

Annual Report
2023

BWP TRUST

ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the Traditional Owners of Country throughout Australia and their continuing connections to lands and waterways upon which we depend. We pay our respect to their Elders, past and present.



HOME
GLADSTONE
QUEENSLAND



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BWP Trust

ARSN 088 581 097

RESPONSIBLE ENTITY
BWP Management Limited
ABN 26 082 856 424

AUSTRALIAN FINANCIAL
SERVICES LICENCE
No. 247830

bwptrust.com.au

About us

Established and listed on the Australian Securities Exchange ("ASX") in 1998, BWP Trust ("BWP" or "the Trust") is a real estate investment trust investing in and managing commercial properties throughout Australia.

The majority of the Trust's properties are well located large format retailing properties, in particular, Bunnings Warehouses leased to Bunnings Group Limited ("Bunnings"). Bunnings is the leading retailer of home improvement and lifestyle products in Australia and New Zealand and a major supplier to project builders, commercial tradespeople, and the housing industry. The Trust is managed by an external responsible entity, BWP Management Limited ("the responsible entity"), which is appointed under the Trust's constitution and operates under an Australian Financial Services Licence.

The responsible entity is solely committed to managing the Trust and is paid a quarterly fee based on the gross assets of the Trust.

Both Bunnings and the responsible entity are wholly-owned subsidiaries of Wesfarmers Limited ("Wesfarmers"), one of Australia's largest listed companies. Through one of its subsidiaries, Wesfarmers also owns approximately 24.75 per cent of the issued units in the Trust.

About this report

This annual report summarises the Trust's operations, activities, and financial position as at 30 June 2023. Readers should refer to the details provided throughout this annual report and on the Trust's website for additional information.

Important notice

This report contains statements regarding the future ("forward-looking statements") and statements of belief or opinion ("assumptions"). Words such as "believe", "consider", "could", "expect", "estimate", "likely", "may", "objective", "should", "plan", "target", and other similar expressions are intended to identify forward-looking statements or assumptions. While due care and attention has been used in preparing this report and the information it contains, forward-looking statements and assumptions are not guarantees of future performance or outcomes. Forward-looking statements and assumptions involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the responsible entity and which may cause actual performance and outcomes to differ materially from those expressed or implied by the statements. Before making an investment decision or acting on the information in this report, you should make your own enquiries and seek your own professional advice as to the application of the information provided in this report to your particular investment needs, objectives and financial circumstances.

Chairman's message

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On behalf of the Board of directors of BWP Management Limited, the responsible entity for BWP Trust, it is my pleasure to present the Trust's annual report for the financial year ended 30 June 2023.

This year marks the twenty fifth year for BWP as an ASX listed entity. An original investment in the Trust of \$1,000 invested in 1998 would have been worth \$16,880 as at 30 June 2023 on the basis that all distributions were reinvested. This equates to an average total unitholder return of 12.1 per cent per annum over that time. BWP has sustained its performance since it was established in 1998 through its long term association with Bunnings, by predominantly investing in properties that are well located and are delivering strong land value appreciation over time, and by investing only when opportunities for value creation are evident.

During the year BWP was operating in an environment impacted by higher inflation, rising interest rates and increased construction costs. With low gearing and a unique high returning property portfolio, the Trust is well positioned for any unexpected circumstances, and able to participate in any attractive investment opportunities.

Taking into account green electricity purchased and Australian Carbon Credit Units ("ACCU's") surrendered during the period, the Trust's net Scope 2 emissions position for the year ended 30 June 2023 was zero tonnes CO₂e.¹ The Trust incurs Scope 2 emissions from electricity usage at a small number of properties where the Trust has responsibility for that usage.²

Good progress has been made on repurposing and re-leasing any properties that have recently been vacated by Bunnings. A development application has been approved for the repurposing of the Hervey Bay, Queensland ex-Bunnings Warehouse property. Lease commitments are in place for 100 per cent of the available space post redevelopment. A development application has been approved for the repurposing of the Port Kennedy, Western Australia ex-Bunnings tenancy for large format retail and pre-leasing of the retail space is progressing.

The Morley, Western Australia ex-Bunnings Warehouse property has been leased to the Commonwealth Government for three years. Work is continuing to determine the best longer term redevelopment option for the property. The Wollongong, New South Wales ex-Bunnings Warehouse property has been leased to the Commonwealth Government for five years. Work is underway for the lodgement of a development application for the longer-term redevelopment of the property. There is also a marketing campaign underway for the potential sale of the property.

Construction is progressing for the upgrade of the Lismore, New South Wales and Coburg, Victoria Bunnings Warehouse stores with works expected to be completed this financial year. A construction contract has been signed for the upgrade of the Dubbo, New South Wales Bunnings Warehouse store, with works expected to be completed in the 2025 financial year.

During the year, Bunnings exercised a 10-year option for Balcatta, Western Australia, and five-year options for Artarmon, New South Wales, and Belrose, New South Wales.

The market rent reviews on 10 properties (including nine Bunnings Warehouse properties) were finalised during the year, with rents broadly in line with market.

The assessed valuation of the Trust's property portfolio decreased by a net amount of \$64.6 million during the year to \$2.9 billion, down 2.2 per cent from the prior year, largely reflecting adjustments to take into account current capitalisation rates.

The Trust pays out 100 per cent of distributable profit (which includes any capital profits released) every six months. Divestments, the repositioning of vacated properties, funding costs and management fees can impact the amount of distributable profit available in any particular reporting period. Net profit before revaluation gains/(losses) for the year ended 30 June 2023 was \$113.6 million, a 1.0 per cent decrease from the prior corresponding period. BWP reported a full-year ordinary distribution of 18.29 cents per unit, the same as reported for the prior corresponding period, including 0.61 cents per unit (2022: 0.44 cents per unit) of capital profits from previous property divestments.

The Trust's primary focus for the 2023/24 financial year is on progressing the repurposing of ex-Bunnings properties in the portfolio, filling any vacancies, progressing and completing store upgrades, extending existing leases with Bunnings through the exercise of options, completion of market rent reviews, and the continued rollout of energy efficiency improvements at its properties. The Trust will be active in assessing and actioning any opportunities to grow the portfolio that will create value for the Trust.

The variables that could have the most influence on the financial performance of the Trust in the near term include; inflation, cost of funding, future investor demand for property, and the time and cost of repositioning properties in the portfolio vacated by Bunnings.

The Trust's Managing Director, Michael Wedgwood, has announced his intention to retire in the second half of calendar year 2023. The Board extends its sincere thanks and appreciation to Michael for his significant contribution to BWP and its unitholders over the last 10 years, and for the financial discipline and unitholder focus that he has brought to his role. He will be leaving the Trust well positioned for the future, with a high quality portfolio of assets, a strong and flexible balance sheet and enhanced environmental and sustainability credentials.

In closing, I would like to express my appreciation to my fellow directors and management for their efforts during the year and thank our unitholders for their continued support of the Trust.



Tony Howarth AO
Chairman
BWP Management Limited

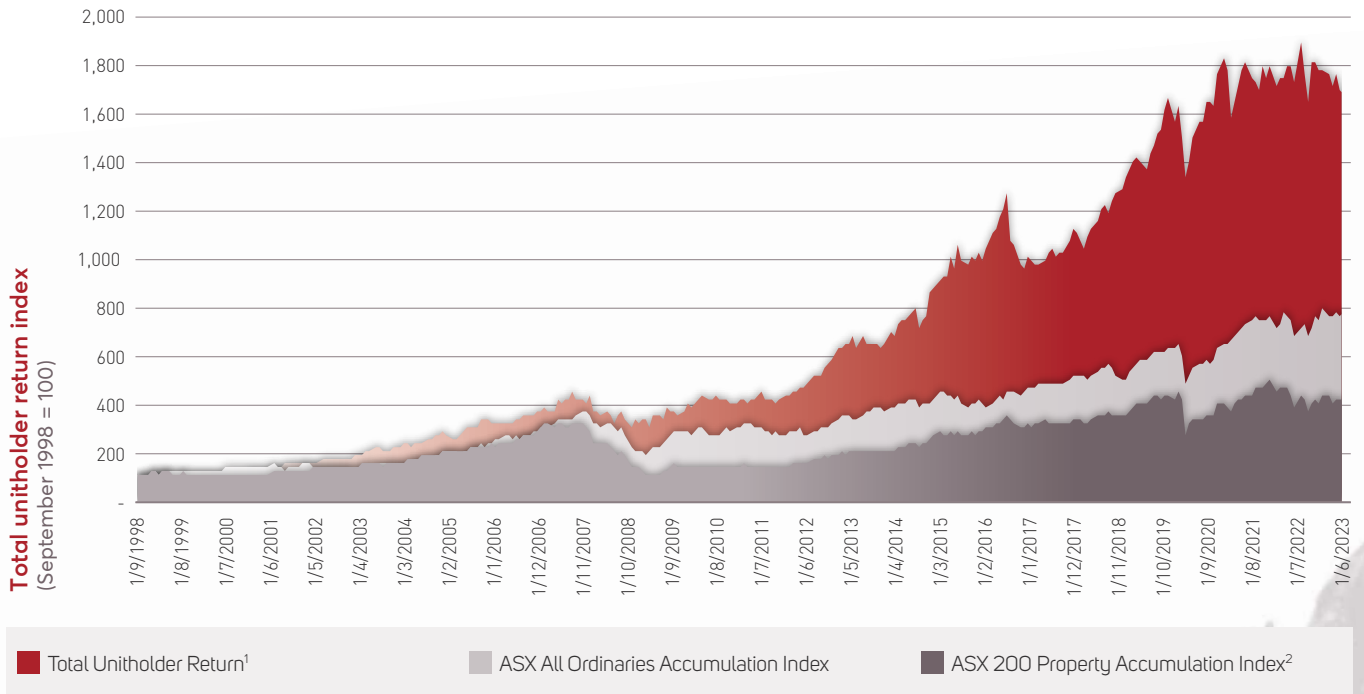
¹ Prepared in accordance with the World Resources Institute/ World Business Council for Sustainable Development Greenhouse Gas Protocol.

² No Scope 1 emissions are produced as the Trust's business activities do not directly release emissions into the atmosphere. The Trust is in the process of further understanding its Scope 3 emissions.

Value creation since 1998

Total Unitholder Return¹

BWP vs. All Ordinaries & ASX 200 Property Accumulation Index²



Source: Bloomberg as at 30 June 2023

¹ Assumes 100 per cent distribution investment on the ex-distribution date

² ASX 200 Property Accumulation series is rebased to BWP as at March 2000 as index data is not available prior to this time



Bunnings Tuggeranong, ACT

BUNNINGS SOUTHPORT QUEENSLAND



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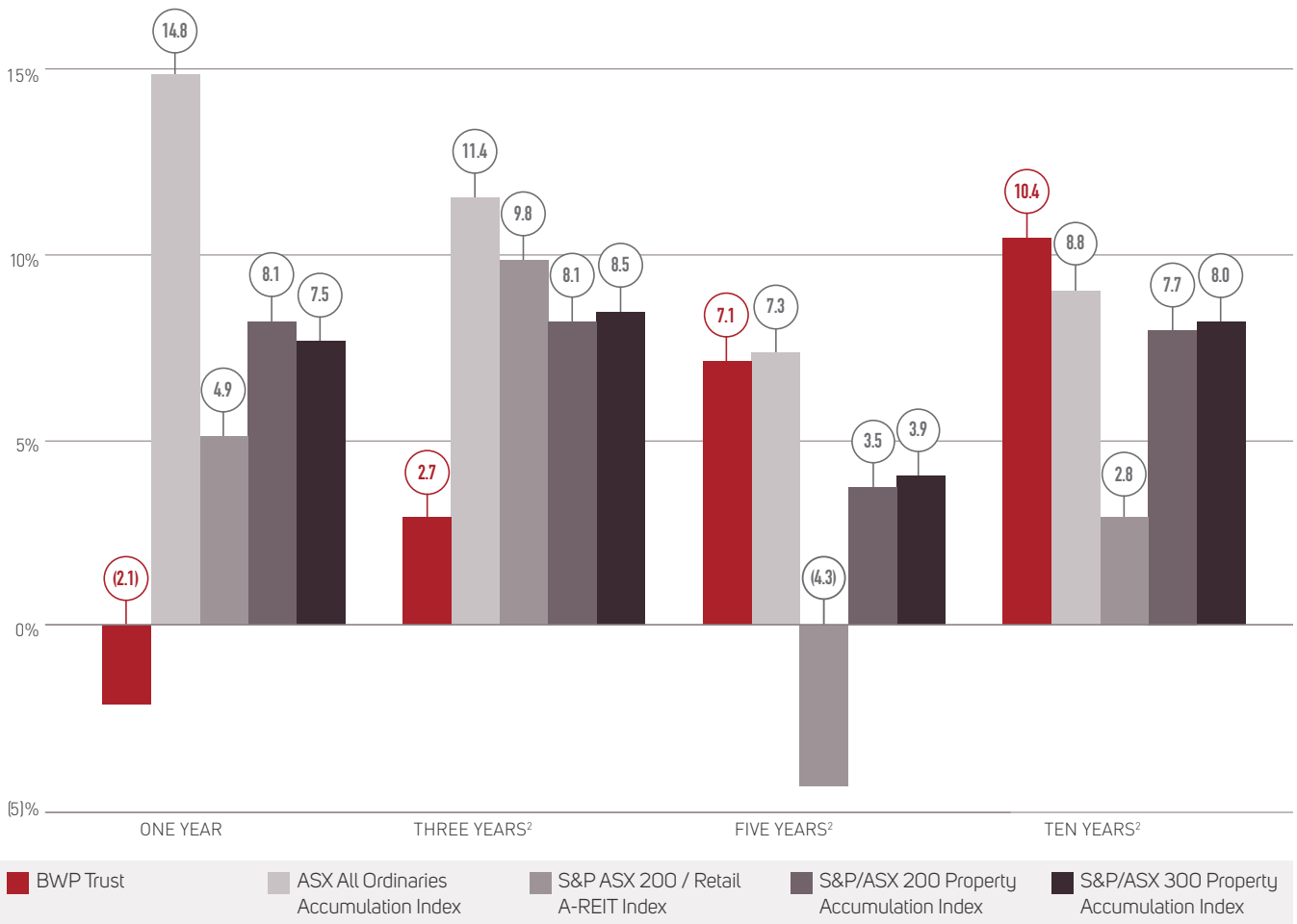
Investor Information

2022/23 results

- > Like-for-like rental growth of 5.0 per cent for the 12 months to 30 June 2023, taking into account the average inflation on Consumer Price Index ("CPI") linked leases of 6.7 per cent
- > 10 market rent reviews (including nine Bunnings Warehouse properties) finalised during the year with rents broadly in line with market
- > Total income for the year ended 30 June 2023 was \$158.2 million, up by 3.2 per cent from the previous year
- > Final distribution of 9.27 cents, bringing the full-year ordinary distribution to 18.29 cents, in line with the previous year
- > Taking into account green electricity purchased and ACCUs surrendered during the period, the Trust's net Scope 2 emissions position for the year ended 30 June 2023 was zero tonnes CO₂e
- > Weighted average cost of debt of 3.6 per cent for the year, 4.0 per cent at year end
- > Weighted average lease expiry ("WALE") of 3.5 years at 30 June 2023
- > Weighted average capitalisation rate for the portfolio at 30 June 2023 was 5.38 per cent (December 2022: 5.05 per cent; June 2022: 5.04 per cent).
- > Portfolio 97.1 per cent leased
- > Net tangible assets of \$3.75 per unit at 30 June 2023 (2022: \$3.87 per unit), down 3.1 per cent on the previous year
- > Gearing (debt/total assets) 15.8 per cent at 30 June 2023

BWP Trust Total Returns Compared To Market

period ended 30 June 2023¹



¹ Source: UBS Australia. Total returns include distributions and movement in price (assuming distributions are reinvested).

² Annual compound returns.

