statements

For the year ended 30 June 2007

## 9 Investment properties (non-current)

### (a) Cost of investments

Property	Acquisition date	Purchase price	Acquisition costs	Capital improvements since acquisition	Fair value adjustment	Fair value 30 June 2007	Fair value 30 June 2006	Last independent valuation
		\$000	\$000	\$000	\$000	\$000	\$000	
Albany, WA	01.11.99	4,100	206	-	2,794	7,100	6,000	04.03.05
Altona, VIC	24.09.98	6,800	391	-	6,309	13,500	11,400	31.12.06
Artarmon, NSW	10.02.03	14,033	864	-	8,003	22,900	18,100	31.12.05
Balcatta, WA	24.09.98	11,200	555	-	12,245	24,000	17,100	31.12.06
Bayswater, VIC	11.02.03	7,335	796	13,153	5,816	27,100	22,400	30.06.06
Belmont, NSW	04.12.06	10,850	634	73	443	12,000	-	17.10.06
Belrose, NSW	10.02.03	17,150	1,054	33	8,763	27,000	20,800	31.12.05
Bibra Lake, WA	29.12.98	1,899	95	6,350	8,556	16,900	13,700	04.03.05
Blacktown, NSW	24.01.07	8,235	542	-	23	8,800	-	30.05.06
* Broadmeadows, VIC	24.09.98	7,200	431	240	6,529	14,400	11,600	30.06.07
Burleigh Heads, QLD	22.10.98	9,700	195	-	7,505	17,400	13,800	30.06.06
Cairns, QLD	10.02.03	10,000	453	958	3,989	15,400	12,100	31.12.05
Canning Vale, WA	24.01.07	6,467	430	-	103	7,000	-	30.05.06
Cannon Hill Distribution Centre, QLD	01.11.99	3,100	138	-	1,362	4,600	4,000	30.09.05
* Cannon Hill, QLD	24.12.98	2,500	176	6,350	7,974	17,000	14,000	30.06.07
* Coffs Harbour, NSW	05.09.01	1,900	112	4,500	4,488	11,000	8,500	30.06.07
Croydon, VIC	24.09.98	7,800	518	5,614	7,568	21,500	11,800	31.12.06
Dandenong, VIC	19.04.02	4,000	255	6,660	5,085	16,000	13,400	01.04.05
* Epping, VIC	12.03.99	7,800	463	-	7,137	15,400	12,500	30.06.07
Fountain Gate, VIC	24.09.98	8,300	505	1,573	8,022	18,400	15,400	31.12.05
* Frankston, VIC	26.06.01	7,300	301	9,400	9,099	26,100	21,900	30.06.07
Fyshwick, ACT	23.12.02	10,000	942	3,525	3,533	18,000	15,325	31.12.05
Geraldton, WA	10.12.01	1,250	351	5,225	5,074	11,900	8,900	11.12.04
Hawthorn (land), VIC	18.04.07	19,337	1,210	-	(1,147)	19,400	-	01.05.07
Hemmant, QLD	07.05.03	3,000	143	10,258	8,499	21,900	17,400	31.12.05
Hervey Bay, QLD	12.07.02	2,053	122	6,425	4,500	13,100	10,600	30.06.05
Hoppers Crossing, VIC	11.01.99	2,075	134	5,928	8,063	16,200	12,800	30.06.05
Joondalup, WA	24.09.98	8,100	593	-	6,507	15,200	11,900	31.12.06
Lismore, NSW	21.04.04	7,750	447	615	2,288	11,100	8,300	31.12.06
Maitland, NSW	20.08.03	898	489	9,798	4,015	15,200	12,700	30.06.06
Mandurah, WA	24.09.98	3,050	160	5,631	5,959	14,800	10,000	31.12.06
Maribyrnong, (land) VIC	28.06.01	7,100	462	-	1,138	8,700	8,700	N/A
* Mentone, VIC	24.09.98	9,400	540	-	6,660	16,600	13,900	30.06.07
Midland, WA	06.03.01	4,600	255	4,930	9,215	19,000	13,100	31.12.06
Mile End, SA	22.03.00	11,250	624	259	9,067	21,200	18,200	30.06.05
Minchinbury, NSW	31.12.98	9,200	503	-	11,497	21,200	17,700	31.12.06
Mindarie, WA	03.03.00	4,184	209	5,598	8,409	18,400	13,100	31.12.05
Morayfield, QLD	22.03.00	8,000	334	-	6,166	14,500	11,500	30.06.05
Morley, WA	01.07.05	11,100	642	307	2,451	14,500	11,500	01.06.05
Mornington, VIC	29.12.98	3,400	204	6,481	9,715	19,800	16,000	28.02.05
Noarlunga, SA	13.04.99	2,305	124	3,750	6,721	12,900	10,500	30.06.05

