



ANNUAL REPORT 2014

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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.

ANNUAL REPORT 2014

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

BWP TRUST ANNUAL REPORT 2014



FRONT & BACK COVER IMAGES

- | | |
|----------------------|---------------------------|
| 1 > Springvale, VIC | 6 > Sunbury, VIC |
| 2 > North Lakes, QLD | 7 > Townsville North, QLD |
| 3 > Ellenbrook, WA | 8 > Manly West, QLD |
| 4 > Bethania, QLD | 9 > Arundel, QLD |
| 5 > Rydalmere, NSW | 10 > West Ipswich, QLD |

The 10 properties acquired following unitholders' approval in September 2013.

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

The majority of the Trust's properties are large format retailing properties, in particular, Bunnings Warehouses leased to Bunnings Group Limited ("Bunnings").

The following is a brief summary of BWP Trust's ("BWP" or "the Trust") operations and activities, and readers should refer to the details provided throughout this Annual Report and on the Trust's website for further information.

As at 30 June 2014, the Trust owned 78 Bunnings Warehouses, eight of which have adjacent retail showrooms that the Trust owns and are leased to other retailers, four development sites on which Bunnings Warehouses are being developed, a stand alone showroom property and four industrial properties for manufacturing, storing and distributing goods and services.

The Trust's main source of income is the rent paid by Bunnings and other customers for leasing their respective premises from the Trust. Rent is generally based on the area of the property leased by the customer, and typically does not have reference to the customer's turnover at the premises. Growth in rental income typically comes from acquiring additional leased properties and from increases in rent from existing properties. Rents from existing properties grow as a result of annual incremental 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.

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 will be determined by 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 assess 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 and typically represent 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.

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 an annual fee based on the gross assets of the Trust. Both Bunnings and the responsible entity are wholly-owned subsidiaries of Wesfarmers Limited, one of Australia's largest listed companies. Wesfarmers Limited also owns approximately 24.7 per cent of the issued units in the Trust.



> Coburg, VIC



> Sunbury, VIC

Growth in rental income typically comes from acquiring additional leased properties and increases in rent from existing properties

INVESTMENT APPROACH

BWP Trust aims to provide a premium commercial real estate investment product, delivering unitholders a secure and growing income stream and long-term capital growth.

To achieve this core purpose the responsible entity invests on behalf of the Trust according to the following strategies, objectives and investment criteria:

STRATEGIES

Pro-active management of existing assets

Portfolio growth

Effective management of the Trust and its capital

OBJECTIVES

- > Full occupancy and strong customer covenants
- > Value enhancing capital improvements
- > Disciplined and timely approach to rent reviews
- > Efficiencies in outgoings and stay-in-business capital expenditure
- > Longer term property enhancement (rezoning, lease improvements, property accessibility and format)
- > Divestment of non-core assets, where value has been optimised
- > Source quality Bunnings Warehouses from Bunnings or third parties
- > Pursue other prime large format retailing properties anchored with a Bunnings Warehouse
- > Reliable cash flow and low cost funding
- > Disciplined, but commercial investment approach
- > Competitive advantage from strong customer alignment, capital management, and low cost of doing business
- > Undertake sustainability endeavours that have impact
- > Actively manage the Trust's reputation and profile with all stakeholders
- > Board and management capabilities and experience

INVESTMENT CRITERIA

Preferred property attributes

- > Ample land area (average 3 hectares)
- > Visible and accessible from a major road, highway or freeway
- > Ready vehicle access and ample on-site parking
- > Significant catchment area
- > Geographic diversity
- > Long lease tenure (or re-leasing potential)
- > Leases to businesses with strong financial covenants, that are economically, socially, and environmentally sustainable

Distributable profit of \$92.8 million for the year, up 22.4 per cent on the previous year (including \$0.8 million of capital profits released from the undistributed income reserve).

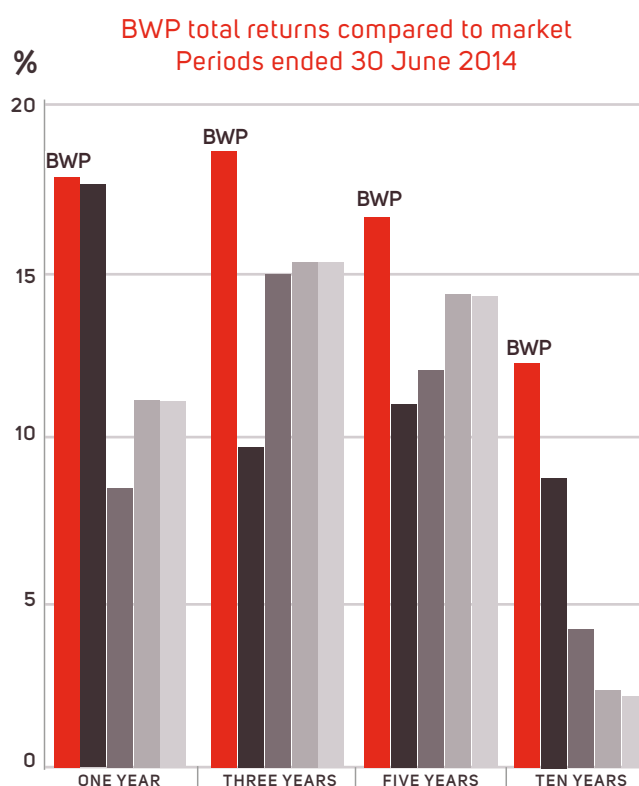
- > Income of \$127.4 million for the year – up 16.7 per cent on the previous year
- > Acquired a portfolio of 10 Bunnings Warehouse properties; two Bunnings Warehouse anchored large format retail centres, a Bunnings Warehouse development site, and a parcel of land adjoining an existing Trust-owned Bunnings Warehouse
- > Market rent reviews on 17 tenancies completed during the year – weighted average 3.4 per cent increase in annual rent; this included market rent reviews completed on 12 Bunnings Warehouses during the year – weighted average 3.8 per cent increase in annual rent
- > Like-for-like rental growth of 2.5 per cent for the 12 months to 30 June 2014, compared to 2.1 per cent for the previous year
- > Capital management initiatives included the refinancing of existing bank facilities, a \$200 million accelerated non-renounceable entitlement offer, and an inaugural \$200 million five-year medium term note issue
- > Weighted average cost of debt of 6.1 per cent for the year – down from 7.3 per cent the previous year
- > Weighted Average Lease Expiry of 6.9 years at 30 June 2014 (2013: 6.8 years)
- > Net Tangible Assets of \$2.07 per unit at 30 June 2014 (2013: \$1.93 per unit)
- > Gearing (debt/total assets) 24.4 per cent at 30 June 2014 (2013: 21.2 per cent)



> North Lakes, QLD



> Rocklea, QLD



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

- BWP Trust (BWP)
- ASX All Ordinaries Accumulation Index
- UBS Retail 200
- S&P/ASX 200 Property Accumulation Index
- S&P/ASX 300 Property Accumulation Index

LETTER FROM THE CHAIRMAN



In the current low interest rate environment, investors are attracted to yield, tenure and quality covenants. With lower funding costs, competition for better quality assets has increased considerably. However, BWP remains competitive from a cost of doing business perspective, and is well placed to continue to build its portfolio and create more value from its existing properties, working closely with Bunnings, the Trust's key customer, to support its requirements.