Financial summary

Year ended 30 June		2023	2022	2021	2020	2019
Total income	\$m	158.2	153.3	152.2	155.8	156.3
Total expenses	\$m	(44.6)	(38.6)	(38.3)	(38.7)	(40.3)
Profit before gains/(losses) in fair value of investment properties	\$m	113.6	114.7	114.0	117.1	115.9
(Losses)/gains in fair value of investment properties	\$m	(76.9)	371.9	149.2	93.6	53.4
Net profit	\$m	36.7	486.6	263.2	210.6	169.4
Losses/(gains) in fair value of investment properties	\$m	76.9	(371.9)	(149.2)	(93.6)	(53.4)
Capital profits released from undistributed income reserve	\$m	3.9	2.8	3.5	0.4	0.5 ¹
Distributable profit	\$m	117.5	117.5	117.5	117.5	116.4
Distribution per ordinary unit	interim cents	9.02	9.02	9.02	9.02	8.93
	final cents	9.27	9.27	9.27	9.27	9.18
	total cents	18.29	18.29	18.29	18.29	18.11
Special distribution per unit	cents	-	-	-	-	1.56 ¹
Tax advantaged component	%	22.57	21.84	12.22	23.55	- ²
Total assets	\$m	2,960.2	3,021.9	2,674.6	2,552.6	2,382.3
Borrowings	\$m	468.5	455.6	474.7	503.2	412.7
Unitholders' equity	\$m	2,405.9	2,486.3	2,116.4	1,968.7	1,874.6
Gearing (debt to total assets)	%	15.8	15.1	17.7	19.7	17.3
Number of units on issue	m	642	642	642	642	642
Number of unitholders		22,964	24,016	24,155	22,030	20,667
Net tangible asset backing per unit	\$	3.75	3.87	3.29	3.06	2.92
Unit price at 30 June	\$	3.63	3.89	4.26	3.83	3.68
Management expense ratio ³ (annualised)	%	0.64	0.64	0.63	0.64	0.62

Figures above are subject to rounding

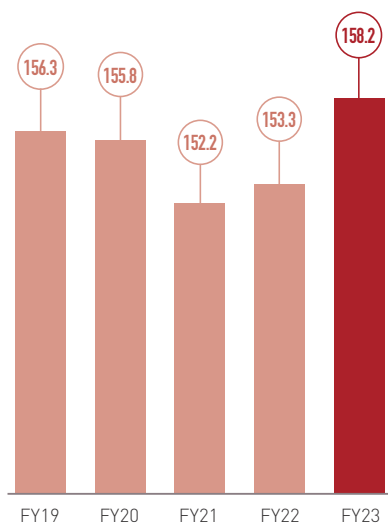
¹ An additional \$10.0 million of capital profits were released for the payment of the special distribution.

² Due to capital gains arising from the divestment of four properties there were no tax deferred components in the 2019 financial year.

³ Expenses other than property outgoing and borrowing costs as a percentage of average total assets.

Total Income

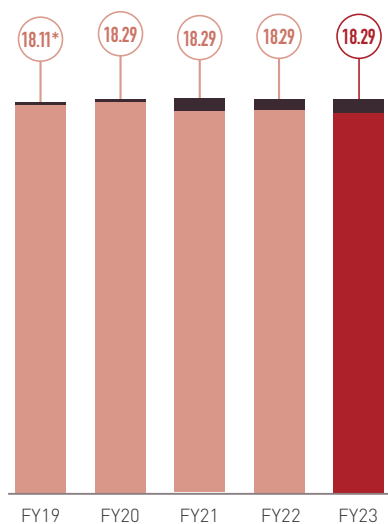
(\$ m)



Distribution Per Unit

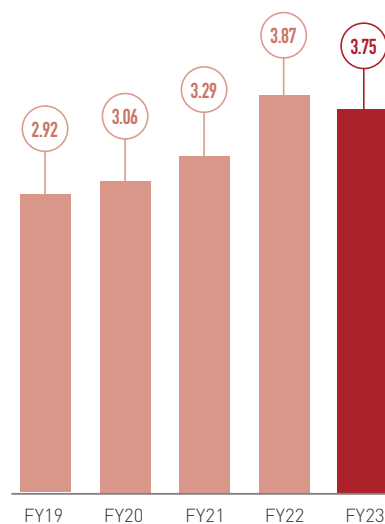
(cents)

Operating profits
Capital profits



Net Tangible Asset Backing

(\$ per unit)



* DPU total of 18.11 cents excludes the 1.56 cents special distribution in the 2019 financial year.

Business approach

BWP Trust aims to provide unitholders with a secure and growing income stream and long-term capital growth. This is achieved through strong alignment with, and support for, the ongoing property needs of its customers, while also responding to the needs of the local communities where the Trust owns real estate.

The Trust's main source of income is the rent paid by Bunnings and other large format retail customers for leasing their respective premises from the Trust. Rent is generally based on the area of the property leased by the customer and does not have reference to the customer's turnover at the premises. Growth in rental income typically comes from increases in rent from existing properties and acquiring additional leased properties. Rents from existing properties grow as a result of annual rent increases and periodic market reviews in accordance with the lease. Rental growth may also occur with upgrades to existing properties, which increase the lettable area, and repositioning of properties when vacancies occur.

The main items of expense for the Trust are borrowing costs and the fee paid to the responsible entity for managing the Trust. The amount of borrowing costs relate to the level of borrowings the Trust has from time to time, and the interest rates and funding costs associated with those borrowings.

The level of management fee paid by the Trust depends on the value of the gross assets of the Trust over the period.

The Trust's assets are predominantly comprised of its investment properties. Investment properties are revalued every six months to their fair value based on market conditions and the circumstances of each particular property. Changes in the fair value of properties as a result of revaluations are recorded as an unrealised revaluation gain or loss for the period and do not affect distributable profit. Borrowings to fund investment in properties are the Trust's largest liability with a preferred gearing range of 20 to 30 per cent of the value of the Trust's total assets.

As required by the Trust's constitution, the Trust distributes all its "profit attributable to unitholders of BWP Trust" as per the statutory accounts every six months, excluding unrealised movements in the fair value of investment properties, as well as other items as determined by the directors. In addition, at the directors' discretion, capital profits arising from the sale of investment properties can be distributed in the year they are generated, or retained for future growth or to be distributed in future years.

Investment criteria

PREFERRED PROPERTY ATTRIBUTES

- ✓ Significant catchment area
- ✓ Visible and accessible from a major road, highway or freeway
- ✓ Ready vehicle access and ample on-site parking
- ✓ Long-term occupancy and/or higher and better use potential
- ✓ Leases to businesses with strong financial and value creation attributes
- ✓ Geographic diversity
- ✓ Yield commensurate with risk

Our Core Values

Respectful

WE SEEK MUTUALLY BENEFICIAL RELATIONSHIPS WITH ALL STAKEHOLDERS

We treat others as we expect to be treated
We are committed to having a safe and inclusive work environment

Responsible

WE ARE PROFESSIONAL, HONEST AND TRANSPARENT IN HOW WE OPERATE

We are accountable for our actions
We operate within the law

Resourceful

WE VALUE SIMPLICITY AND WE FOCUS ON ACHIEVING EFFECTIVE AND SUSTAINABLE OUTCOMES

We make the most of opportunities
We are financially focused and make decisions based on what creates value



Investment themes

LARGE FORMAT RETAILING PROPERTY OWNERSHIP – HOME IMPROVEMENT / BUNNINGS FOCUS

Status as at 30 June 2023

- > 236.2 hectares of land
- > 73 properties
- > 83 per cent of income from Bunnings
- > 94 per cent of non-Bunnings income from national tenants

Priorities

- > Core portfolio of Bunnings Warehouse properties that meet Bunnings' business model requirements, with annual rent increases and long duration of occupancy

SUSTAINABLE PORTFOLIO RETURNS SUPPORTED BY BALANCE SHEET FLEXIBILITY

Status as at 30 June 2023

- > 10.2 per cent annualised portfolio return on invested capital ("ROIC")¹
- > 15.8 per cent gearing

Priorities

- > Focus on long-term value creation by re-investing in and growing the core portfolio of Bunnings Warehouse properties, and from maximising the alternative use prospects of a number of properties in the portfolio

PROPERTY LOCATION ATTRIBUTES

Status as at 30 June 2023

- > 79 per cent metropolitan
- > 21 per cent regional
- > 40 per cent of metropolitan properties within 20 kms of a central business district ("CBD")

Priorities

- > Well-located properties in local communities, accessible, adjacent to other retail/ community facilities
- > Re-zoning for higher and better use
- > Focus on home improvement, supermarkets, activity or experience-based enterprises, residential, healthcare, self-storage, automotive and last mile distribution



Drivers of returns

ANNUAL RENTAL GROWTH

Status as at 30 June 2023

- > Approximately 53 per cent of the Trust's rental income is subject to CPI adjustments
- > 47 per cent is subject to fixed annual adjustments, other than in years in which respective properties are due for a market rent review

Priorities

- > Continue to focus on market rent review outcomes

WELL PRICED ACQUISITIONS AND RE-INVESTMENT

Status as at 30 June 2023

- > No acquisition opportunities met risk adjusted return requirements during the year

Priorities

- > Re-investment in existing portfolio, and acquisitions as and when it makes commercial sense to do so

COST OF FUNDING

Status as at 30 June 2023

- > S&P A- and Moody's A3 rating re-affirmed

Priorities

- > Continue to diversify funding and extend duration of debt



Long-term value creation

PRO-ACTIVE MANAGEMENT OF EXISTING PROPERTIES

Status as at 30 June 2023

- > Portfolio 97.1 per cent leased
- > Three properties being repositioned for mixed use
- > Two properties being repositioned for large format retail
- > One property being repositioned for industrial
- > Re-zoning has commenced for one property
- > Agreement to upgrade a further Bunnings Warehouse

Priorities

- > Continue to optimise the value of all properties in the portfolio

PORTFOLIO GROWTH

Status as at 30 June 2023

- > No acquisition opportunities met risk adjusted return requirements during the year

Priorities

- > Acquisitions as and when value can be created

EFFECTIVE MANAGEMENT OF THE TRUST AND ITS CAPITAL

Status as at 30 June 2023

- > 10 year average total unitholder return of 10.4² per cent per annum

Priorities

- > Secure and growing income stream
- > Long-term capital growth

¹ ROIC is calculated as annualised net rent (being rent net of property outgoings and administrative costs associated with running the Trust) divided by the accumulated capital costs incurred on the property portfolio.

² Source: UBS Australia. Total returns include movement in security price and distributions (which are assumed to be reinvested). Annual compound returns.

Managing Director's report

Financial results

INCOME AND EXPENSES

Total income for the full year to 30 June 2023 was \$158.2 million, up by 3.2 per cent from last year. Rental and other property income was \$4.7 million higher than the previous year largely due to annual increases in rent and rent from repositioned properties.

Finance costs of \$16.7 million were 21.3 per cent higher than last year, due to a higher weighted average cost of debt and slightly higher average level of borrowing for the year. The weighted average cost of debt for the year (finance costs as a percentage of average borrowings) was 3.6 per cent, compared to 3.0 per cent for the previous year. The average level of borrowings was 1.7 per cent higher than the previous year (\$473.0 million compared with \$465.0 million).

Other operating expenses were 15.6 per cent higher than the previous year at \$10.0 million compared to \$8.7 million in the previous year, largely due to increases in land tax payable.

The management expense ratio for the year ended 30 June 2023 (expenses other than property outgoings and borrowing costs as a percentage of average total assets) was in line with the previous year at 0.64 per cent. However, the management fee payable for the year increased by 10.8 per cent from \$16.1 million to \$17.9 million, due to higher property valuations throughout the year.

PROFIT

Profit, as disclosed in the Trust's financial statements, includes unrealised gains or losses in the fair value of investment properties as a result of the revaluation of the entire property portfolio every six months (see revaluations section in Our property portfolio). The unrealised revaluation gains or losses are recognised as undistributed income as part of unitholders' equity in the financial statements and do not affect the profit available for distribution to unitholders each period.

For the year ended 30 June 2023, net profit was \$36.7 million, including \$76.9 million in unrealised losses in the fair value of investment properties. This compares with net profit last year of \$486.6 million, which included gains of \$371.9 million in the fair value of investment properties and is reflective of the changes in portfolio valuation capitalisation rates during that period.

At the discretion of the Board, capital profits arising from the sale of investment properties can be distributed in the year they are generated, or retained for future growth or to be distributed in future years.

FINANCIAL POSITION

As at 30 June 2023, the Trust's total assets were \$3.0 billion (2022: \$3.0 billion) with unitholders' equity of \$2.4 billion and total liabilities of \$0.6 billion. Investment properties made up the majority of total assets comprising \$2.9 billion (2022: \$3.0 billion). Further information on investment properties is included in the Our property portfolio section on pages 20 to 23.

The underlying net tangible asset backing of the Trust's units ("NTA") as at 30 June 2023 was \$3.75 per unit, a decrease of 3.1 per cent from \$3.87 per unit as at 30 June 2022. The decrease in NTA was due to a reduction in property valuations as at 30 June 2023.

DISTRIBUTION TO UNITHOLDERS

The Trust pays out 100 per cent of distributable profit each period, in accordance with the requirements of the Trust's constitution.

A final distribution of 9.27 cents per ordinary unit has been declared and will be made on 25 August 2023 to unitholders on the Trust's register at 5.00 pm (AEST) on 30 June 2023. The final distribution takes the total ordinary distributions for the year to 18.29 cents per unit (2022: 18.29 cents per unit).

CAPITAL MANAGEMENT

The Trust is committed to maintaining a strong investment grade rating (currently A-/Stable by Standard & Poor's and A3/Stable by Moody's) through appropriate capital and balance sheet management.

Debt funding

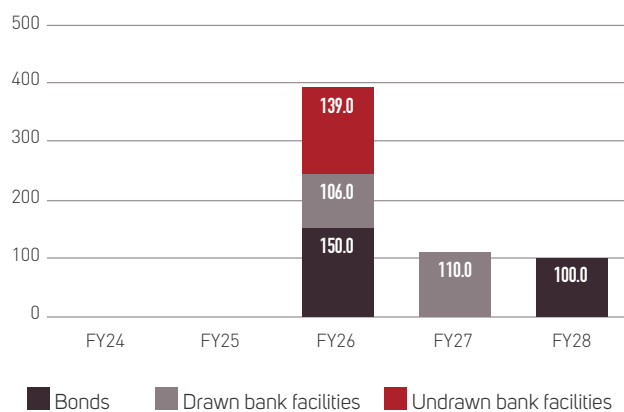
The Trust's debt facilities as at 30 June 2023 are summarised below:

	Limit \$m	Amount drawn \$m	Expiry date
Bank debt facilities			
Westpac Banking Corporation	135.0	53.1	30 April 2026
Commonwealth Bank of Australia	110.0	52.9	31 July 2025
Sumitomo Mitsui Banking Corporation	110.0	110.0	15 March 2027
Corporate bonds			
Fixed term seven-year corporate bond	150.0	150.0	10 April 2026
Fixed term seven-year corporate bond	100.0	100.0	24 March 2028
Total	605.0	466.0	

The debt maturity profile for the Trust is outlined below.

Debt maturity profile

Volume (A\$m)



INTEREST RATE RISK MANAGEMENT

The Trust enters into interest rate swaps and fixed rate corporate bonds (hedging) to create certainty of the interest costs of the majority of borrowings over the medium to long term. As at 30 June 2023, the Trust's interest rate hedging cover was 56.9 per cent of borrowings, with \$265.0 million of fixed rate corporate bonds and interest rate swaps, against interest-bearing debt of \$466.0 million. The weighted average term to maturity of hedging was 3.5 years.

GEARING

The Trust's gearing ratio (debt to total assets) at 30 June 2023 was 15.8 per cent (2022: 15.1 per cent), which is below the Board's preferred range of 20 to 30 per cent. The lower gearing provides flexibility for the Trust to take advantage of investment opportunities to create long-term value when they arise. The interest cover ratio (earnings before interest/interest expense) was 7.9 times (2022: 9.6 times).

DISTRIBUTION REINVESTMENT PLAN

The distribution reinvestment plan ("DRP") was in place for both the interim and final distributions for the year ended 30 June 2023. The Trust has continued to maintain an active DRP as a component of longer term capital management and to allow unitholders flexibility in receiving their distribution entitlements. The DRP provides a measured and efficient means of accessing additional equity capital from existing eligible unitholders when required.