# Notes to the financial statements

For the year ended 30 June 2007

## 9 Investment properties (non-current) (continued)

### (a) Cost of investments (continued)

Property	Acquisition date	Purchase price	Acquisition costs	Capital improvements since acquisition	Fair value adjustment	Fair value 30 June 2007	Fair value 30 June 2006	Last independent valuation
		\$000	\$000	\$000	\$000	\$000	\$000	
Northland, VIC	24.09.98	8,600	489	2,920	8,391	20,400	17,200	31.12.05
Nunawading, VIC	24.09.98	13,700	786	3,100	13,614	31,200	26,000	31.12.05
* Oakleigh South, VIC	05.04.01	6,650	374	9,143	8,533	24,700	20,700	30.06.07
Port Macquarie, NSW	15.11.02	2,100	141	5,400	3,359	11,000	8,900	31.12.05
Regency Park, SA	24.01.07	4,656	347	9	(312)	4,700	-	30.05.06
Rockingham, WA	30.06.00	3,320	166	5,830	7,784	17,100	14,000	31.12.05
Rocklea, QLD	23.10.02	6,225	295	7,475	6,505	20,500	16,200	31.12.05
Sandown, VIC	24.09.98	7,800	446	-	4,454	12,700	10,700	31.12.06
* Scoresby, VIC	24.09.98	8,300	473	-	7,427	16,200	13,100	30.06.07
Southport, QLD	09.11.98	2,800	188	6,600	6,512	16,100	13,900	30.06.06
* Sunshine, VIC	24.09.98	7,000	407	-	3,893	11,300	9,700	30.06.07
Thornleigh, NSW	07.09.04	13,333	782	62	2,223	16,400	13,700	31.12.06
Tuggeranong, ACT	01.12.98	7,900	431	245	9,824	18,400	14,400	31.12.06
Underwood, QLD	22.10.98	3,000	178	5,850	6,972	16,000	13,000	30.06.06
Vermont South, VIC	14.05.03	9,150	633	14,183	4,834	28,800	24,700	30.04.05
Wollongong, NSW	10.02.03	12,000	628	87	4,885	17,600	14,300	31.12.05
		402,255	24,366	184,538	339,041	950,200	721,125	

\* Properties independently revalued at 30 June 2007 (see Note 9(b)).

#### (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 internal 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 2007 are provided at Note 9(b).

##### Directors' valuations

The directors adopt the capitalisation of income valuation method. The capitalisation rate used varies across properties. The methodology and assumptions of the internal Directors' valuations are subject to an independent verification process by Jones Lang LaSalle.