DEAR UNITHOLDER

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 2014.

The Trust performed strongly during the year, both operationally and in terms of market returns. Total returns for the year (distributions and movement in unit price) of 17.8 per cent were well ahead of the benchmark S&P/ASX 200 Property Accumulation Index of 11.1 per cent. BWP's performance over time is illustrated in the chart on page 4, which shows total returns of BWP and relevant market indices over a longer timeframe; not only for the past year, but over three, five, and ten years.

Operationally, the Trust has seen strong growth in revenue, from increases in rental income flowing from the existing property portfolio, and the addition of 11 sites on which Bunnings Warehouses, have, or are in the process of being developed, and two large format retail centres anchored by Bunnings, which were acquired during the year.

Refinancing of the Trust's existing banking facilities in July 2013, and the medium term note ("MTN" or "corporate bond") issue completed in May 2014, contributed to the reduction in the weighted average cost of debt to 6.1 per cent, from 7.3 per cent in the prior year.

The Trust has also taken the opportunity to divest five non-core properties, re-focusing the portfolio, together with those properties acquired during the year, on assets that are better positioned for rental and capital growth in the future.

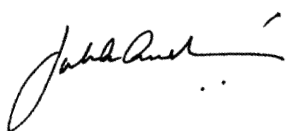
The increased revenue, a lower cost of debt, and a partial distribution of capital profit from divestments, have combined to increase distributions to unitholders – with distributions per unit around 4.0 per cent higher than last year. This is after taking into account a \$200 million equity raising in September 2013, and that a number of properties acquired were developed (or are still being developed) during the year, with full rental only being achieved on completion.

Looking forward, the Trust will benefit from the completion of the development of a number of the properties acquired in the 2013/14 financial year, in terms of increased rental income that will be generated from those properties.

The economic outlook in Australia and globally remains relatively benign from a growth perspective, with an extended period of low interest rates expected. In the current low interest rate environment, investors are attracted to yield, tenure and quality covenants. With lower funding costs, competition for better quality assets has increased considerably. However, BWP remains competitive from a cost of doing business perspective, and is well placed to continue to build its portfolio and create more value from its existing properties, working closely with Bunnings and other key customers to support their property requirements.

Taking into account current committed capital expenditure, and the proceeds from property divestments that settle during the 2014/15 financial year, the Trust will have “debt headroom” of approximately \$150 million to fund further property acquisitions as and when opportunities arise, and still remain within the Trust’s preferred gearing range of 20 to 30 per cent.

Finally, I would like to acknowledge some changes to the Board of the responsible entity during the year. In December 2013, Mr Peter Mansell retired from the Board, after having served as one of the original directors of the Trust. In February 2014, Mr Bryce Denison retired from the Board, having served as a director and Chairman of the Audit and Risk committee, for over four years. During their time with the Trust they both made very valuable contributions, and on behalf of the Board and management of the responsible entity and the Trust’s unitholders, I would like to sincerely thank Peter and Bryce, and wish them both all the best for their future. Mr Grant Gernhoefer resigned in February 2014 after having served eight years in the role of General Manager. I would like to thank Grant for his significant contribution in successfully growing the Trust over that period, in terms of properties under management, and also unitholder returns. Grant was succeeded by Mr Michael Wedgwood as the incoming Managing Director. In April 2014, we were delighted to welcome Mr John Atkins to the Board as a non-executive director, who has extensive business and board experience. I would also like to express my appreciation to all my fellow directors and management for their efforts during the year and thank our unitholders for their continued support of the Trust.



JA Austin

Chairman
BWP Management Limited



> Wallsend, NSW



> Harrisdale, WA

After taking into account a \$200 million equity raising in September 2013, distributions per unit are around 4.0 per cent higher than last year

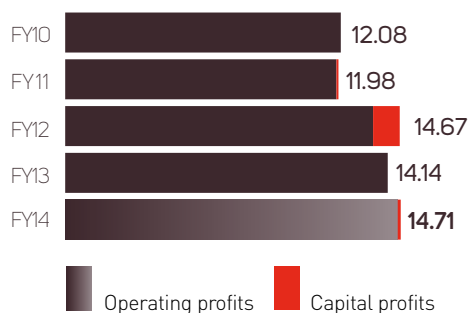
FINANCIAL SUMMARY

FINANCIAL PERFORMANCE

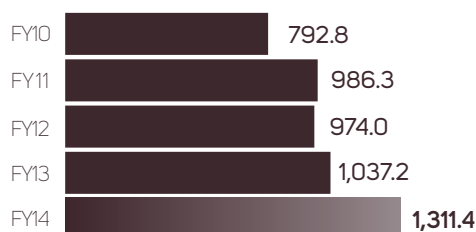
Year ended 30 June			2014	2013	2012	2011	2010
Total income	\$m		127.4	109.2	101.2	84.9	78.4
Net profit	\$m		149.1	110.6	69.9	81.5	92.2
Unrealised (gains)/losses in fair value of investment properties	\$m		(57.1)	(34.8)	0.6	(25.3)	(41.8)
Capital profits released from undistributed income reserve	\$m		0.8	-	6.2	0.4	-
Distributable profit	\$m		92.8	75.8	76.7	56.6	50.4
Distribution per ordinary unit	interim	cents	6.83	7.00	6.63	6.18	6.10
	final	cents	7.88	7.14	8.04	5.80	5.98
	total	cents	14.71	14.14	14.67	11.98	12.08
Tax advantaged component	%		14.69	24.26	19.36	22.60	23.93
Total assets	\$m		1,837.4	1,398.7	1,335.2	1,242.1	1,026.4
Borrowings	\$m		448.3	296.5	288.9	210.8	193.5
Unitholders' equity	\$m		1,311.4	1,037.2	974.0	986.3	792.8
Gearing (debt to total assets)	%		24.4	21.2	21.6	17.0	18.8
Number of units on issue	m		634	538	525	520	421
Number of unitholders			23,668	18,063	14,924	13,958	12,507
Net tangible asset backing per unit	\$		2.07	1.93	1.85	1.90	1.88
Unit price at 30 June	\$		2.48	2.25	1.87	1.83	1.89
Management expense ratio ¹ (annualised)	%		0.64	0.62	0.58	0.67	0.66

¹ Expenses other than property outgoings and borrowing costs as a percentage of average total assets

Distribution per unit (cents per unit)



Unitholders' equity (\$ million)



> Springvale, VIC

MANAGING DIRECTOR'S REPORT



Acquisitions, rent reviews, and improvements to existing investment properties have contributed to a 16.7 per cent growth in revenue.

The growth in revenue, a 15.9 per cent reduction in the weighted average cost of debt, and partial distribution of capital profits on divestments, increased the distributions per unit to 14.71 cents, 4.0 per cent higher than last year.