OPERATING ENVIRONMENT

As at 30 June 2023, approximately 83 per cent of the Trust's annual rental income was from Bunnings and therefore the Trust's earnings are linked to the ongoing success of the Bunnings business and the strength and direction of the underlying home improvement and lifestyle product market.

Bunnings' overall strategic proposition remains: lowest prices, widest range and best experience, underpinned by continued focus on long-term growth and expanding the addressable market. The growth agenda for the next year is centred around the following areas:

- > Care – team, suppliers, environment and community
- > Grow – customer value, new and expanded categories, trade capability
- > Simplify – low costs, productivity, stock flow
- > Evolve – data and digital, supply chain, space management.¹

As at April 2023, Bunnings had a network of 283 Bunnings warehouse stores across Australia and New Zealand, 68 small format stores and 31 trade centres, as well as 13 Tool Kit Depot stores, 115 Beaumont Tiles stores and four Frame & Truss centres.²

For the six month period ended 31 December 2022, Bunnings Australia and New Zealand reported revenue of \$9.79 billion, up 6.3 per cent on the previous corresponding period. Earnings before tax was \$1.28 billion for the same period.³

INTERCONNECTED HOME, LIFESTYLE AND BUSINESS MARKET

The addressable interconnected home, lifestyle & business market is estimated at approximately \$100 billion across Australia and New Zealand.⁴

The market remains fragmented with key demand drivers including: population changes; housing stock; business, building and renovation activity; housing age, churn and value; demographics; household disposable income; lifestyle trends; and innovation and technology.

Strong competition in the market includes: category specialists in plumbing, electrical, lighting, timber and garden supplies; hard goods mass merchants; traditional hardware retailers; suppliers direct-to-market; home improvement products sold in discount department stores and supermarkets; and large format home improvement retailers.

¹ Wesfarmers Strategy Briefing Day, 30 May 2023, slides 31 to 45.

² Wesfarmers Strategy Briefing Day, 30 May 2023, slide 46.

³ Wesfarmers Half-year report to December 2022, p13.

⁴ Wesfarmers Strategy Briefing Day, 30 May 2023, slide 28.

Managing Director's report (continued)

RETAILING MARKET AND TRENDS

The Trust's customers are predominantly sellers of retail goods or services in home improvement and lifestyle products, office supplies, outdoor leisure, automotive sales, and electrical and small appliances categories. Economic, technological, demographic and other trends that affect retailing generally, or certain aspects of retailing, may impact our customers from time-to-time. While the Trust's rental income is not directly linked to the sales turnover of the retailers, difficult retailing conditions or structural changes in retailing can impact the demand for retailing space, affecting market rents, and in some cases may affect the longer-term viability of some retailers.

Retailing continues to evolve rapidly in line with changing customer needs and also changes in technology, online trading, supply chains and sourcing. Bunnings operates in the structurally attractive Australian home improvement market, which is underpinned by high home ownership levels. The Bunnings business model has proven over a long period of time its resilience and ability to evolve in the face of changing market conditions.

The quality of the Trust's property investment portfolio, with its large, prominently located sites, with good accessibility and adjacency to other retail and community facilities, means that generally these should continue to be preferred locations for retailing or provide potential longer-term alternative uses.

RISK CONSIDERATIONS

The Trust has a culture of balancing the commercial imperative of delivering a sustainable return to unitholders, with a strong focus on compliance and risk management to meet the requirements of all stakeholders. The Trust is subject to high levels of regulatory oversight, in part because of the "related party" characteristics of the ownership structure and the ASIC Australian Financial Services ("AFS") licensing aspects of its underlying business/structure. The processes and systems required to support the compliance regime are an important aspect of the Trust's approach to risk management, providing transparency and oversight at an operational level in the business. These are set out in a Compliance Plan, which is reviewed annually by the Board.

The key risk considerations are summarised below. The Trust does not consider there to be other specific social risks to which it is exposed but remains vigilant in terms of broader retailing trends and the business direction of its major customers.

Financial risks

The Trust is well-positioned from a financial risk perspective with the majority of its counterparty exposure being to Wesfarmers Limited (A- S&P rating, A3 Moody's rating). The Trust's assets comprise a geographically diverse portfolio of large format retail properties, generally with long-term leases in place, 97.1 per cent leased at 30 June 2023 and with a portfolio WALE of 3.5 years.

The Trust's capital structure (preferred gearing range of 20 to 30 per cent) takes into account the dynamics of the property investment portfolio, and the lease terms of each asset. The Trust actively seeks to diversify its sources of debt funding, currently through two domestic banks, one international bank and via the domestic medium-term note market.

As at 30 June 2023, the Trust had a portfolio of 73 properties, limiting the financial impact of vacancies or decline in rent for any particular property. The key economic risk for the Trust relates to interest rate movements, the impact of this on property capitalisation rates, and the cost of debt funding. All investment proposals are evaluated in relation to longer-term return objectives, which consider interest rate cycles. The interest rate impact on debt funding is managed with Board approved levels of interest rate hedging.

Increased inflation is resulting in higher funding and construction costs for the Trust which is having some impact on the financial viability/timing of repositioning properties and upgrades.

Risk management framework

The risk management framework provides a structured and systematic risk management approach, and considers obligations under the Corporations Act, AFS Licence, ASX listing rules and other applicable laws and AS/NZS ISO 31000:2018 Risk Management – Guidelines. The Board Audit and Risk Committee oversees the approach.

It has been developed with regard for the nature, scale and complexity of the Trust's business, its risk profile and the context in which we operate, including the impacts of climate change.

Climate-related and environmental risks and opportunities

Climate-related risks and opportunities are identified in line with the responsible entity's risk management process and overarching risk management framework.

Climate change is considered a key sustainability risk for the Trust due to its relevance to our operations and the importance placed on this issue by stakeholders. Broadly, it and other sustainability risks are mitigated by the following factors:

- > the relatively passive nature of the Trust's business (essentially, leasing out established commercial property for retail use);
- > the Trust's relatively uncomplicated and transparent structure;
- > the highly regulated framework under which the Trust and responsible entity operate; and
- > the Trust's low emissions profile.¹

The geographic dispersion of the Trust's property portfolio limits its exposure to periodic localised climate-related environmental events, such as flood and fire. The Trust reviews each property annually from a climate-related risk perspective.

The Trust undertakes detailed due diligence on property acquisitions to fully understand levels of site contamination, as well as potential for exposure to climate-related events, prior to committing to purchase.

Social sustainability risks

The Trust recognises the significant importance of ensuring that people's health and safety is not put at risk by its activities and operations. It has in place policies and practices to help identify health and safety risks and to manage those risks appropriately.

The responsible entity is committed to ensuring that the Trust's supply chain and business operations do not involve modern slavery, and has policies and procedures in place to manage the risk appropriately.

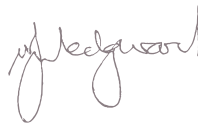
As far as practicable, the Trust's operational and supplier contract terms include requirements to comply with all relevant laws, and to meet minimum standards for ethical sourcing.

Cyber risks

Cyber security is a rapidly evolving risk consideration, and is assessed by the Trust in terms of awareness of and preparedness for potential security breaches, and capability to respond. The Trust does not have critical information, safety critical automated systems, services vital to the national infrastructure or revenue linked to online transactions, for which a cyber security breach could be detrimental to its ongoing operations. The Trust's primary exposure is limited to potential data breaches at various service providers. In this regard, the Trust engages with key service providers to ensure the risk of a data breach is minimised.

BWP'S OPERATIONS

Further information regarding the operations of the Trust is included in the Outlook, Our property portfolio, and Sustainability sections on pages 18 to 29.



Michael Wedgwood
Managing Director
BWP Management Limited

¹ No Scope 1 emissions are produced as the Trust's business activities do not directly release emissions into the atmosphere. Net Scope 2 emissions position for the financial year was zero tonnes CO₂e. The Trust is in the process of further understanding its Scope 3 emissions.

Outlook

The variables that could have the most influence on the financial performance of the Trust in the near term include; inflation, cost of funding, property valuations, property transaction activity, and the time taken, and cost of repositioning properties in the portfolio vacated by Bunnings.

Economic and property market conditions

For the year ended 30 June 2023, there were no sales of standalone Bunnings Warehouse properties in Australia.

The assessed valuation of the Trust's property portfolio decreased by a net amount of \$64.6 million during the year to \$2.9 billion, down 2.2 per cent from the prior year, largely reflecting adjustments to take into account current capitalisation rates.

In the current economic environment of high inflation, high construction costs and higher interest rates, the Trust has low gearing and a high returning property portfolio, so is well positioned for any unexpected circumstances, and to be able to participate in investment opportunities that might become available.

Approximately 53 per cent of the Trust's rental income is subject to CPI annual adjustment and 47 per cent is subject to fixed annual adjustment, other than in years in which respective properties are due for a market rent review (typically every five years for most of the Trust's existing portfolio).

For the year ending 30 June 2024, CPI reviews will apply to 44 per cent of the base rent, with leases subject to a market rent review comprising 11 per cent of the base rent, and with the balance of 45 per cent reviewed to fixed increases of two to four per cent.

Home improvement retail sector and Bunnings performance and growth

The strength and outlook for the home improvement and lifestyle products market in Australia and the ongoing financial success of the Bunnings business is important for the future financial performance of the Trust.

The ongoing evolution and financial performance of the Bunnings business and how that impacts the duration of occupancy of Bunnings at the Trust's properties, the number of vacancies, and the higher and better use potential of properties in the Trust's portfolio, will impact the Trust's performance in the longer term.

Properties vacated by Bunnings

Properties vacated by Bunnings are generally attractive for home improvement, supermarkets, neighbourhood shopping centres, activity or experience-based enterprises, healthcare, self-storage, automotive and last-mile distribution.

In some cases there are opportunities to re-zone properties for residential and other mixed uses.

BUNNINGS MINCHINBURY NEW SOUTH WALES



Overview

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Our property portfolio

As at 30 June 2023, the Trust owned 73 investment properties, all within Australia, with a total value of \$2.9 billion and a weighted average lease expiry of 3.5 years.

Portfolio at a glance

	2023	2022	2021	2020	2019
Bunnings Warehouses	54	56	58	61	62
Bunnings Warehouse with other showrooms	7	7	7	7	7
Large format retail showrooms	6	7	6	5	4
Industrial property	3	1	-	-	-
Vacant properties	3	2	3	2	2
Total BWP portfolio	73	73	74	75	75
Annual capital expenditure	\$14.3m	\$6.0m	\$16.8m	\$29.3m	\$19.1m

Divestments

In March 2023, the Trust completed the sale for \$2.7 million to an unrelated third party of its surplus land adjoining a property which had previously been occupied by Bunnings in Albany, Western Australia.

Developments

COMMITMENT TO EXPANSION OF BUNNINGS WAREHOUSE, LISMORE, NEW SOUTH WALES

In August 2021, the Trust committed to acquire from Bunnings adjoining land for \$1.5 million (transaction completed in October 2022), and expand its Lismore Bunnings Warehouse, New South Wales at a cost of \$11.3 million. In September 2022, as a result of higher construction costs, the Board agreed to increase funding from \$11.3 million to \$12.5 million. The annual rental will increase by approximately \$0.5 million. Following completion of the expansion expected in early 2024, the parties will enter into a new 10-year lease with six, five-year options, exercisable by Bunnings. The annual rent will increase by CPI, capped at 2.5 per cent. At the end of the initial term the rent is subject to a market rent review and every 10 years thereafter. Market rent reviews are subject to a 10 per cent cap, meaning the rent cannot increase more than 10 per cent above the preceding year's rent ("10 per cent cap"), and a 10 per cent collar, meaning that the rent cannot fall more than 10 per cent below the preceding year's rent ("10 per cent collar").

COMMITMENT TO EXPANSION OF BUNNINGS WAREHOUSE, COBURG, VICTORIA

In December 2019, the Trust committed to expand its Coburg Bunnings Warehouse, Victoria at a cost of \$2.5 million. In February 2022, the Trust committed to additional funding of \$1.0 million and revised lease terms. Following completion of the expansion expected in August 2023, the parties will enter into a new 10-year lease with six, five-year options, exercisable by Bunnings. The annual rent will increase by CPI, capped at 2.5 per cent. At the end of the initial term and at the exercise of each option by Bunnings, the rent is subject to a market review. Market rent reviews are subject to a 10 per cent cap, and a 10 per cent collar.

COMMITMENT TO EXPANSION OF BUNNINGS WAREHOUSE, DUBBO, NEW SOUTH WALES

In August 2022, the Trust committed to acquire from Bunnings, adjoining land for \$0.4 million and expand its Dubbo Bunnings Warehouse, New South Wales at a cost of \$13.6 million. The annual rental will increase by approximately \$0.5 million. Following completion of the expansion expected in late 2024, the parties will enter into a new 10-year lease with six, five-year options, exercisable by Bunnings. The annual rent will increase by CPI, capped at 2.5 per cent. At the end of the initial term the rent is subject to a market rent review and every 10 years thereafter. Market rent reviews are subject to a 10 per cent cap, and a 10 per cent collar.

Extension of lease with Bunnings

In May 2023, the Trust reached agreement with Bunnings to extend the lease at Browns Plains, Queensland. The existing lease is due to expire in May 2024 and there are no further lease options remaining. The parties have agreed to extend the lease term by 10 years from May 2024 with an additional two, five-year options exercisable by Bunnings. The commencing annual rental is \$2.1 million and market rent reviews will occur on the exercise of each option. There are no other changes to the existing lease with annual CPI reviews and a 12 per cent cap and a 12 per cent collar on market rent reviews remaining.

Capital improvements

During the year, the Trust invested \$1.0 million in LED lighting at various properties, \$6.8 million on repositioning various properties and approximately \$5.0 million was spent on other improvements to the portfolio.

Rent reviews

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

ANNUAL ESCALATIONS

During the year, 101 leases in the portfolio had annual fixed or CPI increases, resulting in an average increase of 5.0 per cent in the annual rent for these tenancies.

MARKET RENT REVIEWS FOR BUNNINGS WAREHOUSE PROPERTIES

The market rent reviews that were due for two Bunnings Warehouses during the year ended 30 June 2022 and three during the year ended 30 June 2023 are still being negotiated or are being determined by an independent valuer and remain unresolved.

The market rent reviews completed during the year are shown in the following table.

Bunnings market rent review results summary

Property location	Passing rent (\$ pa)	Market review (\$ pa)	Variance (%)	Effective date
Hawthorn, VIC ^{1,7}	3,380,642	3,325,207	(1.6)	29-Oct-20
Coburg, VIC ^{1,2}	1,706,685	1,877,353	10.0	3-Nov-20
Pakenham, VIC ^{1,3}	1,402,631	1,542,894	10.0	31-Mar-21
Wagga Wagga, NSW ^{1,4}	1,565,728	1,565,728	-	31-Mar-21
Caroline Springs, VIC ^{1,5}	1,891,921	2,081,113	10.0	22-May-21
Dubbo, NSW ^{4,6}	1,402,631	1,262,368	(10.0)	4-Aug-21
Geraldton, WA ^{4,6}	1,350,262	1,309,754	(3.0)	10-Dec-21
Frankston, VIC ^{6,7}	2,170,603	2,309,000	6.4	20-Dec-21
Greenacre, NSW ^{4,6}	2,955,032	2,870,000	(2.9)	3-Apr-22
Total/ Weighted average	17,826,135	18,143,417	1.8	

¹ The market rent review was due during the year ended 30 June 2021, but the outcome was only finalised during the current financial year.

² The market rent review was determined by an independent valuer. The independently determined rent was 13.4 per cent above the passing rent however, the market rent review clause in the lease has a 10.0 per cent cap on the increase.

³ The market rent review was determined by an independent valuer. The independently determined rent was 21.6 per cent above the passing rent however, the market rent review clause in the lease has a 10.0 per cent cap on the increase.

⁴ The market rent review was agreed between parties.