##### 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.

# Notes to the financial statements

For the year ended 30 June 2007

## 9 Investment properties (non-current) (continued)

### (b) Independent valuations – Valuers

Property	Valuation date	Valuer
Coffs Harbour, NSW	30.06.07	CB Richard Ellis, Mike Steur AAPI FNZPI
Cannon Hill, QLD	30.06.07	Knight Frank, Richard Nash MRICS AAPI
Frankston, VIC	30.06.07	CB Richard Ellis, Stephen Thomas APPI
Oakleigh South, VIC	30.06.07	CB Richard Ellis, Stephen Thomas APPI
Mentone, VIC	30.06.07	CB Richard Ellis, Stephen Thomas APPI
Epping, VIC	30.06.07	CB Richard Ellis, Stephen Thomas APPI
Broadmeadows, VIC	30.06.07	CB Richard Ellis, Stephen Thomas APPI
Scoresby, VIC	30.06.07	CB Richard Ellis, Stephen Thomas APPI
Sunshine, VIC	30.06.07	CB Richard Ellis, Stephen Thomas APPI

### (c) Operating leases

- (i) With the exceptions of Trust properties at 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 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.
  - At 30 June 2007, the minimum lease expiry (being the duration until which the tenant's committed term expires) for the Trust's investment properties is 2.5 years and the maximum lease expiry is 12.3 years, with a weighted average lease expiry for the portfolio of 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.

# Notes to the financial statements

For the year ended 30 June 2007

## 9 Investment properties (non-current) (continued)

### (c) Operating leases (continued)

(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.
- b. 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

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:

	<b>2007</b>	<b>2006</b>
	\$000	\$000
Not later than one year	60,556	54,745
Later than one year not later than five years	242,224	218,980
Later than five years	238,681	218,483
	<b>541,461</b>	<b>492,208</b>

### (d) Reconciliation

Opening balance at the beginning of the financial year	721,125	650,100
Capital additions	61,969	33,845
Capital disposals	(755)	-
Net gain from fair value adjustments	167,861	37,180
Closing balance at the end of the financial year	<b>950,200</b>	<b>721,125</b>

# Notes to the financial statements

For the year ended 30 June 2007

	<b>2007</b>	<b>2006</b>
	\$000	\$000
<hr/>		
<b>10 Payables</b>		
<b>Current</b>		
Trade creditors and accruals	3,074	1,310
Responsible entity's fees payable	1,392	1,139
Rent received in advance (see Note 18(d)1(ii))	5,225	4,469
	<hr/>	<hr/>
	9,691	6,918
	<hr/>	<hr/>
<b>11 Interest bearing loans and borrowings</b>		
<b>Current</b>		
Bank loans	-	149,430
	<hr/>	<hr/>
<b>Non-current</b>		
Bank loans	258,552	51,469
	<hr/>	<hr/>

The Trust has access to bank bill lines totalling \$280 million (2006: \$250 million) through facility agreements with ANZ Banking Group Limited, National Australia Bank Limited and Westpac Banking Corporation. The amount of credit unused at 30 June 2007 was \$19.9 million (2006: \$49.1 million). At 30 June 2007 the minimum duration of the facilities was 13 months and the maximum was 21 months with a weighted average duration of 18.7 months.

# Notes to the financial statements

For the year ended 30 June 2007

	<b>2007</b>	<b>2006</b>
	\$000	\$000
<b>12 Units on issue</b>		
<b>(a) Book value of units on issue</b>		
Book value at the beginning of the financial year	330,233	330,233
Book value at the end of the financial year	330,233	330,233
	000	000
<b>(b) Number of ordinary units on issue</b>		
Number of fully paid units on issue at the beginning of the financial year	301,436	301,436
Number of fully paid units on issue at the end of the financial year	301,436	301,436
The Distribution Reinvestment Plan was suspended from February 2005 until further notice.	\$000	\$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.