FINANCIAL RESULTS

Income and expenses

Total income for the full-year to 30 June 2014 was \$127.4 million, up by 16.7 per cent from last year. The increase in income was mainly due to growth of the property portfolio during or since last year, from acquisitions, and upgrades to existing properties (collectively adding approximately \$14.1 million) and rent reviews and other property income (adding approximately \$3.8 million during the year). On a like-for-like basis, excluding rental income from properties acquired or upgraded during or since last year, rental income increased by approximately 2.5 per cent from last year.

Finance costs of \$20.9 million were 4.0 per cent lower than last year due to a lower cost of debt, despite the average level of borrowings of \$332.5 million being 12.6 per cent higher than last year. The weighted average cost of debt for the year (finance costs less finance income, as a percentage of average borrowings) was 6.14 per cent, compared to 7.30 per cent for the previous year. The lower cost of debt was the result of lower floating and fixed interest rates, and reductions in funding costs and margins during or since last year. The utilisation of debt facilities (average borrowings/average facility limits), including the corporate bond issue completed in May 2014, for the full-year to 30 June 2014 was slightly higher than the prior year at 73.8 per cent compared to 68.7 per cent.

Other expenses of \$6.0 million for the year were 35.3 per cent higher than last year, due to an additional \$0.9 million in non-recoverable outgoings for multi tenanted properties, and land tax on properties located in Queensland, acquired during or since last year, the write off of unrecoverable rent of \$0.3 million from a customer that went into administration, and one-off costs of approximately \$0.3 million associated with the acquisition of the portfolio of Bunnings properties approved by unitholders in September 2013. In relation to the increase in the non-recoverable outgoings, the majority of this increase is reflected in an increase in rental income for the period relating to the purchase of properties during the year.

The management expense ratio for the year ended 30 June 2014 (expenses other than property outgoings and borrowing costs as a percentage of average total assets) was 0.64 per cent (2013: 0.62 per cent). The increase in the ratio was primarily due to the reversion to the full management fee payable to the responsible entity in respect of a portfolio of properties acquired from Bunnings in 2011, for which a 50 per cent fee waiver applied during the previous corresponding period, and the non-capitalised costs associated with the acquisition of the portfolio of Bunnings properties approved by unitholders in September 2013. There was a 100 per cent management fee waiver applied to the portfolio of Bunnings properties approved by unitholders in September 2013, with the waiver ceasing on 30 June 2014, which will affect the management expense ratio in future years.

MANAGING DIRECTOR'S REPORT CONTINUED

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 2014, net profit was \$149.1 million, including \$57.1 million in unrealised gains in the fair value of investment properties. This compares with \$110.6 million last year, including unrealised gains of \$34.8 million in the fair value of investment properties.

Distributable profit for the year (excluding unrealised revaluation gains or losses) was \$92.8 million, including a capital profit distribution of \$0.8 million, which is a partial distribution of the net capital profits arising from the divestment of the Sunshine, Sandown and Regency Park properties, the balance of which are being retained to provide flexibility in managing the capital and return profile of the Trust moving forward. This compares with distributable profit of \$75.8 million for the year ended 30 June 2013.

Financial position

As at 30 June 2014, the Trust's total assets were \$1,837.4 million (2013: \$1,398.7 million) with unitholders' equity of \$1,311.4 million and total liabilities of \$526.0 million. Investment properties and assets held for sale made up the majority of total assets, comprising \$1,819.0 million (2013: \$1,378.5 million). Details of investment properties are contained in the Our property portfolio section at pages 14 to 20.

The underlying net tangible asset backing of the Trust's units ("NTA") as at 30 June 2014 was \$2.07 per unit, an increase of 2.5 per cent from \$2.02 per unit as at 31 December 2013 (30 June 2013: \$1.93 per unit). The increase in NTA over the six months to 30 June 2014 was due to the increase in net assets through property revaluations.

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 7.88 cents per ordinary unit (including a partial distribution of capital profits of 0.13 cents per unit) has been declared and will be made on 28 August 2014 to unitholders on the Trust's register at 5.00 pm (AEST) on 30 June 2014. The final distribution takes the total distribution for the year to 14.71 cents per unit (2013: 14.14 cents per unit). The tax advantaged component of the distribution is 14.69 per cent, lower than in previous years due to the property divestments, and taxable capital gains resulting from them.

Units issued under the Trust's Distribution Reinvestment Plan ("DRP") in respect of the final distribution will be issued at

\$2.4937 per unit, representing the volume weighted average price of the Trust's units for the 10 trading days following the record date, with no discount applied.

CAPITAL MANAGEMENT

The Trust is committed to maintaining a strong investment grade rating through appropriate capital and balance sheet management. In July 2013, the Trust was assigned an A- (stable) issuer credit rating by Standard and Poor's, and repriced all of its bi-lateral banking facilities.

In September 2013, the Trust completed a \$200 million equity capital raising by way of a fully underwritten 1 for 6.18 accelerated non-renounceable entitlement offer, to partially fund the acquisition of a portfolio of 10 Bunnings Warehouse properties and one Bunnings Warehouse anchored large format centre.

In May 2014, the Trust successfully priced an inaugural Australian dollar MTN issue of \$200 million of unsecured fixed rate medium term notes, maturing in May 2019.

Debt funding

The Trust's debt facilities as at 30 June 2014 are summarised below.

	Limit \$m	Amount drawn ¹ \$m	Expiry date
Bank debt facilities			
Australia and New Zealand Banking Group Limited	125.0	89.5	23 January 2017
Commonwealth Bank of Australia	125.0	105.9	31 July 2017
Westpac Banking Corporation	150.0	53.8	31 December 2017
Corporate bonds			
Fixed term five-year corporate bond	200.0	200.0	27 May 2019
	600.0	449.2	

¹ Amount drawn includes accrued interest and borrowing costs of \$0.9 million as at 30 June 2014 on bank debt facilities

As at 30 June 2014, the weighted average duration of the Trust's debt facilities was 3.7 years to expiry (2013: 3.4 years) and average utilisation of debt facilities (average borrowings/average facility limits) for the year was 73.8 per cent (2013: 68.7 per cent).

Distribution Reinvestment Plan

The DRP was in place for both the interim distribution and final distribution for the year ended 30 June 2014. 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.

Interest rate risk management

In order to reduce the volatility of borrowing costs due to changes in market interest rates, the Trust takes out 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 2014, the Trust's interest rate hedging cover was 91.3 per cent of borrowings, with \$210.0 million interest rate swaps and the \$200.0 million fixed rate corporate bond against interest bearing debt of \$449.2 million. The weighted average term to maturity of hedging was 3.75 years, including delayed start swaps.