⁵ The market rent review was determined by an independent valuer. The independently determined rent was 13.6 per cent above the passing rent however, the market rent review clause in the lease has a 10.0 per cent cap on the increase.

⁶ The market rent review was due during the year ended 30 June 2022, but the outcome was only finalised during the current financial year.

⁷ The market rent review was determined by an independent valuer.

LIKE-FOR-LIKE RENTAL GROWTH

Excluding rental income from properties acquired, sold, upgraded or vacated and re-leased during or since the previous corresponding period, rental income increased by approximately 5.0 per cent for the 12 months to 30 June 2023 (compared to 3.0 per cent for the 12 months to 30 June 2022, amended from 3.3 per cent to take into account market rent reviews finalised post year-end). The six unresolved market reviews at 30 June 2023 are not included in the calculation of like-for-like rental growth for the year.

Occupancy

As at 30 June 2023, the portfolio was 97.1 per cent leased.

It is the nature of the Bunnings business model that its property requirements for some locations change over time. For any vacancies, the Trust gives full consideration to re-leasing the property, reinvesting in it to enhance rental outcomes, or divesting it, to provide the best overall outcome for the Trust. Good progress is being made on finding alternative uses for properties currently vacant.

Property revaluations

The entire Trust portfolio was revalued at 31 December 2022 and again at 30 June 2023, including 28 property revaluations performed by independent valuers (16 at 31 December 2022 and 12 at 30 June 2023). Properties not independently revalued at each balance date are subject to internal valuations, with an independent valuer reviewing the methodology adopted. Factors that may affect the valuation of properties from time to time, include: the supply of and competition for investment properties; leasing market conditions; the quality and condition of the particular property, including the duration of the lease; and the level of rent paid at the property compared with the broader market.

The value of the Trust's portfolio decreased by a net amount of \$64.6 million to \$2,936.6 million during the year following capital expenditure of \$14.3 million, after adjusting for the straight-lining of rent and capitalised interest of \$0.7 million and less net proceeds from divestments of \$2.7 million and unrealised losses of \$76.9 million.

The net revaluation loss was predominantly a result of the increase in capitalisation rates across most of the portfolio, reflecting declines in commercial property values more broadly in Australian property markets during the year. The Trust's weighted average capitalisation rate for the portfolio at 30 June 2023 was 5.38 per cent (December 2022: 5.05 per cent; June 2022: 5.04 per cent).

Number of properties

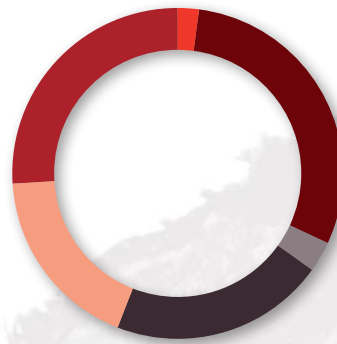
Australian Capital Territory	2
New South Wales	16
Queensland	18
South Australia	2
Victoria	20
Western Australia	15
Total	73

Our property portfolio



Gross lettable area by State

ACT	2%
VIC	29%
SA	3%
WA	20%
NSW	20%
QLD	26%



Asset value by State

ACT	2%
VIC	34%
SA	2%
WA	15%
NSW	22%
QLD	25%

18

LOCATIONS
TOTAL LAND AREA: 57.4 HA

New South Wales & Australian Capital Territory

20

LOCATIONS
TOTAL LAND AREA: 68.7 HA

Victoria

2

LOCATIONS
TOTAL LAND AREA: 5.9 HA

South Australia

15

LOCATIONS
TOTAL LAND AREA: 42.6 HA

Western Australia

18

LOCATIONS
TOTAL LAND AREA: 61.6 HA

Queensland

73

LOCATIONS
TOTAL LAND AREA: 236.2 HA

Total

As at 30 June 2023	Gross lettable area ¹	Annual rental ²	Value
Suburb	sqm	\$000	\$000
AUSTRALIAN CAPITAL TERRITORY			
Fyshwick ³	6,648	1,440	30,000
Tuggeranong	11,857	2,036	42,900
Total	18,505	3,477	72,900
NEW SOUTH WALES			
Artarmon	5,746	1,760	37,000
Belmont North ⁴	12,640	-	10,000
Belrose	8,888	2,174	43,500
Dubbo	16,344	1,597	23,600
Greenacre	14,149	2,956	62,200
Hoxton Park	25,607	3,757	73,000
Lismore	9,892	1,555	25,900
Maitland	12,797	1,575	28,600
Minchinbury	16,557	3,325	69,900
Port Macquarie	7,387	1,611	19,300
Rydalmere	16,645	3,666	81,500
Thornleigh	5,301	1,540	31,000
Villawood	12,678	2,261	47,600
Wagga Wagga ⁵	13,774	1,661	12,000
Wallsend	16,863	2,426	48,500
Wollongong	10,811	2,160	22,000
Total	206,078	34,025	635,600
QUEENSLAND			
Arundel	15,676	2,766	51,700
Bethania	13,494	2,249	38,500
Brendale	15,035	2,379	46,000
Browns Plains	18,398	3,742	59,300
Cairns	12,917	765	10,300
Cannon Hill	16,556	2,923	57,700
Fairfield Waters	13,645	1,857	29,500
Gladstone	21,516	4,130	56,700
Hervey Bay ⁴	11,824	-	11,000
Manly West	13,021	2,597	47,900
Morayfield	12,507	2,116	36,800
Mount Gravatt	11,824	1,451	24,800
North Lakes	18,861	3,158	63,500
Rocklea	14,403	2,424	37,500
Smithfield	13,094	1,750	27,600
Southport	12,431	1,953	31,500
Townsville North	14,038	2,016	32,500
West Ipswich	14,977	2,882	55,300
Total	264,217	41,159	718,100

As at 30 June 2023	Gross lettable area ¹	Annual rental ²	Value
Suburb	sqm	\$000	\$000
SOUTH AUSTRALIA			
Mile End	15,065	2,862	57,100
Noarlunga ⁵	14,784	1,812	15,000
Total	29,849	4,675	72,100
VICTORIA			
Bayswater	17,677	2,944	58,200
Broadmeadows	12,765	2,387	50,200
Caroline Springs	14,319	2,208	45,500
Coburg	24,504	5,196	84,300
Craigieburn	16,764	1,827	36,400
Croydon	15,543	2,463	52,000
Fountain Gate	12,624	1,969	30,000
Frankston	13,843	2,477	49,400
Hawthorn	9,831	3,633	68,800
Maribyrnong	17,550	3,218	67,700
Mentone	8,271	2,494	36,000
Mornington	13,324	2,003	40,100
Northland ⁵	13,006	2,157	33,200
Nunawading ⁶	14,766	2,782	60,100
Pakenham	14,867	2,406	45,300
Port Melbourne	16,159	2,966	74,200
Scoresby	12,515	2,008	37,000
Springvale	13,458	2,414	50,700
Sunbury	15,270	2,167	43,200
Vermont South	16,634	2,422	46,100
Total	293,688	52,140	1,008,400
WESTERN AUSTRALIA			
Albany ⁵	13,660	868	5,700
Australind	13,700	1,583	27,500
Balcatta	25,439	2,477	47,200
Belmont	10,381	1,584	30,200
Bibra Lake	14,141	1,835	35,000
Cockburn	12,839	1,884	35,900
Ellenbrook	15,337	2,238	42,600
Geraldton	17,874	1,405	22,500
Harrisdale	17,124	2,837	48,700
Joondalup	13,358	1,297	17,900
Mandurah	8,662	2,062	28,100
Midland	9,370	1,385	20,500
Morley	9,852	1,500	12,500
Port Kennedy ⁴	9,557	-	10,000
Rockingham	15,188	2,374	45,200
Total	206,482	25,330	429,500

As at 30 June 2023	Gross lettable area ¹	Annual rental ²	Value
Suburb	sqm	\$000	\$000
Grand Total	1,018,819	160,805	2,936,600

Note: Totals and Grand Total adjusted for rounding

¹ For Bunnings Warehouses this comprises the total retail area of the Bunnings Warehouse.

² Annual rental figures do not include access fees detailed below.

³ Includes adjoining property (1.0 hectares) for which Bunnings Group Limited pays the Trust an access fee of \$301,020 per annum.

⁴ Vacant property that is no longer leased to Bunnings.

⁵ Sites that Bunnings has or is in the process of vacating, that are still leased to Bunnings.

⁶ Includes adjoining properties (0.1 hectares) for which Bunnings Group Limited pays the Trust an access fee of \$126,935 per annum.

WOLLONGONG
NEW SOUTH WALES
NEW SOUTH WALES
WOLLONGONG





Sustainability

The Trust is committed to acting responsibly and ethically, and operating its business in a manner that is sustainable.

BWP acknowledges climate change and biodiversity loss as risks that may have an impact on the properties we own, the businesses that operate from them, the communities we operate within, and our financial performance.

The Trust is committed to actively participating in the transition to a low-carbon economy, to understanding the impacts of our assets on biodiversity and to addressing the risk of modern slavery in our business, supply chains and investments. A summary of progress for the year ended 30 June 2023 is set out on the following page.

The Trust's approach takes into account the size and nature of the Trust's operations and the relatively modest actual or potential impacts on the environment and society.

Environmentally, the Trust's ownership and management of established commercial property is considered to be low in intensity in terms of emissions, waste, use of energy and materials.

Social and governance impacts are limited due to the passive nature and localised scope of the Trust's operations and the regulated environment in which it operates.

The regulatory environment for Environmental, Sustainability and Governance ("ESG") disclosure for listed entities is evolving rapidly. On 26 June 2023, the International Sustainability Standards Board ("ISSB") issued its inaugural standards – IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial*

Information and IFRS S2 *Climate-related disclosures* – ushering in a new era of sustainability-related disclosures in capital markets worldwide.

The standards are intended to create a common language for disclosing the effect of climate-related risks and opportunities on an entity's prospects. Both standards fully incorporate the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD").

Once these international standards have been incorporated into domestic regulatory frameworks, it is anticipated that Australian businesses may be required to report under them as early as the financial year ending June 2025.

The Trust has been progressively aligning its practices and policies with these recommendations and is well positioned to meet the incoming Australian accented sustainability-related and climate-related disclosure standards.

During the year, the Trust continued to focus on improving the energy efficiency of its properties, replacing ozone-depleting air conditioning units in some of the older properties.

Further detail on the Trust's approach to sustainability is available in the Sustainability section, under the **Sustainability** tab of the Trust's website.



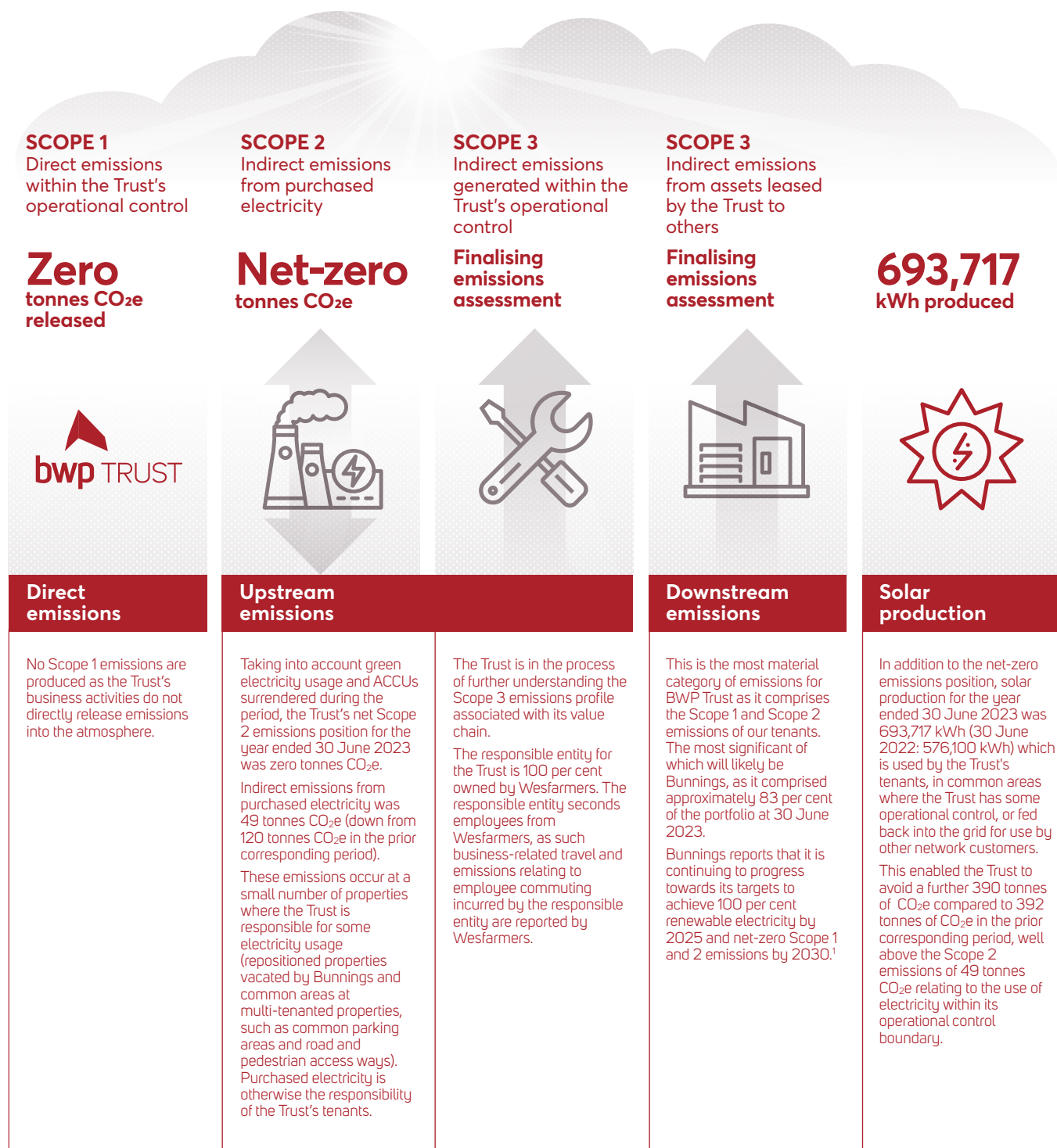
Adapting for a low-carbon economy

Actions	Progress during the year	Priorities
Operational carbon emissions reduction	<ul style="list-style-type: none"> > 49 tonnes of CO₂e generated for the year ended 30 June 2023 > The Trust surrendered 55 ACCUs to offset these and some future emissions > In addition, the Trust avoided 390 tonnes of CO₂e as a result of solar generation at properties where the Trust has some responsibility for electricity usage > The Trust is in the process of finalising its Scope 3 emissions profile 	<ul style="list-style-type: none"> > Further investment in solar and energy efficient lighting > Complete the Trust's Scope 3 emissions inventory
Preparing for Australian climate-related and sustainability-related standards	<p>Climate-related and sustainability-related governance</p> <ul style="list-style-type: none"> > The Trust has progressively aligned its practices and policies with the TCFD recommendations and will continue to provide climate-related and sustainability-related disclosure in accordance with this framework in preparation for the incoming Australian specific reporting standards <p>Climate-related and sustainability-related risks</p> <ul style="list-style-type: none"> > The Trust's annual risk and opportunity review was completed during the period. The outcomes of the assessment did not identify any material risks due to climate change > The Trust's 2023 Corporate Governance Statement details climate-related risk management and can be viewed in the Corporate Governance section under the About Us tab of the Trust's website <p>Climate-related and sustainability-related strategy</p> <ul style="list-style-type: none"> > Purchased 100 per cent green electricity at eight properties where the Trust is responsible for some electricity usage > Completed external assurance of emissions inventory and gained confirmation of net-zero status again for 2023 > Continued to work with insurance advisors and providers to better understand the impact climate risk may have on insurance affordability and funding availability, particularly in relation to those assets in areas at higher risk of severe weather events 	<ul style="list-style-type: none"> > Continue to review applicable incoming reporting standards and provide disclosure as required > Explore impacts of our assets on biodiversity, nature-related risks and opportunities relevant to the Trust's operations > Continue identifying and managing transition risk and potential impacts relating to transition to low-carbon economy > Continue to focus on reducing the environmental impact of the portfolio through investing in technology applications such as energy efficient LED lighting > Continue to identify areas for improvement and opportunities to enhance portfolio's ESG-related resilience > Continue to develop understanding of how scenarios apply to each property and how to best incorporate these learnings into the right tools to assist in managing our portfolio, strengthening due diligence processes and embedding resilience into our strategy for the short, medium and long-term
Property resilience	<ul style="list-style-type: none"> > A further 15 air conditioning units were replaced to phase out ozone depleting refrigerant models and initiatives introduced to improve efficiency of air conditioning units > New energy efficient LED lights were installed at six properties during the year. As at 30 June 2023, 100 per cent of Trust-owned properties had LED lighting in one or more of the car park, nursery trading area, canopy trading area, or in the main store > Solar power generation is installed at 24 properties owned by the Trust > A Tesla battery is installed at one property. The battery collects surplus energy from the solar installation at the property > 92 per cent of the Trust-owned properties have in place water tanks for the recycling of roof collected rain water 	<ul style="list-style-type: none"> > Continue programme for phasing out ozone depleting air conditioning > Continue to work with our major customers to roll out energy efficient LED lighting into existing properties, as and when appropriate, and also to install roof based solar panels on buildings where the energy saving benefits are significant
Customer and supplier engagement	<ul style="list-style-type: none"> > Continued dialogue with Bunnings regarding its sustainability initiatives, particularly in relation to reducing energy consumption through the upgrade of lighting in existing stores to energy efficient LED technology, and the installation of solar power generation 	<ul style="list-style-type: none"> > Continue to engage with the Trust's customers for a cooperative approach to sustainability initiatives, particularly in relation to LED lighting, and solar energy capture
Environmental, social and governance reporting	<ul style="list-style-type: none"> > Participating in the 2023 CDP (formerly the Carbon Disclosure Project) 	<ul style="list-style-type: none"> > Continue reporting on our progress in improving the energy efficiency of the Trust's properties reducing operational carbon emissions and working to understand the impacts of our assets on biodiversity