Opening balance at the beginning of the financial year	3,067	(1,204)
Amounts recognised in net profit for the year	(736)	77
Net gains on cash flow hedges for the year	3,753	4,194
Closing balance at the end of the financial year	6,084	3,067

# Notes to the financial statements

For the year ended 30 June 2007

	2007	2006
	\$000	\$000
<b>14 Cash flow statement</b>		
<b>(a) Reconciliation of operating profit to the net cash flows from operations</b>		
Net profit	206,978	75,246
Net fair value change on investment properties	(167,861)	(37,180)
(Increase)/decrease in receivables	(765)	633
Increase/(decrease) in payables	2,733	(230)
Net cash flows from operating activities	<u>41,085</u>	<u>38,469</u>
<b>(b) Reconciliation of cash</b>		
Cash balance comprises:		
Cash (see Note 7)	<u>5,122</u>	<u>6,212</u>

## 15 Financial risk management objectives and policies

The Trust's principal financial instruments, other than derivatives, comprise of bank loans.

The main purpose of these financial instruments is to raise finance for the Trust's operations. 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. It is the Trust's policy that no trading in financial instruments shall be undertaken. The main risk arising from the Trust's financial instruments is cash flow interest rate risk. The Board reviews and agrees policies for managing this risk and this is summarised below.

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.

### *Interest rate risk exposure*

The Trust is exposed to financial risk from movement in interest rates. To reduce its exposure to adverse fluctuations in interest rates, 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 2007 the fixed rates varied from 5.09 per cent to 6.67 per cent (2006: 4.97 per cent to 6.14 per cent) and the floating rates were at bank bill rates.

# Notes to the financial statements

For the year ended 30 June 2007

## 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.

### (a) Interest rate risk exposure

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

	Variable interest	Fixed interest maturing in:					Over 5 years	Non-interest bearing	Total
		1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years			
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
<b>2007</b>									
<b>Financial assets</b>									
Cash	5,122	-	-	-	-	-	-	-	5,122
Loan to Bunnings Group Limited	-	-	-	-	-	-	-	850	850
Derivative financial instruments	6,105	-	-	-	-	-	-	-	6,105
	<u>11,227</u>	-	-	-	-	-	-	850	<u>12,077</u>
<b>Financial liabilities</b>									
Interest bearing liabilities	258,552	-	-	-	-	-	-	-	258,552
Payables	-	-	-	-	-	-	-	4,466	4,466
	<u>258,552</u>	-	-	-	-	-	-	4,466	<u>263,018</u>
Weighted average effective interest rate	6.07%								6.07%
Active swaps	(212,000)	35,000	37,000	125,000	5,000	-	10,000	-	-
Delayed start swaps	(60,000)	-	-	-	-	20,000	40,000	-	-
<b>2006</b>									
<b>Financial assets</b>									
Cash	6,212	-	-	-	-	-	-	-	6,212
Loan to Bunnings Group Limited (Note 8)	-	-	-	-	-	-	-	850	850
Derivative financial instruments	3,081	-	-	-	-	-	-	-	3,081
	<u>9,293</u>	-	-	-	-	-	-	850	<u>10,143</u>
<b>Financial liabilities</b>									
Interest bearing liabilities	200,899	-	-	-	-	-	-	-	200,899
Derivative financial instruments	34	-	-	-	-	-	-	-	34
Payables	-	-	-	-	-	-	-	2,449	2,449
	<u>200,933</u>	-	-	-	-	-	-	2,449	<u>203,382</u>
Weighted average effective interest rate	5.89%								5.89%
Active swaps	(177,000)	20,000	35,000	37,000	75,000	-	10,000	-	-
Delayed start swaps	(70,000)	-	-	-	5,000	-	65,000	-	-



# Notes to the financial statements

For the year ended 30 June 2007

## 16 Financial instruments (continued)

### (b) Concentration of credit risk

The credit risk associated with 99.4 percent of the rental income is with two tenants, Bunnings Group Limited 96.8 percent, and J Blackwoods and Son Limited 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.

### (c) Net fair values

The carrying amounts of financial assets and financial liabilities recorded in the financial statements represent their respective net fair values, determined in accordance with the accounting policies disclosed in Note 1 of the financial statements.

### (d) Interest rate swaps

The valuation below reflects the estimated amount which the Trust would receive to terminate the contracts (net of transaction costs) or replace the contracts at their current market rates at balance date. This is based on independent market quotations and determined using standard valuation techniques.