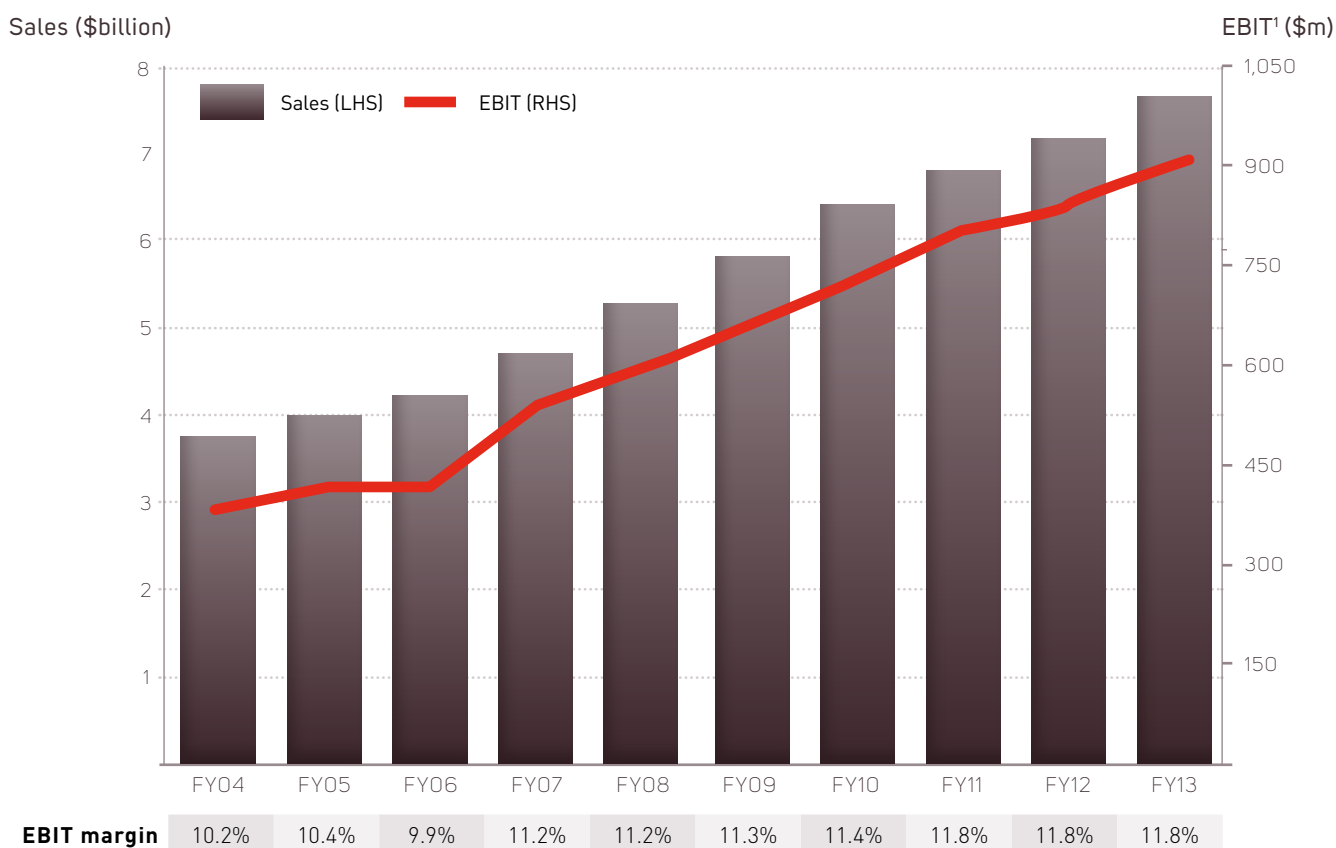
Due to the accounting requirement to mark the value of interest rate swap hedges to market, the Trust's hedging liabilities decreased to approximately \$12.1 million as at 30 June 2014 (2013: \$12.5 million). The decrease in hedging liability during the year was due to the reduction in average term of maturity of the interest rate swap profile. The hedging liability assesses the potential liability if all hedges were to be terminated at 30 June 2014.

During the year, management continued to review the Trust's hedging arrangements, including the opportunity to either: terminate the Trust's current swap arrangements and enter into new interest rate swaps at a lower fixed interest rate, or extend existing swaps by "blending" them with new swaps. Neither of these options is considered to offer a material benefit to unitholders over time, however management will continue to review these options.

Gearing

The Trust's gearing ratio (debt to total assets) at 30 June 2014 was 24.4 per cent (2013: 21.2 per cent), which is at the middle of the Board's preferred range of 20 to 30 per cent. Covenant gearing (debt and non-current liabilities to total assets) was 25.0 per cent (2013: 22.1 per cent) which is well within the Trust's debt covenant requirements. The interest cover ratio (earnings before interest and tax/interest expense) was 5.7 times (2013: 4.6 times), also well within the Trust's debt covenant requirements.

Ten year financial performance for Bunnings, the Trust's main customer



Source: Bunnings

¹ EBIT is earnings before interest and taxes

MANAGING DIRECTOR'S REPORT CONTINUED

OPERATING ENVIRONMENT

Bunnings – the Trust's main customer

Bunnings is the leading retailer of home improvement and outdoor living products in Australia and New Zealand and a major supplier to project builders, commercial tradespeople and the housing industry. Bunnings has a network of approximately 223 Bunnings Warehouse stores across Australia and New Zealand, around 65 smaller format stores and 33 trade centres¹.

Approximately 92 per cent of the Trust's annual rental income is 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 outdoor living markets. Bunnings' performance over a number of years is shown in the chart on page 10.

Bunnings continues to expand its network and reinvest in existing stores. In a recent strategy briefing, Bunnings stated it expects to open approximately 20 or more new warehouse stores per annum over the next two years, and 10 to 14 per annum thereafter². At that briefing, Bunnings outlined its strategic agenda with the focus on driving growth through creating more customer value, better customer experiences, greater brand reach, expanding its commercial business, and through more merchandising innovation³. The Bunnings business model continues to evolve rapidly, to meet the ongoing needs of customers in the home improvement and outdoor living sector.

While past results are not an indicator of future performance, historically Bunnings has consistently grown sales on a like-for-like basis, as well as by expanding its store network. Profit has grown at least proportionally with revenue, as reflected in EBIT margin performance shown in the chart on the previous page. EBIT margin is a measure of how much profit is being derived from sales, based on the annual profit before interest and taxes as a percentage of the annual revenue for each year.

Home improvement and outdoor living market

Bunnings estimates the size of its addressable market in home improvement and outdoor living at \$43 billion, of which its share is 17 per cent⁴. A number of factors drive the growth of the home improvement and outdoor living market including: household disposable income, renovation activity, housing churn, value and formation, weather, lifestyle and demographic trends, government activity and technology⁵.

The market accounts for both consumer and commercial customer demand and includes: hardware and fixings, tools, plumbing, building materials and supplies, garden and landscaping supplies, lighting, paint, kitchen, laundry and bathroom supplies, gas appliances, floor and window coverings, outdoor furniture, storage and housewares. There

is a wide array of competitors operating from a variety of different formats including: category specialists in plumbing, electrical, lighting, timber and garden supplies; hard goods mass merchants, suppliers direct-to-market, home improvement products sold in discount department stores and supermarkets, traditional small format hardware retailers, and Masters Home Improvement ("Masters"), the other large format home improvement and outdoor retailer operating in the Australian market.

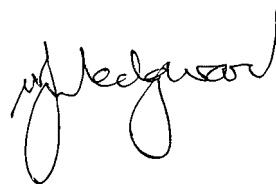
Retailing market and trends

The Trust's key customers are predominantly sellers of retail goods or services. Trends that affect retailing generally, or certain aspects of retailing, may impact some customers. 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 on 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, supply chains and sourcing. Successful retail business models are embracing the changes to provide improved customer experiences, with a multi-channel approach including physical stores, and an on-line and mobile presence. Prime large format retail and home maker centres should remain important as a relatively low cost and structurally adaptable format, for those retail business models. The quality of BWP's portfolio, with its large, prominently located sites means that generally these should be preferred locations for retailing or provide potential longer term alternative uses.