Assessing the Trust's impact

Carbon and energy

UNDERSTANDING BWP TRUST'S GREENHOUSE GAS EMISSIONS PROFILE



Organisational boundaries and methodology

BWP Trust reports Greenhouse Gas ("GHG") emissions in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, as published by the World Business Council for Sustainable Development and World resource and in accordance with the National Greenhouse and Energy Reporting Act 2007. Reporting is confined to those aspects of the business over which the Trust has operational control.

¹ Wesfarmers Annual Report, 30 June 2022, p28.



Environment

NATURE & BIODIVERSITY

The finalised Taskforce on Nature-related Financial Disclosures ("TNFD") recommendations are anticipated in September 2023. The recommendations will provide a risk management and disclosure framework, akin with the TCFD recommended disclosures, for organisations to act on and report against for evolving nature-related risks and opportunities. The overarching intention of this framework is to shift global financial flows away from nature-negative outcomes and toward nature-positive outcomes.

The Trust will explore impacts of our assets on biodiversity, nature-related risks and opportunities relevant to the Trust's operations.

Scale, scope and context

- > The Trust owns 73 properties, all in Australia
- > At 30 June 2023, the total area of land owned by the Trust was approximately 236.2 hectares
- > The Trust does not typically engage in development work (other than capital expenditure related to the repositioning of a property where a vacancy has occurred)
- > The Trust generally acquires established properties or developments that pass to the Trust upon completion.



Social

DIVERSITY & GENDER

The Trust is an externally managed listed entity and does not have any direct employees. The Trust's 2023 Corporate Governance Statement can be viewed in the Corporate Governance section under the **About Us** tab of the Trust's website.



The responsible entity's Board and eight team members are subject to the Wesfarmers' Diversity Policy. To the extent that it can with a small team, the responsible entity is committed to working within the guiding principles and objectives set out in the Wesfarmers' Diversity Policy.

The responsible entity's commitment to diversity principles is reflected both in the Board's composition and in the workplace, where it is demonstrated daily by its support for flexible working arrangements for its team members both during the COVID-19 pandemic with fully supported work-from-home arrangements, and more generally as required, to allow team members to meet important family responsibilities. The responsible entity has been able to attract and retain a high calibre team. The small management team plus part time Company Secretary is comprised 67 per cent male and 33 per cent female.

There is equal gender representation on the Board.

Given the small team size, changes in personnel can have a disproportionate impact on the gender ratio of the team. It is crucial to recognize that these changes do not reflect any deliberate bias or lack of inclusivity in our recruitment process, or team dynamics. Instead, it is simply a consequence of a small team size.



HUMAN RIGHTS

The responsible entity is committed to addressing the risk of modern slavery in its business, supply chains and investments.

The full details are provided in the Trust's Modern Slavery statement and minimum standards expected of suppliers can be viewed in the Corporate Governance section under the **About Us** tab of the Trust's website.

Modern slavery risk in the Trust's supply chains was considered during the reporting period. Some categories of supplier risk have been identified as focus areas, but overall, the Trust's exposure to modern slavery risk is not considered to be material in view of the nature of the Trust's business and its small number of primarily Australian suppliers.

We have reviewed Modern Slavery Statements submitted by our material suppliers and have been satisfied that these suppliers understand their obligations under the Modern Slavery legislation.

We did not identify any modern slavery practices either at our operations or in our supply chain during FY22 and have continued working with our suppliers and other stakeholders in FY23. Our aim being to ensure that no individual is subjected to modern slavery or related labour exploitation within our supply chain.

Scale, scope and context

- > Headquartered in Western Australia
- > Operated by a small team of eight – responsible for leasing, property management, development management and all of the corporate and compliance functions of an ASX-listed entity operating in the financial services sector under an Australian Financial Services License ("AFSL")
- > Large format retail customer base – primarily Bunnings
- > Around 100 suppliers – mostly Australian
- > Land and building assets located in Australia
- > Owned by approximately 23,000 unitholders



UNITED NATIONS GLOBAL COMPACT



BWP Management Limited ("BWPML"), the responsible entity for the Trust is 100 per cent owned by Wesfarmers, who have committed to the United Nations Global Compact ("UNGC") corporate responsibility initiative and its principles in the areas of human rights, labour, the environment and anti-corruption.

As part of the broader Wesfarmers group and operating under the same values and principles, there is an expectation that BWPML upholds the same high standards of social responsibility and sustainability. This statement is not a symbolic gesture, but evidenced by the policies and processes which are integrated into the Trust's operations; its continued work to reduce its carbon footprint and improve the energy efficiency at its properties; and the Trust's work to ensure no individual is subjected to modern slavery or related labour exploitation within our supply chain.

Corporate governance

We believe good corporate governance is essential for the achievement of our corporate objectives and for protecting the interests of our unitholders and stakeholders.

Our commitment to corporate governance

The Board of the responsible entity provides the leadership and directional guidance including setting the tone for our governance standards. Our management team is committed to high standards of corporate governance recognising its importance to the performance and long term success of our business.

Corporate governance framework

BWP's corporate governance framework is underpinned by the Trust's Compliance Plan and supported by the responsible entity's policies, systems, procedures and practices. Independent external specialists and advisers are engaged where appropriate to provide additional assurance that our governance framework operates effectively.

The key components of our Corporate Governance Framework are illustrated in the diagram below.

Reporting of corporate governance practices

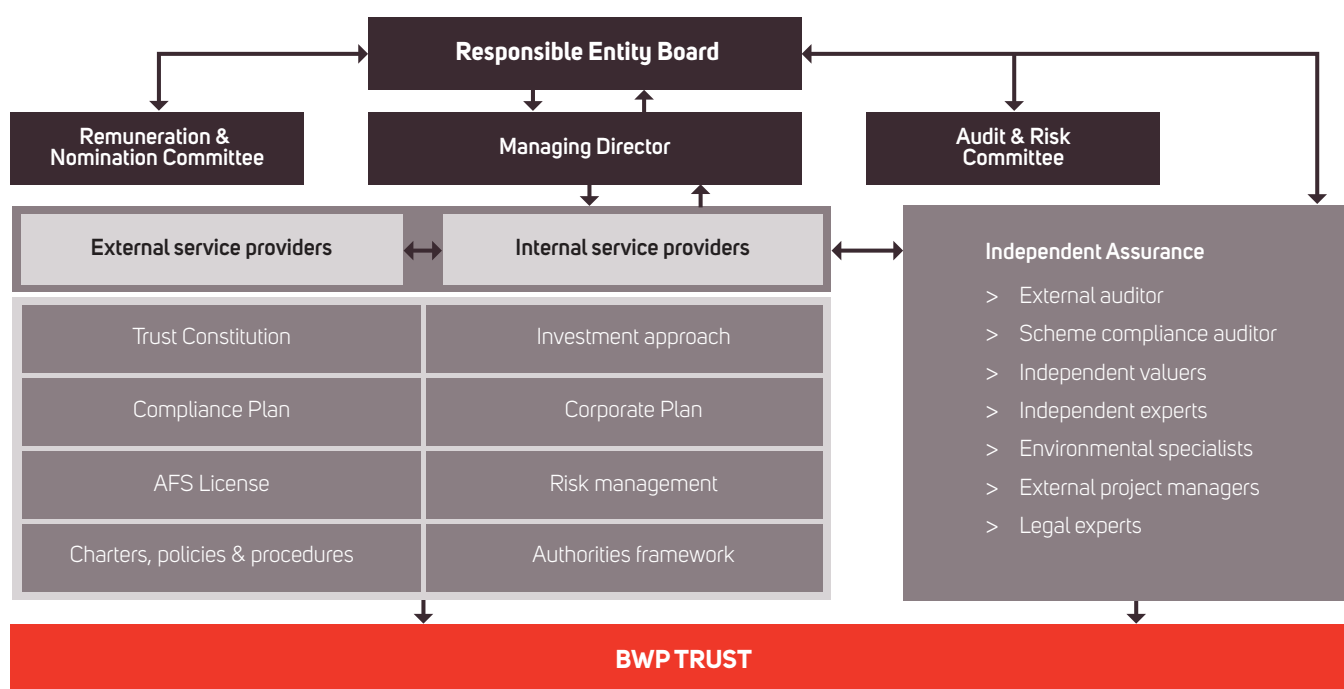
Under ASX Listing Rule 4.10.3, ASX-listed entities are required to report their corporate governance practices against the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 4th edition (ASX Recommendations) and disclose any departure from those ASX Recommendations.

The Trust is classified by the ASX as an "externally managed listed entity". As such, there are some ASX Recommendations that are not applicable to BWP. Notwithstanding, we have provided additional disclosures where practicable that demonstrate BWP's commitment to good corporate governance.

Our compliance in 2023

Unless stated otherwise, the practices described in our 2023 Corporate Governance Statement were in place throughout the reporting period and are current as at the date of this statement. The Corporate Governance Statement is dated 2 August 2023 and has been approved by the Board of the responsible entity.

The Trust's 2023 Corporate Governance Statement can be viewed in the Corporate Governance section under the **About Us** tab of the Trust's website along with the charters and policies referred to in the Statement.



Board of Directors



TONY HOWARTH AO AGE: 71

CitWA, Hon.LLD (UWA), SF Fin(Life), FAICD(Life)
Chairman, Non-executive external director
Member of the Audit and Risk Committee
Chairman of the Remuneration and Nomination Committee

Joined the board in October 2012 and was appointed Chairman in March 2022. Tony is a Life Fellow of the Australian Institute of Company Directors and the Financial Services Institute of Australasia and has more than 30 years' experience in the banking and finance industry. He has held several senior management positions during his career, including Managing Director of Challenge Bank Limited and Chief Executive Officer of Hartleys Limited.

Tony is a Director of ASX-listed company Coventry Group Ltd and Chairman of Alinta Energy Pty Limited. He is an Adjunct Professor (Financial Management) at The University of Western Australia Business School and a former member of The University of Western Australia Business School Advisory Board.

Tony was a non-executive director of ASX-listed Wesfarmers Limited between 2007 and 2019.



MICHAEL WEDGWOOD AGE: 60

BCom, MSc (Finance), GAICD
Managing Director

Appointed to the Board as Managing Director in February 2014. Since joining Wesfarmers Limited in 1995, Michael has held a number of senior executive roles across the Wesfarmers Group including appointments as General Manager Finance at Wesfarmers for a period of five years and also as the Chief Financial Officer of Bunnings Group Limited for a period of nine years. Immediately prior to joining BWP, he held the role of Executive General Manager, Business Improvement for the Wesfarmers Group. Before joining Wesfarmers, he held finance roles with the HSBC Group in Australia and Hong Kong, and prior to that with Arthur Andersen.



DANIELLE CARTER AGE: 49

BA/BCom, Grad DipAppFin, CA, GAICD
Non-executive external director

Member of the Audit and Risk Committee
Member of the Remuneration and Nomination Committee

Appointed to the Board in December 2021. Danielle is a professional non-executive director who has more than 25 years' combined real estate and financial services industry experience.

Danielle has held senior executive roles at BlackRock; boutique fund manager SG Hiscock & Company; and financial advisory firm Strategic Financial Management. At BlackRock, Danielle was a Fund Manager responsible for BlackRock Australia's listed, unlisted and direct real estate assets and a member of the Australia/Asia Investment Committee.

Danielle is a non-executive director of Dexu Asset Management Limited, the responsible entity for ASX listed Dexu Industria REIT and ASX listed Dexu Convenience Retail REIT. She was previously a non-executive director of APN Property Group, which was an ASX listed real estate investment manager until it became part of Dexu in August 2021.



FIONA HARRIS AM AGE: 62

BCom, FCAANZ, FAICD
Non-executive external director

Chairman of the Audit and Risk Committee
Member of the Remuneration and Nomination Committee

Joined the Board in October 2012. A professional non-executive director for over 25 years, Fiona has held board positions on more than 25 companies covering a range of industries and geographies. She is a former member of the National Board and a former WA State President of the Australian Institute of Company Directors and a member of Chief Executive Women. Fiona is currently a director of unlisted companies Perron Group Limited and Linear Clinical Research Limited. She was previously a director of ASX listed companies Red 5 Ltd and Oil Search Limited.

Fiona was previously a Sydney-based partner of chartered accountants, KPMG, retiring in December 1994.



ALISON QUINN AGE: 56

BCom, FAIM, FUDIA, GAICD
Non-executive external director

Member of the Audit and Risk Committee
Member of the Remuneration and Nomination Committee

Joined the Board in December 2019. Alison is an experienced director, CEO and executive with an extensive background in property development, aged care, banking and finance. Between 2016 and 2019, she was CEO of RetireAustralia. Prior to that, she held a number of senior executive positions with entities including Aveo Limited, Growth Management Queensland and Mulpha Group.

Alison is a non-executive director of SunCentral Maroochydore Pty Ltd; Ability First - Australia Limited and Uniting Care Queensland. She is a member of the Advisory Panel of Economic Development Queensland and the Advisory Board for ADCO Constructions Pty Ltd.



MIKE STEUR AGE: 64

DipVal, FPINZ(Life), FRICS, FAPI, MAICD
Non-executive external director

Member of the Audit and Risk Committee
Member of the Remuneration and Nomination Committee

Joined the Board in February, 2015. Mike is a Sydney-based professional director who has more than 35 years' experience in property; spanning valuation, asset management and advisory within Australia, New Zealand, the Pacific Islands and across Asia.

He has previously held senior executive roles at CBRE and was previously Chair of the Royal Institution of Chartered Surveyors Global Valuation Professional Group. Mike is an experienced non-executive director, currently serving on the boards of Dexu Wholesale Property Limited, Dexu Wholesale Funds Limited, Centuria Funds Management (NZ) Limited and other Centuria-related entities.