	2007		2006	
	Carrying amount \$000	Net fair value \$000	Carrying amount \$000	Net fair value \$000
<b>Current asset</b>				
Interest rate swaps	143	143	36	36
<b>Non-current asset</b>				
Interest rate swaps	5,962	5,962	3,045	3,045
<b>Current liability</b>				
Interest rate swaps	-	-	34	34

## 17 Capital expenditure commitments

	2007 \$000	2006 \$000
Estimated capital expenditure contracted for at balance date, but not provided for, payable:		
Not later than one year		
Related Parties	7,450	6,709
Later than one year and not later than five years		
Related Parties	30,700	6,700
	<b>38,150</b>	<b>13,409</b>

# Notes to the financial statements

For the year ended 30 June 2007

## 17 Capital expenditure commitments (continued)

### Maribyrnong, Victoria

In June 2001 the Trust acquired a 3.4 hectare development site at Maribyrnong for a purchase price of \$7.1 million. The Trust has accepted a proposal from Bunnings Group Limited to develop a Bunnings Warehouse on the site for \$6.7 million. Under the terms of the proposal, the Trust will receive an annual rental of \$1,250,000 when a Bunnings Warehouse is developed on the site.

### Mile End, South Australia

In October 2006, the Trust committed to upgrade works at the Mile End property with a cost of \$2.4 million. The incremental rent for the property will be \$188,000 per annum or 8% of the final development cost.

### Morayfield, Queensland

In December 2006, the Trust committed to upgrade works at the Morayfield property with a cost of \$3.4 million. The incremental rent for the property will be \$272,000 per annum or 8% of the final development cost.

### 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 due by the middle of 2009 at a 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 cover holding costs until the Bunnings Warehouse is completed. Upon completion of the development, Bunnings Group Limited will pay the Trust an annual rental of \$2,710,000 per annum.

### Mechanical Ventilation

The Trust has committed to fund \$1.5 million for the installation of various mechanical ventilation systems into seven of the existing Trust-owned Bunnings Warehouse stores located in south-east Queensland and northern New South Wales.

### Regency Park, South Australia

The trust has committed to fund a minor expansion of the J Blackwood and Son Limited premises at Regency Park at a cost of \$150,000. Upon completion of the works Blackwoods will pay the Trust an additional \$11,000 per annum.

## 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

W H Cairns

#### Non-executive directors

J A Austin

P J Johnston

P J Mansell

#### General manager

G W Gernhoefer

# Notes to the financial statements

For the year ended 30 June 2007

## 18 Director and executive disclosures and related party disclosures (continued)

### (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 2007, 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

Key management personnel	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
W H Cairns	49,089	-	-	49,089
P J Johnston	45,303	-	-	45,303
P J Mansell	100,000	-	-	100,000
Total key management personnel	229,392	-	-	229,392

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

#### 1. Relationship with the Wesfarmers Group

- (i) Wesfarmers Investments Pty Ltd, a controlled entity of Wesfarmers Limited, holds 68,250,435 (2006: 68,250,435) units in the Trust, representing 22.64 per cent of the units on issue at 30 June 2007 (2006: 22.64 per cent).
- (ii) During the year ended 30 June 2007 rent and other property income of \$58,493,469 (2006: \$57,494,898) was received from Bunnings Group Limited, a controlled entity of Wesfarmers Limited. The amount includes an amount received in advance of \$4,939,512 (2006: \$4,469,204).
- (iii) During the year ended 30 June 2007 the Trust acquired three properties from J Blackwood and Son Limited, a controlled entity of Wesfarmers Limited, for \$19,358,000. The purchase price was consistent with independent valuations.
- (iv) During the year ended 30 June 2007 rent of \$698,884 (2006 \$0) was received from J Blackwood and Son Limited, a controlled entity of Wesfarmers Limited.
- (v) The responsible entity's fee of \$4,681,912 (2006: \$3,962,210) 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 period from the date of acquisition to 30 June the amount of fee the responsible entity had waived was \$19,791.
- (vi) During the year ended 30 June 2006 the Trust provided a loan of \$850,000 to Bunnings Group Limited 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 (8.0 per cent annually) and management fee (0.6 per cent), 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.