BWP'S OPERATIONS

Further information regarding the operations of the Trust is included in the Outlook, Our property portfolio, and Sustainability sections on pages 12 to 21.



Michael Wedgwood

Managing Director
BWP Management Limited

¹ Source: Wesfarmers Strategy Briefing Day materials, 28 May 2014, page 62

² Source: Wesfarmers Strategy Briefing Day materials, 28 May 2014, page 70

³ Source: Wesfarmers Strategy Briefing Day materials, 28 May 2014, page 64

⁴ Source: Wesfarmers Strategy Briefing Day materials, 28 May 2014, page 57

⁵ Source: Wesfarmers Strategy Briefing Day materials, 28 May 2014, page 59

The main economic and market drivers impacting the Trust will be interest rates (and the impact these have on commercial property), inflation, and the performance of the retail sector, particularly home improvement retailing.

(This outlook contains forward-looking statements and assumptions. Please refer to the Important notice on the inside cover of this report.)

ECONOMIC AND PROPERTY MARKET CONDITIONS

Continued low interest rates have increased demand for prime real estate, with investors attracted to yield, tenure and quality customer covenants. Competition for better quality assets is increasing property prices and therefore lowering their yields. Recent sales evidence of Bunnings Warehouse properties reflects this¹, the extent to which yields continue to tighten, is likely to be a function of how long interest rates continue at current levels. The tightening of yields is reflected in the value accretion of the Trust's portfolio at 30 June 2014, and will also be a factor in any future property acquisitions in the near term. The current relatively low inflationary environment, as measured by the Consumer Price Index ("CPI") results in lower incremental growth of rental income for the Trust. Approximately 70 per cent of the Trust's rental income² is subject to CPI 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 ended 30 June 2014, the average CPI increase was 2.3 per cent, which applied to annual escalations under leases comprising 63 per cent of the rental income for properties subject to a review during the year ("base rent"). For the year ending 30 June 2015, CPI reviews will apply to 55 per cent of the base rent, with leases subject to a market rent review comprising 13 per cent of the base rent, and with the balance of 32 per cent reviewed to fixed increases of 3 to 4 per cent.

The level of income growth the Trust derives from market rent reviews will depend on property specific factors and what relevant evidence is available from time to time for comparable Bunnings Warehouses or other comparable properties. It is therefore difficult to predict the likely growth from market rent reviews, particularly when often the outcome of individual market reviews is the subject of a binding determination by an independent expert. Some retailing sectors are still experiencing soft trading which is likely to put ongoing pressure on market rental levels for these sectors; and Bunnings is developing most of its roll-out of new stores, giving it greater control over commencing rents through sale and lease back transactions than it would have through leasing deals with third party developers. These factors may result in more moderate market rental growth for the Trust, compared to prior years.

¹ Hastings and Torquay, Victoria sold on a capitalisation rate of 6.5 per cent and Mentone, Victoria and Blacktown, New South Wales sold on a capitalisation rate of 6.75 per cent

² Based on rental income as at 30 June 2014



> Ellenbrook, WA

OUTLOOK CONTINUED

HOME IMPROVEMENT RETAIL SECTOR PERFORMANCE AND GROWTH

Approximately 92 per cent of the Trust's annual rental income is received from Bunnings and therefore the Trust's earnings are linked to the success of the Bunnings business and the strength and direction of the underlying home improvement and outdoor living markets. It is worth noting that the rent that the Trust receives is generally referable to the lettable area of the property that is leased, and typically does not have reference to the customer's turnover at the premises. Therefore, the trading performance of Bunnings and other customers does not directly and immediately impact on the revenue the Trust receives from its existing properties. However, the ongoing viability and success of existing customers is important for the future growth of the Trust, at the expiry of existing leases and for the opportunity for new acquisitions.

Bunnings continues to perform well with strong like-for-like sales growth¹, on-going network expansion, and reinvestment in existing stores. The impact on Bunnings' business of the entry of Masters in the home improvement and outdoor living market is not apparent at this stage; Bunnings' market share is continuing to grow, and its sales and profitability are continuing to increase. Bunnings' accelerated network expansion (expected to add approximately 20 new stores per annum over the next two years, and 10 to 14 new stores per annum thereafter)² and reinvestment in its existing network should provide further opportunities for the Trust to improve and build on its existing portfolio of Bunnings Warehouses. As a result of lower funding costs and margins, lower interest rates, and the recent MTN issue, BWP's cost of debt has improved and, assuming market interest rates are maintained around or below current levels, the Trust should remain in a competitive position for acquiring properties, as and when opportunities arise.

Acquisitions and divestments of properties during the 2013/14 financial year have enabled the Trust to re-focus its portfolio on assets that are well positioned for rental and capital growth into the future.

¹ Source: Wesfarmers Third Quarter Retail Sales Results, 29 April 2014, page 4

² Source: Wesfarmers Briefing Day Materials, 28 May 2014, page 76



> Hoxton Park, NSW



> Townsville North, QLD

Bunnings continues to perform well with strong like-for-like sales growth, on-going network expansion, and reinvestment in existing stores

OUR PROPERTY PORTFOLIO

As at 30 June 2014, the Trust owned 87 investment properties, all within Australia, with a total value of \$1,819.0 million and a weighted average lease expiry of 6.9 years (compared with 6.8 years at 30 June 2013).

PORTFOLIO AT A GLANCE

	2014	2013	2012	2011	2010
Bunnings Warehouses	70	62	62	60	52
Bunnings Warehouse with other showrooms	8	5	4	2	1
Bunnings Warehouse development sites	4	2	1	3	1
Bunnings Distribution Centre	- ¹	1	1	1	1
Large format retail showroom	1	1	1	1	1
Industrial properties	4	3	3	3	4
Total BWP portfolio	87	74	72	70	60
Annual capital expenditure	\$383.3m	\$37.1m	\$95.7m	\$207.9m	\$2.7m

¹ Bunnings vacated property in April 2014; now classified as industrial property

CAPITAL EXPENDITURE DURING 2013/14

	\$m
Acquisitions	
Arundel ¹	28.1
Bethania ¹	23.1
Brendale ²	8.1
Ellenbrook ¹	24.3
Hoxton Park	43.1
Lincoln Mills	60.2
Manly West ²	7.2
North Lakes ¹	33.6
Rydalmere ¹	40.2
Springvale ¹	27.5
Sunbury ¹	24.1
Townsville North ¹	20.4
West Ipswich ²	13.1
	<u>353.0</u>
Developments	
Harrisdale showrooms	3.4
Rocklea expansion	5.4
Wallsend development	21.2
	<u>30.0</u>
Other expenditure	
Other non-income producing	0.3
	<u>0.3</u>
Total	<u>383.3</u>

¹ Total outlay comprising purchase price of land, development and acquisition costs

² Total outlay comprising purchase price of land and acquisition costs

PROPERTY ACQUISITIONS

Portfolio acquisition of 10 properties from Bunnings

In September 2013, unitholders approved a proposal for the Trust to acquire from Bunnings a portfolio of 10 properties ("Bunnings Portfolio") comprising two operational Bunnings Warehouses, for leaseback to Bunnings, and eight properties on which Bunnings would develop Bunnings Warehouses.