BUNNINGS FOUNTAIN GATE VICTORIA





Financial statements

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Statement of profit or loss and other comprehensive income

FOR THE YEAR ENDED 30 JUNE 2023

	Note	June 2023 \$000	June 2022 \$000
Revenue	1	158,156	153,266
Expenses			
Finance costs	2	(16,719)	(13,780)
Responsible entity's fees	2	(17,864)	(16,122)
Other operating expenses	2	(10,018)	(8,666)
Total expenses		(44,601)	(38,568)
Profit before gains/(losses) on investment properties		113,555	114,698
Unrealised (losses)/gains in fair value of investment properties	5	(76,862)	371,939
Profit attributable to the unitholders of BWP Trust		36,693	486,637
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Effective portion of changes in fair value of cash flow hedges:			
- Realised (gains)/losses transferred to profit or loss		(7)	793
- Unrealised gains/(losses) on cash flow hedges		347	(15)
Total comprehensive income for the year attributable to the unitholders of BWP Trust		37,033	487,415
Basic and diluted earnings (cents per unit)	11	5.71	75.75

The statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

AS AT 30 JUNE 2023

	Note	June 2023 \$000	June 2022 \$000
ASSETS			
<i>Current assets</i>			
Cash	3	16,832	11,855
Receivables and prepayments	4	6,420	8,862
Total current assets		23,252	20,717
<i>Non-current assets</i>			
Investment properties	5	2,936,600	3,001,200
Derivative financial instruments		340	-
Total non-current assets		2,936,940	3,001,200
Total assets		2,960,192	3,021,917
LIABILITIES			
<i>Current liabilities</i>			
Payables and deferred income	6	26,290	20,426
Distribution payable	7	59,549	59,549
Total current liabilities		85,839	79,975
<i>Non-current liabilities</i>			
Interest-bearing loans and borrowings	8	468,473	455,603
Total non-current liabilities		468,473	455,603
Total liabilities		554,312	535,578
Net assets		2,405,880	2,486,339
EQUITY			
<i>Equity attributable to unitholders of BWP Trust</i>			
Issued capital	9	945,558	945,558
Hedge reserve	10	340	-
Undistributed income		1,459,982	1,540,781
Total equity		2,405,880	2,486,339

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

Statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2023

	Note	June 2023 \$000	June 2022 \$000
Cash flows from operating activities			
Rent received		177,534	166,269
Payments to suppliers		(24,507)	(26,214)
Payments to the responsible entity		(17,637)	(15,477)
Finance income		240	44
Finance costs		(15,878)	(13,586)
Net cash flows from operating activities	3	119,752	111,036
Cash flows from investing activities			
Receipts from the sale of investment properties		2,664	14,336
Payments for additions to investment properties		(12,817)	(9,986)
Net cash flows (used in)/from investing activities		(10,153)	4,350
Cash flows from financing activities			
Proceeds from borrowings		12,870	110,000
Repayments of borrowings		-	(129,107)
Distributions paid		(117,492)	(117,492)
Net cash flows used in financing activities		(104,622)	(136,599)
Net increase/(decrease) in cash		4,977	(21,213)
Cash at the beginning of the financial year		11,855	33,068
Cash at the end of the financial year	3	16,832	11,855

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

Statement of changes in equity

FOR THE YEAR ENDED 30 JUNE 2023

	Issued capital \$000	Hedge reserve \$000	Undistributed income \$000	Total \$000
Balance at 1 July 2021	945,558	(778)	1,171,636	2,116,416
Profit attributable to unitholders of BWP Trust	-	-	486,637	486,637
Other comprehensive income: Effective portion of changes in fair value of cash flow hedges	-	778	-	778
Total comprehensive income for the year	-	778	486,637	487,415
Distributions to unitholders	-	-	(117,492)	(117,492)
Total transactions with unitholders of BWP Trust	-	-	(117,492)	(117,492)
Balance at 30 June 2022 and 1 July 2022	945,558	-	1,540,781	2,486,339
Profit attributable to unitholders of BWP Trust	-	-	36,693	36,693
Other comprehensive income: Effective portion of changes in fair value of cash flow hedges	-	340	-	340
Total comprehensive income for the year	-	340	36,693	37,033
Distributions to unitholders	-	-	(117,492)	(117,492)
Total transactions with unitholders of BWP Trust	-	-	(117,492)	(117,492)
Balance at 30 June 2023	945,558	340	1,459,982	2,405,880

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 2023

BWP Trust ("the Trust") is a for profit unit trust of no fixed duration, constituted under a Trust Deed dated 18 June 1998 as amended, and the Trust's units are publicly traded on the Australian Securities Exchange. The Trust is managed by BWP Management Limited ("the responsible entity"). Both the Trust and the responsible entity are domiciled in Australia.

The Trust has a policy to invest in well located, geographically diversified properties with long-term leases to substantial tenants, predominantly in the large format retail sector, with the purpose of providing unitholders with a secure, growing income stream and capital growth.

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 attributed to unitholders each year.

ABOUT THIS REPORT

The financial report of the Trust for the year ended 30 June 2023 was authorised for issue in accordance with a resolution of the directors of the responsible entity on 2 August 2023. The directors have the power to amend and reissue the financial report.

The financial statements are a general purpose financial report which:

- > has been prepared in accordance with the requirements of the Trust's constitution, the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB");
- > has been prepared on a historical cost basis, except for investment properties and derivative financial instruments, which have been measured at their fair value;
- > is presented in Australian dollars, which is the Trust's functional currency, and all values are rounded to the nearest thousand dollars (\$000) under the option available to the Trust under ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191, unless otherwise stated;
- > does not early adopt a number of new standards, amendments to standards and interpretations that have been issued or amended but are not yet effective. The potential impact of the new standards, amendments to standards and interpretations has been considered and they are not expected to have a significant effect on the financial statements.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

In applying the Trust's accounting policies, management regularly evaluates judgements, estimates and assumptions based on experience and other factors, including expectations about future events that may have an impact on the Trust. Judgements and estimates which are material to the financial report are found in the following notes:

Note 5: Investment properties	Page 41 and 42
Note 12: Financial risk management	Page 48

OTHER ACCOUNTING POLICIES

Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

SEGMENT INFORMATION

The Trust determines and presents its operating segment based on the internal information that is provided to the Managing Director, who is the Trust's chief operating decision maker.

The Trust operates wholly within Australia and derives rental income from investments in commercial warehouse properties and as such this is considered to be the only segment in which the Trust is engaged.

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

1. REVENUE

	June 2023 \$000	June 2022 \$000
Rental income	157,329	152,926
Less: rental abatements	-	(344)
Other property income	587	640
Finance income	240	44
Revenue	158,156	153,266

Rent abatements totalling \$343,659 were granted in the prior year to a small number of the Trust's tenants, such as gym operators, that were subject to COVID-19 mandatory closure by Federal and/or State governments. There were no rent abatements granted during the year ended 30 June 2023.

Recognition and measurement

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 using the following criteria:

Rental and other property income

As required under AASB 16 *Leases*, rental income from operating leases is recognised on a straight-line basis over the lease term for leases that have fixed rental increases. Leases that are based on a variable future amount, including CPI linked rental increases, are only recognised when contractually due. An asset will be recognised to represent the portion of operating lease revenue in a reporting period relating to fixed increases in operating lease revenue in future periods. These assets are recognised as a component of investment properties.

Finance income

Finance income is interest income on bank deposits and is recognised as the interest accrues, using the effective interest method.

2. EXPENSES

	June 2023 \$000	June 2022 \$000
Interest expense on debt facilities	16,719	12,987
Interest expense on interest rate swaps	-	793
Finance costs	16,719	13,780
Responsible entity's fees	17,864	16,122
Non-recoverable property costs ¹	9,186	7,764
Listing and registry expenses	550	588
Other	282	314
Other operating expenses	10,018	8,666

¹ Included in non-recoverable property costs are amounts paid or payable of \$3,067,328 (2022: \$2,698,496) for Queensland Land Tax which under the respective state legislation when the lease was entered into cannot be on-charged to tenants.

Recognition and measurement

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.

Responsible entity's fees

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

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

The responsible entity may waive the whole or any part of the remuneration to which it would otherwise be entitled (see Note 15).

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

3. CASH

	June 2023 \$000	June 2022 \$000
Cash at bank	16,832	11,855
Weighted average effective interest rates	2.90%	0.15%

Reconciliation of operating profit to the net cash flows from operating activities:

	June 2023 \$000	June 2022 \$000
Profit for the year attributable to unitholders of BWP Trust	36,693	486,637
Net fair value change on investment properties	76,412	(373,623)
Decrease/(increase) in receivables and prepayments	2,393	(511)
Increase/(decrease) in payables and deferred income	4,254	(1,467)
Net cash flows from operating activities	119,752	111,036

Recognition and measurement

Cash at bank

Cash in the statement of financial position, and for the purposes of the statement of cash flows, comprises cash at bank and short-term deposits. Cash at bank earns interest at floating rates based on daily bank deposit rates.

4. RECEIVABLES AND PREPAYMENTS

	June 2023 \$000	June 2022 \$000
Receivables from Wesfarmers Limited ¹ subsidiaries	1,299	738
Other receivables	938	1,466
Prepayments	4,183	6,658
	6,420	8,862

¹ Wesfarmers Limited is a related party (see Note 15).

Recognition and measurement

Impairment

Receivables of \$1.2 million were overdue at 30 June 2023 (2022: \$0.6 million).

An allowance for impairment in respect of receivables of \$0.5 million has been made during the current year (2022: \$0.5 million), bringing the total provision to \$1.0 million. Based on historic default rates, the Trust believes that no other impairment allowance is necessary.

5. INVESTMENT PROPERTIES

Reconciliation of the carrying amount of investment properties:

	June 2023 \$000	June 2022 \$000
Balance at the beginning of the financial year	3,001,200	2,621,600
Divestments during the year	(2,664)	-
Acquisitions during the year	1,548	-
Capital improvements during the year	12,781	5,977
Interest capitalised during the year	147	-
Straight-line lease income	450	1,684
Net unrealised (losses)/gains from fair value adjustments	(76,862)	371,939
Balance at the end of the financial year	2,936,600	3,001,200

Recognition and measurement

Investment property is initially measured at cost, including the associated transaction costs including but not limited to stamp duty, and subsequently at fair value with any change therein recognised in profit and loss.

Subsequent revaluations to fair value according to the Trust's revaluations policy may result in associated transaction costs appearing as a negative adjustment (loss) in fair value for the respective property, should the property be revalued to the initial purchase price.

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 capital gains would be attributed to unitholders.

Fair value – hierarchy

The Trust is required to categorise the fair value measurement of investment properties based on the inputs to the valuations technique used. All investment properties for the Trust have been categorised on a Level 3 fair value basis as some of the inputs required to value the properties are not based on "observable market data".

Fair value – valuation approach

Key judgement

The Trust has a process for determining the fair value of investment properties at each balance date, applying generally accepted valuation criteria, methodology and assumptions detailed below. Valuations are completed based on current market evidence at the date of each report, reflecting known criteria at that time and do not include unknown future impacts.

An independent valuer, having an appropriate professional qualification and recent experience in the location and category of property being valued, values individual properties every three years on a rotation basis. The independent valuer determines the most appropriate valuation method for each property (refer below).

In accordance with the Trust's policy, the following properties were independently valued at 30 June 2023:

Property	Valuation \$000
Australind	27,500
Brendale	46,000
Craigieburn	36,400
Fountain Gate	30,000
Hervey Bay	11,000
Hoxton Park	73,000
Maribyrnong	67,700
Mentone	36,000
Mile End	57,100
Morayfield	36,800
Noarlunga	15,000
Villawood	47,600

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

The directors adopt the following valuation methodologies for all remaining properties, and these methodologies are subject to an independent review process by Jones Lang LaSalle.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

5. INVESTMENT PROPERTIES (CONTINUED)

Valuation methodologies

Discounted cash flow

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

Capitalisation of income valuation

The capitalisation of income valuation method capitalises the current rent received, at a rate analysed from the most recent transactions of comparable property investments. The capitalisation rate used varies across properties. Valuations reflect, where appropriate, lease term remaining, the relationship of current rent to the market rent, location, prevailing investment market conditions and for Bunnings Warehouses, distribution of competing hardware stores.

Inputs used to measure fair value	Range of individual property inputs
Adopted capitalisation rate	4.00% – 15.28%
Gross rent p.a (\$000)	790 – 4,789
Occupancy rate	97.1% as at 30 June 2023
Lease term remaining (years)	0.36 – 12.46

The current economic climate, including the potential for further interest rate rises, is uncertain. The fair value assessment of the Trust's portfolio at the reporting date includes the best estimates using information available at the time of preparation of the financial statements. There are many variables that may affect the Trust's property valuations in the future. For instance, an increase in capitalisation rates by 25 basis points (0.25 percent) across the whole portfolio, assuming all other variables remain the same, would result in a decrease of \$134.3 million in the value of the Trust's investment properties.

Leasing arrangements

The Trust has entered into commercial property leases on its investment portfolio with the majority of its properties being leased to Bunnings Group Limited (refer Notes 12 and 15).

Bunnings Warehouse leases generally commit the tenant to an initial term of 10, 12 or 15 years, followed by a number of optional terms of five or six years each exercisable by the tenant. Leases to non-Bunnings tenants generally commit the tenant to an initial term of between five and 10 years, followed by one or a number of optional terms of five years each exercisable by the tenant.

At 30 June 2023, the minimum lease expiry (being the duration until which the tenants' committed terms expire) for the Trust's investment properties is 0.36 years (2022: 0.17 years) and the maximum lease expiry is 12.46 years (2022: 13.46 years), with a weighted average lease expiry for the portfolio of 3.5 years (2022: 3.9 years).

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

Future minimum non-cancellable lease rental revenues are:

	June 2023 \$000	June 2022 \$000
Not later than one year	157,157	148,964
One to two years	138,619	137,625
Two to three years	103,035	117,661
Three to four years	59,301	84,715
Four to five years	32,258	43,636
Later than five years	76,790	64,467
	567,160	597,068

Recognition and measurement

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.

Key judgement

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.

The rental revenues of operating leases are included in the determination of the net profit in accordance with the revenue recognition policy at Note 1.

Leasing fees incurred in relation to the ongoing 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.

6. PAYABLES AND DEFERRED INCOME

	June 2023 \$000	June 2022 \$000
Trade creditors and accruals	13,002	8,691
Responsible entity's fees payable	4,938	4,711
Rent received in advance	8,350	7,024
	26,290	20,426

Recognition and measurement

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

The Trust's exposure to liquidity risk in respect of payables is disclosed in Note 12.

7. DISTRIBUTIONS PAID OR PAYABLE

In accordance with the Trust's constitution, the unrealised gains or losses on the revaluation of the fair value of investment properties, as well as other items as determined by the directors are not included in the profit available for distribution to unitholders. A reconciliation is provided below:

	June 2023 \$000	June 2022 \$000
9.02 cents (2022: 9.02 cents) per unit, interim distribution paid on 24 February 2023	57,943	57,943
9.27 cents (2022: 9.27 cents) per unit, final ordinary distribution provided	59,549	59,549
	117,492	117,492
Profit attributable to unitholders of BWP Trust	36,693	486,637
Capital profits released from undistributed profit	3,930	2,800
Net unrealised losses/(gains) in fair value of investment properties	76,862	(371,939)
Distributable profit for the year	117,485	117,498
Opening undistributed profit	13	7
Closing undistributed profit	(6)	(13)
Distributable amount	117,492	117,492
Distribution – ordinary (cents per unit)	18.29	18.29

Recognition and measurement

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

The recording of the distribution payable at each reporting date as a current liability has resulted in the Trust's current liabilities exceeding its current assets as at 30 June 2023 by \$62.6 million. This is a timing issue, as the Trust repays its interest-bearing loans and borrowings during the period from net profit and draws down its interest-bearing loans and borrowings when the distribution payments are made in August and February of each year.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

8. INTEREST-BEARING LOANS AND BORROWINGS

As at 30 June 2023 the Trust had the following borrowings:

	Expiry date	June 2023		June 2022	
		Limit \$000	Amount drawn \$000	Limit \$000	Amount drawn \$000
Bank debt facilities					
Westpac Banking Corporation	30 April 2026	135,000	53,100	135,000	46,500
Commonwealth Bank of Australia	31 July 2025	110,000	52,900	110,000	46,200
Sumitomo Mitsui Banking Corporation	15 March 2027	110,000	110,000	110,000	110,000
		355,000	216,000	355,000	202,700
Corporate bonds					
Fixed term seven-year corporate bond	10 April 2026	150,000	150,000	150,000	150,000
Fixed term seven-year corporate bond	24 March 2028	100,000	100,000	100,000	100,000
Accrued interest and borrowing costs			2,473		2,903
		250,000	252,473	250,000	252,903
		605,000	468,473	605,000	455,603

Recognition and measurement

The borrowings under the bank debt facilities are not secured by assets of the Trust, but are subject to reporting and financial undertakings by the Trust to the banks under negative pledge agreements with each bank. The Trust's corporate bonds are also not secured by assets of the Trust, but are subject to similar reporting and financial undertakings as the bank debt facilities.