2. 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 \$7,565 (2006: \$4,047).

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

# Notes to the financial statements

For the year ended 30 June 2007

## 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

99.1 per cent (2006: 100 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) Subsequent events

No other 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.

### (f) Contingent assets and liabilities

No contingent assets or liabilities exist at balance date.

### (g) Corporate information

The financial report of Bunnings Warehouse Property Trust (the Trust) for the year ended 30 June 2007 was authorised for issue in accordance with a resolution of the directors on 8 August 2007.

# Directors' report

For the year ended 30 June 2007

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 2007. The information on pages 4 to 10 forms part of this directors' report and is to be read in conjunction with the following information:

## Results and distributions

	<b>2007</b>	<b>2006</b>
	\$000	\$000
<b>Net profit</b>	<b>206,978</b>	75,246

### 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 2007:

(a) Out of the profits for the year ended 30 June 2006 on ordinary units as disclosed in last year's directors' report: Final distribution of 6.39 cents per ordinary unit paid on 30 August 2006.	19,262	18,599
(b) Out of the profits for the year ended 30 June 2007 (see Note 5 of the notes to the financial statements):		
(i) Interim distribution of 6.42 cents per ordinary unit paid on 23 February 2007.	19,352	18,749
(ii) Final distribution of 6.56 cents per ordinary unit declared by the directors for payment on 29 August 2007.	19,774	19,262

### Units on issue

At 30 June 2007, 301,435,539 units of Bunnings Warehouse Property Trust were on issue (2006: 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.

### Trust assets

At 30 June 2007, Bunnings Warehouse Property Trust held assets to a total value of \$963.4 million (2006: \$731.6 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 \$4,681,912 (2006: \$3,962,210) 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 Trust had no employees during the financial year (2006: Nil).

# Directors' report

For the year ended 30 June 2007

## Directors

### Information on directors

The names of directors of the responsible entity in office during the financial year and until the date of this report were:

W H Cairns

J A Austin

P J Johnston

P J Mansell

Details of the directors appear on pages 14 and 15.

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

#### *Company secretary*

Anthony M Niardone LLB

Mr A M Niardone has been company secretary of the responsible entity since 16 February 2004. He is also the company secretary for a number of other Wesfarmers Limited subsidiary companies. Prior to joining Wesfarmers he was assistant company secretary at Woodside Petroleum Ltd. He was admitted to practice as a barrister and solicitor in 1994.

### Directors' units

Units in the Trust or 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	35,000	4,024
W H Cairns	49,089	-
P J Johnston	45,303	29,013
P J Mansell	100,000	5,120

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

### Insurance and indemnity of directors and officers

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

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

### Review and results of operations

The operations of the Trust during the financial year and the results of those operations are reviewed on pages 4 to 10 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.

# Directors' report

For the year ended 30 June 2007

## Significant changes in the state of affairs

During the financial year, the value of the Trust's investment properties increased by \$229,075,000 to \$950,200,000, and the number of investment properties increased by five to 57 at financial year end.

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

## Significant events after the balance date

No other 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 6 to 10. 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 16 to 19 of this annual report.

## Environmental regulation and performance

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

## Board committees

As at the date of this report, the responsible entity had an Audit and Risk Committee.

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

## Rounding

The amounts contained in this report and in the financial statements have been rounded to the nearest thousand dollars under the option available to the Trust under ASIC Class Order 98/0100. The Trust is an entity to which the Class Order applies.