As at 30 June 2014, the Trust had finalised the purchase of all properties. There have been delays in the completion of two developments at Manly West and West Ipswich, Queensland and these developments are expected to be completed in September 2014. The other developments have been completed, with Bunnings Warehouses open and trading.

The properties acquired as part of the Bunnings Portfolio are included in the summary of capital expenditure table opposite.

In relation to the properties at Arundel, Bethania, Ellenbrook, North Lakes, Rydalmere, Springvale, Sunbury and Townsville North, the parties entered into a new 12 year lease of the Bunnings Warehouse with five, six-year options, exercisable by Bunnings. The rent will increase by a fixed three per cent per annum. At the end of the initial term and the exercise of each option by Bunnings, the rents are subject to a market rent review. 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, and a 10 per cent collar, meaning that the rent cannot fall more than 10 per cent below the preceding year's rent.

OUR PROPERTY PORTFOLIO CONTINUED

Bunnings Warehouse and large format retail showrooms, Hoxton Park, New South Wales

In November 2013, the Trust purchased the Hoxton Park Central large format retail centre anchored by a Bunnings Warehouse in Hoxton Park, New South Wales. The property was acquired from a private owner for \$43.1 million (including acquisition costs). The 3.7 hectare property is situated on the corner of Hoxton Park Road and Lyn Parade, approximately 40 kilometres south-west of the Sydney central business district.

The property comprises a total lettable area of 26,508 square metres with approximately 399 car parking spaces. The annual net income of the property at the date of acquisition was \$3.4 million.

Bunnings Warehouse and large format retail showrooms, Coburg, Victoria

In January 2014, the Trust purchased the Lincoln Mills large format retail centre anchored by a Bunnings Warehouse in Coburg, Victoria. The property was acquired from a private owner for \$60.2 million (including acquisition costs). The 4.9 hectare property has four street frontages and is located approximately 10 kilometres north of the Melbourne central business district.

The property comprises a total lettable area of 24,728 square metres with approximately 684 car parking spaces. The annual net income of the property at the date of acquisition was \$4.4 million.

Bunnings Warehouse development site, Brendale, Queensland

In June 2014, the Trust acquired a development site in Brendale, Queensland on which Bunnings will develop a Bunnings Warehouse. The purchase price of the property was \$8.1 million (including acquisition costs). On completion of the development, the Trust will pay Bunnings a development fee of \$19.23 million, representing a total consideration of \$26.83 million for the completed development.

The property covers an area of approximately 4.37 hectares, and is located 22 kilometres north of the Brisbane central business district. When fully developed, the site will comprise a total retail area of 14,878 square metres and approximately 394 car parking spaces. The commencing annual rental income of the property will be \$1.88 million.

PROPERTY DIVESTMENTS

During the year, the Trust executed contracts of sale for the Bunnings Warehouse at Sunshine, Victoria for \$13.0 million, the Bunnings Warehouse vacated by Bunnings at Sandown, Victoria for \$8.6 million, and the industrial property at Regency Park, South Australia for \$3.9 million. In July 2014, the Trust entered into a contract of sale to sell

for \$7.3 million, the Bunnings Warehouse in Coffs Harbour, New South Wales and the industrial property in Hemmant for \$21.27 million.

Settlement of each transaction will occur in the year ending 30 June 2015. For those contracts of sale entered into prior to 30 June 2014, the transactions have not been recorded in the financial statements as the properties are still owned by the Trust as at 30 June 2014.

DEVELOPMENTS AND EXPANSIONS

Completion of development of Bunnings Warehouse Wallsend, New South Wales

In May 2014, construction of the Trust's Bunnings Warehouse at Wallsend, New South Wales, was completed at a cost to the Trust of \$21.2 million. The Trust purchased the Wallsend development site for \$3.0 million (including acquisition costs) as part of the portfolio acquired from Bunnings in February 2011. The commencing annual rental received by the Trust is approximately \$1.9 million.

The parties entered into a new 10 year lease of the Bunnings Warehouse with five, five-year options, exercisable by Bunnings. The rent will increase by a fixed three per cent per annum. At the end of the initial term and the exercise of each option by Bunnings, the rents are subject to a market rent review. 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, and a 10 per cent collar, meaning that the rent cannot fall more than 10 per cent below the preceding year's rent.

Completion of expansion of Bunnings Warehouse Rocklea, Queensland

In October 2013, a \$5.4 million expansion of the Trust's Rocklea Bunnings Warehouse was completed by Bunnings for the Trust. The expansion, including the acquisition of land adjoining the Bunnings Warehouse, extended the fully-enclosed covered area by 3,640 square metres. The annual rental increased by approximately \$0.38 million to \$1.93 million per annum.

Following completion of the expansion, the parties entered into a new 12 year lease of the Bunnings Warehouse with four, six-year options, exercisable by Bunnings. The rent will be reviewed annually to CPI and is subject to a market rent review at the exercise of each option. At the exercise of the first option, at the commencement of year 13, the revised rent can be no lower than the rent in the immediately preceding year, but may not increase by more than 10 per cent of the preceding year's rent. Thereafter, market rent reviews are subject to a 10 per cent cap and collar, meaning that the rent cannot rise or fall by more than 10 per cent of the preceding year's rent.

Completion of showroom development Harrisdale, Western Australia

In June 2014, the Trust completed works to construct additional showrooms of 2,346 square metres at the Harrisdale property in Western Australia. The showrooms were constructed on surplus land acquired as part of the acquisition of the property from Bunnings in April 2011. The Trust has leased or has commitments to lease more than 70 per cent of the showrooms.

OTHER IMPROVEMENTS

Approximately \$0.3 million was spent on various other non-income producing improvements to the portfolio during the year.

RENT REVIEWS

The rent payable for each leased property is increased annually, either by a fixed percentage or by the CPI, except when a property is due for a market review. Market reviews occur for most of the Trust's Bunnings Warehouses every five years from the

date of the commencement of the lease. The market rental is determined according to generally accepted rent review criteria, based on rents paid at comparable properties in the market.

Annual escalations

During the year, 79 leases in the portfolio had annual fixed or CPI increases, resulting in an average increase of 2.3 per cent in the annual rent for these properties.

Market rent reviews

During the year, market rent reviews were concluded on 12 Bunnings Warehouses, four showroom tenancies, and an industrial property. Market rent reviews for 12 of the Trust's Bunnings Warehouses and a showroom tenancy due during the year are still being negotiated and remain unresolved.