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

Refer to Note 12 for information on interest rate and liquidity risk.

At 30 June 2023 the minimum duration of the above debt facilities was 25 months (2022: 37 months) and the maximum was 57 months (2022: 69 months) with a weighted average duration of 38 months (2022: 50 months).

Interest-bearing loans and borrowings

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

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

Corporate bonds

On 10 April 2019, the Trust issued \$100 million fixed rate domestic bonds maturing on 10 April 2026. Interest is payable semi-annually in arrears on the fixed rate domestic bonds, at 3.30 per cent per annum. An additional \$50 million was issued to this facility on 29 May 2020.

On 24 March 2021, the Trust issued \$100 million fixed rate domestic bonds maturing on 24 March 2028. Interest is payable semi-annually in arrears on the fixed rate domestic bonds, at 2.20 per cent per annum.

Bank debt facilities

Interest is payable on bank debt facilities based on the BBSY interest rate for each respective drawdown plus a margin.

9. ISSUED CAPITAL

	June 2023 \$000	June 2022 \$000
Balance at the end of the financial year	945,558	945,558

During the period no new units were issued under the Trust's distribution reinvestment plan, therefore the number of ordinary units on issue as at 30 June 2023 remained at 642,383,803 (2022: 642,383,803).

Recognition and measurement

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.

Rights

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

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

Distribution reinvestment plan

The Trust operates a distribution reinvestment plan ("DRP"). The DRP was in place for both the interim distribution and final distribution for the year ended 30 June 2023. An issue of units under the DRP results in an increase in issued capital unless the units are acquired on-market, which was the case during the financial year.

During the year the number of units acquired on-market was 2,176,351 (2022: 2,032,047) at a cost of \$8.75 million (2022: \$8.38 million).

10. HEDGE RESERVE

	June 2023 \$000	June 2022 \$000
Balance at the beginning of the financial year	-	(778)
Effective portion of changes in fair value of cash flow hedges:		
- Realised (gains)/losses transferred to profit or loss	(7)	793
- Unrealised gains/(losses) on cash flow hedges	347	(15)
Balance at the end of the financial year	340	-

Recognition and measurement

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.

11. EARNINGS PER UNIT

	June 2023	June 2022
Net earnings used in calculating basic and diluted earnings per unit (\$000)	36,693	486,637
Basic and diluted earnings per unit (cents)	5.71	75.75
Basic and diluted earnings per unit excluding gains/(losses) in fair value of investment properties (cents)	17.68	17.86
Weighted average number of units on issue used in the calculation of basic and diluted earnings per unit	642,383,803	642,383,803

Recognition and measurement

Earnings per unit

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

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

12. FINANCIAL RISK MANAGEMENT

The Trust holds financial instruments for the following purposes:

Financing: to raise funds for the Trust's operations. The principal types of instruments are term advances ("bank loans") and corporate bonds.

Operational: the Trust's activities generate financial instruments including cash, trade receivables and trade payables.

Risk management: to reduce risks arising from the financial instruments described above, including interest rate swaps.

The Trust's holding of these instruments exposes it to risk. The Board of directors of the responsible entity has overall responsibility for the establishment and oversight of the Trust's policies for managing these risks, which are outlined below:

- > credit risk (note 12(a));
- > liquidity risk (note 12(b)); and
- > interest rate risk (note 12(c)).

These risks affect the fair value measurement applied by the Trust, which is discussed further in note 12(e).

a) Credit risk

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

Receivables

During the year the credit risk associated with 89.4 per cent (2022: 89.2 per cent) of the rental income was with four tenants:

	June 2023 %	June 2022 %
Bunnings Group Limited ¹	85.2	85.0
Officeworks Superstores Pty Ltd ¹	1.9	2.1
Amart Furniture	1.5	1.3
Easy Auto 123 Pty Ltd	0.8	0.8

¹ Wholly owned subsidiaries of Wesfarmers Limited.

Bunnings Group Limited, Officeworks Superstores Pty Ltd and Wesfarmers Limited are currently subject to a Deed of Cross Guarantee under which they covenant with a trustee for the benefit of each creditor that they guarantee to each creditor payment in full of any debt in the event of any entity that is included in the Deed of Cross Guarantee being wound up. Wesfarmers Limited has been assigned a credit rating of A-(Stable)/A2 by Standard & Poor's (A3 (Stable)/P2 – Moody's).

Cash

The Trust limits its exposure to credit risk associated with its cash by maintaining limited cash balances and having cash deposited with reputable, major financial institutions subject to regulation in Australia, which are rated A- or higher by Standard and Poor's.

Derivative financial instruments

The Trust limits its exposure to credit risk associated with future payments from its interest rate swaps by contracting with reputable major financial institutions subject to regulation in Australia, which are rated A- or higher by Standard and Poor's.

Exposure to credit risk

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

Note	Carrying amount	
	June 2023 \$000	June 2022 \$000
Cash and short-term deposits	16,832	11,855
Receivables		
Wesfarmers Limited subsidiaries	1,299	738
Other tenants	938	1,466
	2,237	2,204
Derivative financial instruments	340	-
Total exposure	19,409	14,059

b) Liquidity risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they fall due.

To assist in minimising the risk of having inadequate funding for the Trust's operations, the Trust's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and corporate bonds with different tenures, with the Trust aiming to spread maturities to avoid excessive refinancing in any period. In respect to the Trust's bank loans with the Commonwealth Bank of Australia and Westpac Banking Corporation, whilst these have fixed maturity dates, the terms of these facilities allow for the maturity period to be extended by a further year each year subject to the amended terms and conditions being accepted by both parties. The Trust also regularly updates and reviews its cash flow forecasts to assist in managing its liquidity.

Maturity of financial liabilities

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

	Carrying amount \$000	Contractual cash flows \$000	1 year \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
30 June 2023						
Non-derivative financial liabilities						
Bank loans - principal	(216,000)	(216,000)	-	-	(216,000)	-
Bank loans - future interest	-	(38,121)	(12,028)	(12,319)	(13,774)	-
Corporate bonds	(252,473)	(275,635)	(7,150)	(7,150)	(261,335)	-
Payables and deferred income	(26,290)	(26,290)	(26,290)	-	-	-
	(494,763)	(556,046)	(45,468)	(19,469)	(491,109)	-
30 June 2022						
Non-derivative financial liabilities						
Bank loans - principal	(202,700)	(202,700)	-	-	(202,700)	-
Bank loans - future interest	-	(36,870)	(7,095)	(9,205)	(20,570)	-
Corporate bonds	(252,903)	(282,785)	(7,150)	(7,150)	(166,285)	(102,200)
Payables and deferred income	(20,426)	(20,426)	(20,426)	-	-	-
	(476,029)	(542,781)	(34,671)	(16,355)	(389,555)	(102,200)

c) Interest rate risk

Interest rate risk is the risk that the Trust's finances will be adversely affected by fluctuations in interest rates. To help reduce this risk in relation to bank loans, the Trust has employed the use of interest rate swaps whereby the Trust agrees with various banks to exchange at specified intervals, the difference between fixed rate and floating rate interest amounts calculated by reference to an agreed notional principal amount. Any amounts paid or received relating to interest rate swaps are recognised as adjustments to interest expense over the life of each contract swap, thereby effectively fixing the interest rate on the underlying obligations. The Trust also issues fixed rate corporate bonds.

At 30 June 2023 the fixed rates varied from 0.66 per cent to 3.44 per cent (2022: 0.66 per cent to 1.29 per cent) plus margins and the floating rates were at bank bill rates plus a bank margin.

The Trust has a policy of hedging the majority of its borrowings against interest rate movements to ensure stability of distributions. At 30 June 2023, the Trust's hedging cover (interest rate swaps and fixed rate corporate bonds) was 56.9 per cent of borrowings, which is within the Board's preferred range of between 50 per cent to 75 per cent hedged.

The Trust's exposure to interest rate risk for classes of financial assets and financial liabilities is set out as follows:

	Carrying amount	
	June 2023 \$000	June 2022 \$000
Variable rate instruments		
Cash and short-term deposits	16,832	11,855
Bank loans	(216,000)	(202,700)

THE TRUST'S SENSITIVITY TO INTEREST RATE MOVEMENTS

Fair value sensitivity analysis for fixed rate instruments

The Trust does not account for any fixed-rate financial assets or financial liabilities at fair value through the profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

The analysis following considers the impact on equity and net profit or loss due to a reasonably possible increase or decrease in interest rates. This analysis assumes that all other variables remain constant. A similar analysis was applied to the 2022 financial year, however due to changes in expectations in the interest rate environment a 100 bps increase has been used in the current year compared to a 200 bps increase used in the prior year, and similarly a 100 bps decrease has been used in the current year compared to a 50 bps decrease used in the prior year.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

12. FINANCIAL RISK MANAGEMENT (CONTINUED)

	Impact on Net profit		Impact on Equity	
	100 basis points increase \$000	100 basis points decrease \$000	100 basis points increase \$000	100 basis points decrease \$000
30 June 2023				
Variable rate instruments	(2,160)	2,160	-	-
Interest rate swaps	150	(150)	372	(385)
Net impact	(2,010)	2,010	372	(385)

	Impact on Net profit		Impact on Equity	
	200 basis points increase \$000	50 basis points decrease \$000	200 basis points increase \$000	50 basis points decrease \$000
30 June 2022				
Variable rate instruments	(4,054)	1,014	-	-
Interest rate swaps	-	-	-	-
Net impact	(4,054)	1,014	-	-

DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

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

d) Capital management

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

In order to maintain a manageable level of debt, the responsible entity has established a preferred range of 20 to 30 per cent for the Trust's gearing ratio (debt to total assets), which is monitored on a monthly basis. At 30 June 2023, the gearing level was 15.8 per cent (2022: 15.1 per cent).

The DRP was in place for the interim distribution and final distribution for the year ended 30 June 2023.

e) Fair values

The fair values and carrying amounts of the Trust's financial assets and financial liabilities recorded in the financial statements are materially the same with the exception of the following:

	June 2023 \$000	June 2022 \$000
Corporate bonds – book value	(252,473)	(252,903)
Corporate bonds – fair value	(225,431)	(225,630)

The methods and assumptions used to estimate the fair value of financial instruments are as follows:

LOANS AND RECEIVABLES, AND PAYABLES AND DEFERRED INCOME

Due to the short-term nature of these financial rights and obligations, their carrying amounts are estimated to represent their fair values.

CASH AND SHORT-TERM DEPOSITS

The carrying amount is fair value due to the liquid nature of these assets.

BANK LOANS AND CORPORATE BONDS

Market values have been used to determine the fair value of corporate bonds using a quoted market price. The fair value of bank loans have been calculated by discounting the expected future cash flows at prevailing interest rates using market observable inputs.

INTEREST RATE SWAPS

Interest rate swaps are measured at fair value by valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly (Level 2).

Key judgement

Interest rates used for determining fair value

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

	June 2023	June 2022
Interest rate swaps	4.33% to 4.62%	-

13. CAPITAL EXPENDITURE COMMITMENTS

Estimated capital expenditure contracted for at balance date, but not provided for in the financial statements, which is payable:

	June 2023 \$000	June 2022 \$000
Not later than one year:		
Related parties	28,500	16,300
	28,500	16,300

Capital commitments to related parties

DUBBO, NEW SOUTH WALES

In August 2022, the Trust committed to acquire from Bunnings adjoining land and expand its Dubbo Bunnings Warehouse, New South Wales at a cost of \$14.0 million.

COBURG, VICTORIA

In February 2022, the Trust committed to additional funding of \$1.0 million to expand its Coburg Bunnings Warehouse, Victoria with the total commitment increasing to \$3.5 million. To date \$1.5 million has been spent.

LISMORE, NEW SOUTH WALES

In August 2021, the Trust committed to expand its Lismore Bunnings Warehouse, New South Wales, at a cost of \$11.3 million.

As a result of cost escalations across the construction industry, the Trust has agreed to increase its commitment to expand the Bunnings Warehouse at Lismore from \$11.3 million to \$12.5 million.

14. AUDITOR'S REMUNERATION

	June 2023 \$	June 2022 \$
Audit and review of the financial statements		
KPMG Australia	109,173	104,716
Other services		
KPMG Australia – taxation services	31,703	19,183
KPMG Australia – property consultancy services	9,350	9,185
Total auditor's remuneration	150,226	133,084

Further details on the non-audit services can be found in the Directors' report on page 53.

15. RELATED PARTY DISCLOSURES

a) Relationship with the Wesfarmers Group

As in the prior year, Wesfarmers Investments Pty Limited, a controlled entity of Wesfarmers Limited, holds 159,014,206 units in the Trust, representing 24.75 per cent of the units on issue at 30 June 2023.

b) Transactions with the Wesfarmers Group

During the year ended 30 June 2023, the Trust had the following transactions with Wesfarmers Group:

	June 2023 \$	June 2022 \$
Bunnings Group Limited¹		
Rent and other property income	134,586,377	129,916,224
Rent and other property income received in advance	10,651,521	9,670,739
Amounts receivable	859,644	72,323
Amounts payable	72,603	-
Officeworks Superstores Pty Ltd¹		
Rent	3,005,280	3,179,961
Amounts receivable	156,556	157,766
BWP Management Limited¹		
Responsible entity fees	17,864,220	16,122,382
Fees waived ²	-	221,178
Wesfarmers Limited		
Insurance premiums paid	187,504	164,878
Insurance proceeds receivable	282,694	507,863

¹ A controlled entity of Wesfarmers Limited.

² The responsible entity waived its entitlement to fees in respect to \$75 million of property valuation uplift for a twelve month period from 1 January 2021.

c) Economic dependency

87.1 per cent (2022: 87.1 per cent) of the Trust's rental income received during the year was from Bunnings Group Limited and Officeworks Superstores Pty Ltd, both controlled entities of Wesfarmers Limited.

d) Other transactions

- i) During the year the Trust paid \$1.5 million to Bunnings Group Limited in relation to the warehouse development at Coburg, Victoria, and \$1.5 million to acquire adjoining land at Lismore, New South Wales to expand the Bunnings Warehouse.
- ii) The Trust reimbursed Bunnings Group Limited for minor capital works and repairs and maintenance incurred to the Trust's properties for which the Trust had a contractual obligation.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2023

16. DIRECTOR AND EXECUTIVE DISCLOSURES

a) Details of key management personnel

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

CHAIRMAN – NON-EXECUTIVE

Tony Howarth AO

MANAGING DIRECTOR

Michael Wedgwood

NON-EXECUTIVE DIRECTORS

Danielle Carter
Fiona Harris AM
Alison Quinn
Mike Steur

b) Remuneration policy

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

The right of the responsible entity to be remunerated and indemnified by the Trust is set out in the constitution of the Trust and summarised in Note 2. The constitution is lodged with ASIC and is available to unitholders on request.

For the financial year ended 30 June 2023, 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, from time-to-time, 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.

Wesfarmers Limited employees seconded to the responsible entity to provide management services to the Trust are engaged in dedicated roles to act exclusively for the responsible entity on behalf of the Trust and are paid directly by Wesfarmers Limited. Short-term incentives paid by Wesfarmers Limited to employees engaged by the responsible entity are based entirely on the performance of the Trust and furthering the objectives of the Trust.

c) Unit holdings

Director	Balance at beginning of the year	Movement during the year	Balance at the end of the year
Danielle Carter	-	-	-
Fiona Harris AM	20,000	-	20,000
Tony Howarth AO	20,000	-	20,000
Alison Quinn	-	-	-
Mike Steur	-	-	-
Michael Wedgwood	-	-	-
Total	40,000	-	40,000

The above holdings represent holdings where the directors have a beneficial interest in the units of the Trust.