# Directors' report

For the year ended 30 June 2007

## Auditor independence and non-audit services

The directors received the following declaration from the external auditor:



■ The Ernst & Young Building  
11 Mounts Bay Road  
Perth WA 6000  
Australia  
GPO Box M939  
Perth WA 6843

■ Tel 61 8 9429 2222  
Fax 61 8 9429 2436

### Auditor's Independence Declaration to the Directors of Bunnings Property Management Limited

In relation to our audit of the financial report of Bunnings Warehouse Property Trust for the financial year ended 30 June 2007, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

**C B Pavlovich**  
Partner

Perth, 8 August 2007

Ernst & Young

## Non-audit services

The following non-audit services were provided to the Trust. The board has considered the nature of the non-audit services provided by the external auditor and has determined that the services provided and the amount paid for those services are compatible with the general standard of independence for auditors imposed by the Corporations Act and did not compromise the auditor's independence.

Ernst & Young received or is due to receive the following amounts for the provision of non-audit services:

General property advice	\$3,150
Tax advice	\$8,010
Total	<u>\$11,160</u>

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

**W H Cairns**  
Chairman

Bunnings Property Management Limited  
Perth, 8 August 2007



# Directors' report

For the year ended 30 June 2007

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 2007 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.
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 2007.

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



**W H Cairns**  
Chairman

Bunnings Property Management Limited  
Perth, 8 August 2007

# Independent audit report to the unitholders of Bunnings Warehouse Property Trust

We have audited the accompanying financial report of Bunnings Warehouse Property Trust ("the Trust"), which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration from the directors of Bunnings Property Management Limited, the responsible entity for the Trust.

## The directors of Bunnings Property Management Limited Responsibility for the Financial Report

The directors of Bunnings Property Management Limited ("the Responsible Entity") are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls 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 Note 1, the directors also state 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 our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls 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 controls. 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 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 met the independence requirements of the Corporations Act 2001. We have given to the directors of the Responsible Entity a written Auditor's Independence Declaration, a copy of which is included in the directors' report. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

## Audit opinion

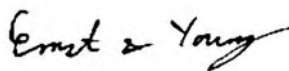
In our opinion:

1. the financial report of Bunnings Warehouse Property Trust is in accordance with:
  - (a) the Corporations Act 2001, including:
    - (i) giving a true and fair view of the financial position of Bunnings Warehouse Property Trust at 30 June 2007 and of its performance for the year ended on that date; and
    - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations); and
  - (b) other mandatory financial reporting requirements in Australia.
2. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.



**C B Pavlovich**  
Partner

Perth, 8 August 2007



**Ernst & Young**



## 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 February 2005 to suspend the Distribution Reinvestment Plan until further notice. In view of the gearing level of the Trust the directors have resolved to keep the Plan suspended until further notice.

### 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.bunningspropertytrust.com.au](http://www.bunningspropertytrust.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 George's Terrace  
PERTH WA 6000  
Tel: 1300 136 972 (within Australia)  
(+61 3) 9415 4323 (outside Australia)  
Fax: (08) 9323 2033  
[www.computershare.com.au](http://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 4417  
Facsimile: (08) 9327 4344  
[www.bunningspropertytrust.com.au](http://www.bunningspropertytrust.com.au)

### Directors and senior management

W H Cairns (Chairman)  
J A Austin (Director)  
P J Johnston (Director)  
P J Mansell (Director)  
G W Gernhoefer (General Manager)  
A M Niardone (Secretary)

### Registry manager

Computershare Investor Services Pty Limited  
Level 2, 45 St George's Terrace  
PERTH WA 6000  
Tel: 1300 136 972 (within Australia)  
(+61 3) 9415 4323 (outside Australia)  
Fax: (08) 9323 2033  
[www.computershare.com.au](http://www.computershare.com.au)

### Auditor

Ernst & Young  
The Ernst & Young Building  
11 Mounts Bay Road  
PERTH WA 6000



Visit us at

[www.bunningspropertytrust.com.au](http://www.bunningspropertytrust.com.au)