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

MARKET RENT REVIEWS RESULTS SUMMARY

Property location	Tenant	Passing rent (\$ pa)	Market review ¹ (\$ pa)	Uplift (%)	Effective date
Dandenong, VIC ¹	Bunnings	1,347,156	1,490,000	+10.6	11-Nov-12
Port Melbourne, VIC ¹	Bunnings	1,673,123	1,840,443	+10.0	17-Mar-13
Artarmon, NSW ¹	Bunnings	1,578,778	1,578,778	-	9-Feb-13
Cairns, QLD ¹	Bunnings	1,264,516	1,215,000	-3.9	9-Feb-13
Wollongong, NSW ¹	Bunnings	1,360,418	1,360,418	-	9-Feb-13
Belrose, NSW ¹	Bunnings	1,995,259	1,995,259	-	9-Feb-13
Hoxton Park, NSW ^{1,2}	Officeworks	352,676	370,309	+5.0	25-Jun-13
Sunshine, VIC	Bunnings	991,871	1,025,000	+3.3	24-Sep-13
Joondalup, WA	Bunnings	1,315,188	1,415,000	+7.6	24-Sep-13
Mentone, VIC	Bunnings	1,501,507	1,537,400	+2.4	24-Sep-13
Hawthorn, VIC	Bunnings	3,008,273	3,008,273	-	29-Oct-13
Bayswater, VIC ³	Autobarn	171,771	205,000	+19.3	1-Nov-13
Coburg, VIC	Bunnings	1,286,783	1,415,461	+10.0	3-Nov-13
Mandurah, WA	Bunnings	1,371,090	1,482,500	+8.1	1-Dec-13
Blacktown, NSW	Blackwoods	825,390	707,582	-14.3	24-Jan-14
Geraldton Showrooms, WA	Ultra Tune	56,065	58,308	+4.0	17-Feb-14
Coburg, VIC	Amway Australia	481,599	500,863	+4.0	22-Feb-14
Weighted Average				+3.4	

¹ The market rent review was due during the year ended 30 June 2013, but the outcome of the negotiation was only completed during the year ended 30 June 2014

² Officeworks has agreed to exercise its option for a further term of five years commencing on 25 June 2016 in conjunction with negotiating the market rent review

³ The parties have agreed a new lease for a term of 10 years in conjunction with negotiating the market rent review

OUR PROPERTY PORTFOLIO CONTINUED

The Bunnings Warehouses at Minchinbury, Rocklea and Sandown and the distribution centre at Hemmant were all due for market rent reviews during the year. The recently agreed upgrades of the Minchinbury and Rocklea Bunnings Warehouses resulted in new 12 year leases at a negotiated rent, making the scheduled market rent review for these properties unnecessary. Both the Sandown and Hemmant leases expired and Bunnings occupied the properties on an over-holding basis until Bunnings vacated these properties in April 2014. In the circumstances a three per cent increase was agreed for both these properties.

Like-for-like rental growth

Excluding rental income from properties acquired or upgraded during or since the previous corresponding period, rental income increased by approximately 2.5 per cent for the 12 months to 30 June 2014 (compared to 2.1 per cent for the 12 months to 30 June 2013). The result includes higher CPI growth during the 12 month period, averaging approximately 2.3 per cent across 63 per cent of all rent reviews completed for the 12 months and fixed increases greater than three per cent across 26 per cent of all rent reviews completed. There are a number of market reviews still unresolved at 30 June 2014, which are not included in the calculation of like-for-like rental growth for the year.

Occupancy

As at 30 June 2014, the portfolio was 96.3 per cent occupied, or 97.4 per cent occupied after excluding the Sandown and Regency Park properties, which although vacant, were sold, but not settled at the end of the financial year. Taking into account the sale of the vacant Hemmant property post year-end, the portfolio would be 99.0 per cent occupied.

It is the nature of the Bunnings business model that its property requirements for some locations change over time as has been the case for the Hemmant industrial facility, and Sandown Bunnings Warehouse site. For any Bunnings Warehouse or stand alone industrial site 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.

PROPERTY REVALUATIONS

The entire Trust portfolio was revalued at 31 December 2013 and again at 30 June 2014, including 21 property revaluations performed by independent valuers (10 at 31 December 2013 and 11 at 30 June 2014). 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 increased by \$440.4 million to \$1,819.0 million during the year following acquisitions of \$353.0 million, capital expenditure of \$30.3 million, and a net revaluation gain of \$57.1 million during the year.

The net revaluation gain was predominantly due to rental growth from rent reviews and a reduction in capitalisation rates across the portfolio, offset by the write-off of acquisition costs from all property acquisitions during the year. The Trust's weighted average capitalisation rate for the portfolio at 30 June 2014 was 7.59 per cent (December 2013: 7.71 per cent; June 2013: 7.86 per cent).

NUMBER OF PROPERTIES

Western Australia	16
Victoria	27
Australian Capital Territory	2
South Australia	3
New South Wales	18
Queensland	21
Total	87

The value of the Trust's portfolio increased by \$440.4 million to \$1,819.0 million during the year