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.

17. OTHER ACCOUNTING POLICIES

a) Impairment

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

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

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

In circumstances where impairment losses are deemed, these are included in the statement of profit or loss and other comprehensive income.

b) Goods and Services Tax

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

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

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

Directors' report

FOR THE YEAR ENDED 30 JUNE 2023

In accordance with the *Corporations Act 2001*, BWP Management Limited (ABN 26 082 856 424), the responsible entity of BWP Trust, provides this report for the financial year that commenced 1 July 2022 and ended 30 June 2023. The information on pages 5 to 31 forms part of this directors' report and is to be read in conjunction with the following information:

RESULTS AND DISTRIBUTIONS

	June 2023 \$000	June 2022 \$000
Profit attributable to unitholders of BWP Trust	36,693	486,637
Capital profits released from undistributed profit	3,930	2,800
Net unrealised losses/(gains) in fair value of investment properties	76,862	(371,939)
Distributable profit for the year	117,485	117,498
Opening undistributed profit	13	7
Closing undistributed profit	(6)	(13)
Distributable amount	117,492	117,492

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 2023:

	June 2023 \$000	June 2022 \$000
a) Out of the profits for the year ended 30 June 2022 on ordinary units as disclosed in last year's directors' report:		
i) Final distribution of 9.27 cents per ordinary unit declared by the directors for payment on 19 August 2022	59,549	59,549
b) Out of the profits for the year ended 30 June 2023 (see Note 7 of the notes to the financial statements):		
i) Interim distribution of 9.02 cents per ordinary unit paid on 24 February 2023	57,943	57,943
ii) Final ordinary distribution of 9.27 cents per ordinary unit declared by the directors for payment on 25 August 2023	59,549	59,549

UNITS ON ISSUE

At 30 June 2023, 642,383,803 units of BWP Trust were on issue (2022: 642,383,803).

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 2023, BWP Trust held assets to a total value of \$2,960.2 million (2022: \$3,021.9 million). The basis for valuation of investment properties which comprises the majority of the value of the Trust's assets is disclosed in Note 5 of the notes to and forming part of the financial statements.

FEE PAID TO THE RESPONSIBLE ENTITY AND ASSOCIATES

Management fees totalling \$17,864,220 (2022: \$16,122,382) were paid or payable to the responsible entity out of Trust property during the financial year.

TRUST INFORMATION

BWP Trust is a Managed Investment Scheme registered in Australia. BWP Management Limited, the responsible entity of the Trust, is incorporated and domiciled in Australia and holds an Australian Financial Services Licence. The responsible entity's parent company and ultimate parent company is Wesfarmers Limited.

The registered office of the responsible entity is Level 14, Brookfield Place Tower 2, 123 St Georges Terrace, Perth, Western Australia, 6000. The principal administrative office of the responsible entity is Level 12, Brookfield Place Tower 2, 123 St Georges Terrace, Perth, Western Australia, 6000.

The Trust had no employees during the financial year (2022: nil). Management services are provided to the responsible entity by Wesfarmers Limited. Wesfarmers Limited employees seconded to the responsible entity to provide management services to the Trust are engaged in dedicated roles to act exclusively for the responsible entity on behalf of the Trust and are paid directly by Wesfarmers Limited. Short-term incentives paid by Wesfarmers Limited to employees engaged by the responsible entity are based entirely on the performance of the Trust and furthering the objectives of the Trust.

Directors' report (continued)

FOR THE YEAR ENDED 30 JUNE 2023

DIRECTORS

Tony Howarth AO (Chairman)
Danielle Carter
Fiona Harris AM
Alison Quinn
Mike Steur
Michael Wedgwood (Managing Director)

Details of the directors appear on page 31.

No director is a former partner or director of the current auditor of the Trust, at a time when the current auditor has undertaken an audit of the Trust.

COMPANY SECRETARY

Karen Lange, FGIA, FCG, MBus

Karen Lange has been the company secretary since 2008. She has more than 30 years company secretarial experience including company secretary of Woodside Petroleum Limited and Wesfarmers Limited.

DIRECTORS' UNITHOLDINGS

Units in the Trust in which directors had a relevant interest at the date of this report were:

Director	Units in the Trust
Danielle Carter	-
Fiona Harris AM	20,000
Tony Howarth AO	20,000
Alison Quinn	-
Mike Steur	-
Michael Wedgwood	-

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 INDEMNIFICATION OF DIRECTORS AND OFFICERS

During or since the end of the financial year insurance has been maintained covering the entity's directors and officers against certain liabilities 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.

To the extent permitted by law, 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.

No indemnity payment has been made under any of the arrangements referred to above during or since the end of the financial year.

REVIEW AND RESULTS OF OPERATIONS

The operations of the Trust during the financial year and the results of those operations are reviewed on pages 6 to 18 of this report and in the accompanying financial statements. This includes information on the financial position of the Trust and its business strategies and prospects for future financial years.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the financial year, the value of the Trust's investment properties decreased by \$0.1 billion (2022: \$0.4 billion increase) to \$2.9 billion (2022: \$3.0 billion). The number of investment properties held remained at 73.

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

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

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

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Likely developments in and expected results of the operations of the Trust in subsequent years are referred to elsewhere in this report, particularly on pages 6 to 18. 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 high standards of corporate behaviour and accountability, the directors of BWP Management Limited support and comply with the ASX Corporate Governance Principles and Recommendations applicable to externally managed listed entities. The Corporate Governance Statement can be viewed in the Corporate Governance section under the "About Us" tab of the BWP Trust's website.

ENVIRONMENTAL REGULATION AND PERFORMANCE

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

BOARD COMMITTEES

As at the date of this report, the responsible entity had an Audit and Risk Committee and Remuneration and Nomination Committee. Each committee is comprised of all of the non-executive directors of the responsible entity.

There were three Audit and Risk Committee and two Remuneration and Nomination 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 Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191, unless otherwise stated. The Trust is an entity to which the Class Order applies.

AUDITOR INDEPENDENCE

The lead auditor's independence declaration is set out on page 54 forms part of the Directors' report for the year ended 30 June 2023.

NON-AUDIT SERVICES

KPMG provided the following non-audit services to the Trust during the year ended 30 June 2023 and received, or is due to receive, the following amount for the provision of these services:

Taxation services	\$31,703
Property consultancy services	\$9,350
Total	\$41,053

The Trust has had a long-standing working relationship with SGA consultancy group, and this entity was acquired by KPMG in 2014 and subsequently renamed KPMG Property and Environmental Services. Prior and post the acquisition, KPMG Property and Environmental Services has provided investigation, project management and advice on property rectification issues.

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

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

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



Tony Howarth AO
Chairman
BWP Management Limited
Perth, 2 August 2023

Directors' declaration

FOR THE YEAR ENDED 30 JUNE 2023

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

1. In the opinion of the directors:
 - a) the financial statements and notes of the Trust are in accordance with the *Corporations Act 2001*, including:
 - i) giving a true and fair view of the Trust's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
 - ii) complying with Accounting Standards and *Corporations Regulations 2001*.
 - b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable; and
 - c) the financial statements also comply with International Financial Reporting Standards as disclosed on page 38.

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 2023.

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



Tony Howarth AO
Chairman
BWP Management Limited
Perth, 2 August 2023

Auditor's independence declaration



FOR THE YEAR ENDED 30 JUNE 2023

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

To the Directors of BWP Management Limited, the responsible entity of BWP Trust

I declare that, to the best of my knowledge and belief, in relation to the audit of BWP Trust for the financial year ended 30 June 2023 there have been:

- i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Jane Bailey

Partner
Perth, 2 August 2023

Independent Auditor's report



FOR THE YEAR ENDED 30 JUNE 2023

To the unitholders of BWP Trust

OPINION

We have audited the *Financial Report* of BWP Trust (the Trust).

In our opinion, the accompanying Financial Report of the Trust is in accordance with the *Corporations Act 2001*, including:

- > giving a true and fair view of the Trust's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- > complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The *Financial Report* comprises the:

- > Statement of financial position as at 30 June 2023
- > Statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended
- > Notes including a summary of significant accounting policies
- > Directors' Declaration.

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Independent Auditor's report (continued)



FOR THE YEAR ENDED 30 JUNE 2023

BASIS FOR OPINION

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Trust in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of BWP Trust, would be in the same terms if given to the Directors as at the time of this Auditor's Report.

KEY AUDIT MATTER

The *Key Audit Matter* we identified is:

- > Valuation of Investment Properties

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INVESTMENT PROPERTIES (\$2,936M)

Refer to Note 5 to the Financial Report

The key audit matter	How the matter was addressed in our audit
<p>Valuation of investment properties is a key audit matter due to the:</p> <ul style="list-style-type: none"> > Significance of the balance to the financial statements (99.2 per cent of total assets); > Judgement required by us in assessing the appropriateness of the Trust's selection of the capitalisation of income valuation method as the primary valuation methodology for the Trust's investment properties from the three available methodologies under the accounting standards. The adoption of an alternative valuation method may result in a different valuation outcome. > Sensitivity of the Trust's selected capitalisation rates to the projected income of individual investment properties in the valuation methodology. A small percentage movement in the capitalisation rate across the portfolio would result in a significant financial impact to the investment property balance and the income statement. 	<p>Working with our real estate valuation specialists, our procedures included:</p> <ul style="list-style-type: none"> > Understanding the Trust's process regarding the valuation of investment property. > We assessed the scope, competency and objectivity of both the Trust's external valuers and the directors involved in undertaking the directors' (i.e. internal) valuation. > We assessed the appropriateness of the valuation methodology utilised, being the capitalisation of income method, against accepted industry practices, using the nature of the properties, and requirements of the accounting standards. > Using our valuation skills and market knowledge, we evaluated a sample of external valuations and the directors' internal valuations. > We questioned the capitalisation rates applied by the Trust to specific investment properties based on our knowledge of the property portfolio. We also tested, on a sample basis, other key inputs to the investment property valuations such as passing rent and lease term remaining, where tenanted, for consistency to existing lease contracts. Where vacant or end of lease we have obtained understanding of expected use and evidence of market valuation. > We assessed the disclosures in the financial report, using our understanding obtained from our testing, against accounting standards requirements.

Independent Auditor's report (continued)



FOR THE YEAR ENDED 30 JUNE 2023

OTHER INFORMATION

Other Information is financial and non-financial information in BWP Trust's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL REPORT

The Directors are responsible for:

- > preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- > implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- > assessing the Trust's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL REPORT

Our objective is:

- > to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- > to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf

This description forms part of our Auditor's Report

KPMG

KPMG

Jane Bailey

Jane Bailey

Partner
Perth, 2 August 2023

Unitholder information

FOR THE YEAR ENDED 30 JUNE 2023

SUBSTANTIAL UNITHOLDERS

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

	Date of notice	Units
Wesfarmers Limited, its subsidiaries and their associates	9 September 2013	151,863,632
The Vanguard Group Inc, and their associates	21 May 2020	52,018,423
Blackrock Group	17 August 2020	32,206,894
State Street Corporation, and their subsidiaries	30 June 2023	33,329,550

DISTRIBUTION OF UNITHOLDERS

As at 12 July 2023:

Range of holding	Holders	Units	%
1 – 1,000	5,316	2,141,648	0.33
1,001 – 5,000	7,847	22,115,809	3.44
5,001 – 10,000	4,262	31,698,358	4.93
10,001 – 100,000	5,311	130,949,848	20.39
100,001 – over	195	455,478,140	70.91
Total	22,931	642,383,803	100.00
Unitholders holding less than a marketable parcel 140 units	1,369	68,804	

VOTING RIGHTS

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

TWENTY LARGEST UNITHOLDERS

The twenty largest holders of ordinary units in the Trust as at 12 July 2023 were:

	Number of Units	Percentage of capital held
Wesfarmers Investments Pty Ltd	159,014,206	24.75
HSBC Custody Nominees (Australia) Limited	102,505,992	15.96
JP Morgan Nominees Australia Pty Limited	78,067,128	12.15
Citicorp Nominees Pty Limited	39,172,530	6.10
BNP Paribas Noms Pty Ltd <DRP>	11,169,303	1.74
National Nominees Limited	6,812,401	1.06
Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	4,922,142	0.77
BNP Paribas Nominees Pty Ltd <Agency Lending DRP A/C>	3,723,709	0.58
HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp A/C>	3,708,812	0.58
Djerriwarrh Investments Limited	2,744,045	0.43
BNP Paribas Nominees Pty Ltd HUB24 Custodial Serv Ltd <DRP A/C>	1,857,166	0.29
Netwealth Investments Limited <WRAP Services A/C>	1,792,386	0.28
HSBC Custody Nominees (Australia) Limited	1,228,065	0.19
Lymal Pty Ltd	1,191,798	0.19
Netwealth Investments Limited <Super Services A/C>	1,069,470	0.17
Nulis Nominees (Australia) Limited <Navigator Mast Plan Sett A/C>	889,223	0.14
Sonice Pty Ltd <The Springfield A/C>	883,737	0.14
BNP Paribas Noms (NZ) Ltd <DRP>	745,927	0.12
Australian Executor Trustees Limited <No 1 Account>	742,684	0.12
Akat Investments Pty Limited <Tag Family No 2 A/C>	700,000	0.11
Total top 20 holders	422,940,724	65.84
Total remaining holders balance	219,443,079	34.16

Investor information

FOR THE YEAR ENDED 30 JUNE 2023

STOCK EXCHANGE LISTING

The BWP Trust is listed on the Australian Securities Exchange ("ASX") and reported in the "Industrial" section in daily newspapers – code BWP.

DISTRIBUTION REINVESTMENT PLAN

The Distribution Reinvestment Plan was in place for both the interim and final distributions for the year ended 30 June 2023.

ELECTRONIC PAYMENT OF DISTRIBUTIONS

All distributions to unitholders in Australia are by direct credit only to the unitholder's nominated account.

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 either by an electronic or mailed payment advice.

Unitholders can provide their banking instructions online by logging onto www.investorcentre.com/au. Alternatively, unitholders can request the relevant forms by contacting the registry.

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 ASX covering matters of relevance to investors.

WEBSITE

The Trust's website, bwptrust.com.au provides information on each property in the portfolio, and an overview of the Trust's approach to investment, corporate governance and sustainability. The site also provides unit price information and access to annual and half-year reports and releases made to the ASX.

ANNUAL TAX STATEMENTS

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

PROFIT DISTRIBUTIONS

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

UNITHOLDER ENQUIRIES

Please contact the Registry Manager if you have any questions about your unitholding or distributions.

COMPLAINTS HANDLING

Complaints made in regard to BWP Trust should be directed to the Managing Director, BWP Management Limited, Level 14, Brookfield Place Tower 2, 123 St Georges Terrace, Perth, Western Australia, 6000. The procedure for lodgement of complaints and complaints handling is set out under the **Contact Us** tab of the BWP Trust website at bwptrust.com.au.

EXTERNAL DISPUTES RESOLUTION

Should a complainant be dissatisfied with the decision made by the responsible entity in relation to a complaint, the complainant is entitled to lodge a dispute with the Australian Financial Complaints Authority ("AFCA"), an independent external dispute resolution ("EDR") scheme authorised by the Minister for Revenue and Financial Services to deal with complaints from consumers in the financial system. AFCA can be contacted by telephone on 1800 931 678 (free call), by email to info@afca.org.au, by fax to (03) 9613 6399, by mail addressed to Australian Financial Complaints Authority Limited, GPO Box 3, Melbourne VIC 3001, or by visiting their website at www.afca.org.au.

Directory

FOR THE YEAR ENDED 30 JUNE 2023

RESPONSIBLE ENTITY

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bwptrust.com.au

DIRECTORS

Tony Howarth AO (Chairman)
Michael Wedgwood (Managing Director)
Danielle Carter
Fiona Harris AM
Alison Quinn
Mike Steur

COMPANY SECRETARY

Karen Lange

REGISTRY MANAGER

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