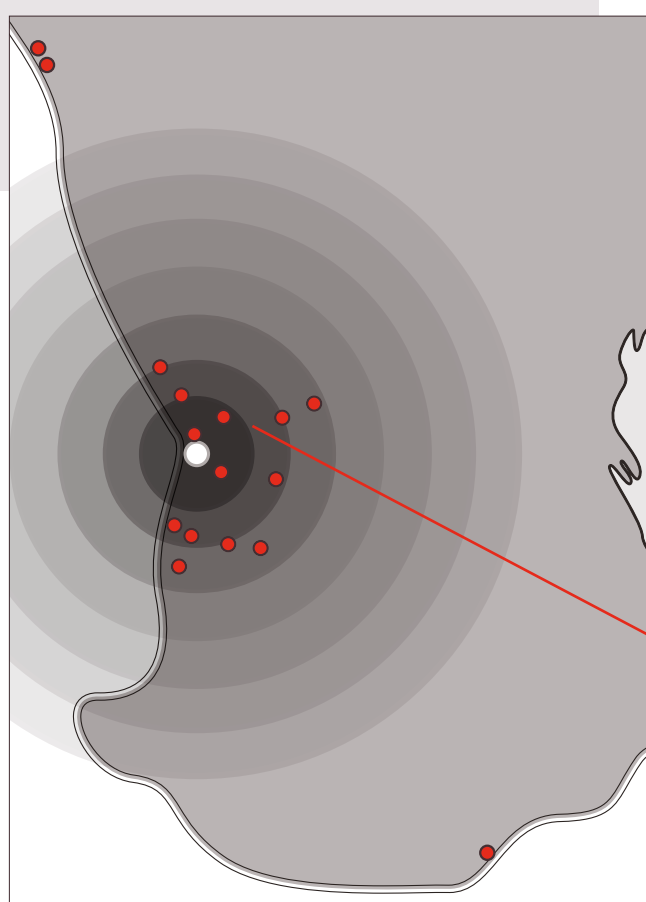
PORTFOLIO RENTAL SUMMARY

As at 30 June 2014	Land area ha	Gross lettable area ¹ sq m	Annual rental ² \$000	As at 30 June 2014	Land area ha	Gross lettable area ¹ sq m	Annual rental ² \$000
WESTERN AUSTRALIA				NEW SOUTH WALES			
Albany ³	3.2	13,660	824	Artarmon	0.7	5,746	1,611
Balcatta	4.3	25,439	1,841	Belmont North	4.0	12,640	939
Belmont	2.2	10,381	1,366	Belrose	2.5	8,888	1,996
Bibra Lake	3.2	13,977	1,647	Blacktown (industrial)	1.3	8,346	708
Cockburn	2.6	12,839	1,530	Coffs Harbour	2.5	8,657	857
Ellenbrook	3.2	15,337	1,715	Dubbo	4.5	16,344	1,380
Geraldton	3.3	17,874	1,270	Greenacre	2.2	14,149	2,403
Geraldton showrooms	1.2	1,511	236	Hoxton Park	3.7	26,508	3,467
Harrisdale	3.7	16,455	1,738	Lismore	2.1	10,076	891
Joondalup	2.5	13,358	1,415	Maitland	3.7	12,797	1,287
Mandurah	2.5	12,097	1,483	Minchinbury ¹⁰	3.6	12,048	1,727
Midland	2.4	13,694	1,564	Port Macquarie	2.0	8,801	877
Mindarie	3.1	14,479	1,564	Rydalmere	4.2	16,645	2,810
Morley	1.8	9,852	1,251	Thornleigh	1.2	5,301	1,321
Port Kennedy	2.8	11,675	1,437	Villawood	2.6	10,886	1,591
Rockingham	3.3	17,179	1,587	Wagga Wagga	3.6	13,774	1,311
Total - WA	45.3	219,807	22,468	Wallsend	5.6	16,863	1,859
VICTORIA				Wollongong	2.7	10,811	1,388
Altona ⁴	3.4	9,254	1,090	Total - NSW	52.7	219,280	28,423
Bayswater	4.9	17,677	2,128	QUEENSLAND			
Blackburn (Industrial)	4.1	20,401	943	Arundel	3.7	15,661	2,120
Broadmeadows	1.8	12,765	1,755	Bethania	3.2	13,494	1,724
Caroline Springs	3.0	14,319	1,584	Brendale (land) ¹¹	4.4	-	-
Coburg	4.9	24,728	4,368	Browns Plains	4.7	18,398	2,755
Craigieburn	4.6	16,764	1,485	Burleigh Heads	3.3	12,428	1,480
Croydon	3.8	13,292	1,787	Cairns	2.4	12,917	1,241
Dandenong	3.1	12,313	1,526	Cannon Hill	3.6	16,556	2,045
Epping	3.1	12,027	1,182	Fairfield Waters	2.9	13,645	1,519
Fountain Gate	3.2	12,624	1,469	Gladstone	5.5	21,511	2,962
Frankston	3.7	13,843	1,968	Hemmant (industrial) ¹²	3.5	21,523	-
Hawthorn	0.8	7,462	3,008	Hervey Bay	3.0	11,824	1,190
Maribyrnong (land) ⁵	3.4	-	-	Manly West (land) ¹³	2.1	-	-
Mentone	2.5	11,814	1,537	Morayfield	3.2	12,507	1,676
Mornington	4.0	13,324	1,608	Mount Gravatt	2.7	11,824	1,129
Northland	3.3	14,460	1,823	North Lakes	4.1	18,861	2,420
Nunawading ⁶	3.4	14,766	2,290	Rocklea	3.2	14,404	1,976
Oakleigh South	4.4	16,949	1,898	Smithfield	3.1	13,095	1,421
Pakenham	3.5	14,867	1,768	Southport	3.5	12,431	1,458
Port Melbourne	3.0	13,846	1,975	Townsville North	3.4	14,038	1,545
Sandown ⁷	3.1	12,180	-	Underwood	2.9	12,245	1,370
Scoresby	3.4	12,515	1,833	West Ipswich (land) ¹⁴	2.2	-	-
Springvale	3.2	13,458	1,850	Total - QLD	70.6	267,362	30,031
Sunbury	3.4	15,185	1,661	Grand Total	273.0	1,126,997	133,028
Sunshine	2.0	9,958	1,025	Note: Totals and Grand Total adjusted for rounding			
Vermont South	4.8	16,634	2,107	¹ For Bunnings Warehouses this comprises the total retail area of the Bunnings Warehouse			
Total - VIC	91.8	367,425	45,668	² Annual rental figures do not include access fees detailed below			
AUSTRALIAN CAPITAL TERRITORY				³ Includes adjoining land (1.2 hectares) for which Bunnings pays the Trust an access fee of \$211,882 per annum			
Fyshwick ⁸	2.8	6,648	1,185	⁴ Includes additional land (1.0 hectare) for which Bunnings pays the Trust an access fee of \$221,636 per annum			
Tuggeranong	2.8	11,857	1,528	⁵ Development site for which Bunnings pays the Trust an access fee of \$602,482 per annum			
Total - ACT	5.6	18,505	2,713	⁶ Includes adjoining properties (0.1 hectares) for which Bunnings pays the Trust an access fee of \$126,935 per annum			
SOUTH AUSTRALIA				⁷ Property vacant as at 30 June 2014			
Mile End	3.3	14,888	2,286	⁸ Includes adjoining property (1.0 hectare) for which Bunnings pays the Trust an access fee of \$301,020 per annum			
Noarlunga	2.6	15,054	1,439	⁹ Property vacant as at 30 June 2014			
Regency Park (industrial) ⁹	1.1	4,677	-	¹⁰ Includes adjoining property (0.5 hectares) for which Bunnings pays the Trust an access fee of \$340,551 per annum			
Total - SA	7.0	34,619	3,725	¹¹ Development site for which Bunnings pays the Trust an access fee of \$532,000 per annum			
				¹² Property vacant as at 30 June 2014			
				¹³ Development site for which Bunnings pays the Trust an access fee of \$488,776 per annum			
				¹⁴ Development site for which Bunnings pays the Trust an access fee of \$884,370 per annum			

OUR PROPERTY PORTFOLIO CONTINUED

WESTERN AUSTRALIA

- > Albany
- > Balcatta
- > Belmont
- > Bibra Lake
- > Cockburn
- > Ellenbrook
- > Geraldton
- > Geraldton Showrooms
- > Harrisdale
- > Joondalup
- > Mandurah
- > Midland
- > Mindarie
- > Morley
- > Port Kennedy
- > Rockingham

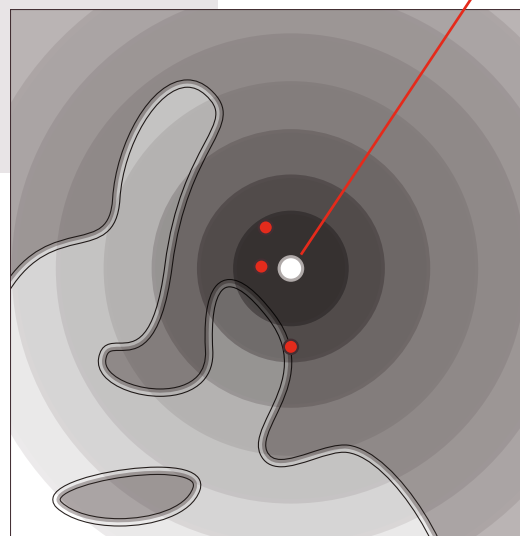


WESTERN
AUSTRALIA

SOUTH
AUSTRALIA

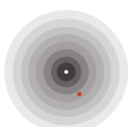
SOUTH AUSTRALIA

- > Mile End
- > Noarlunga
- > Regency Park

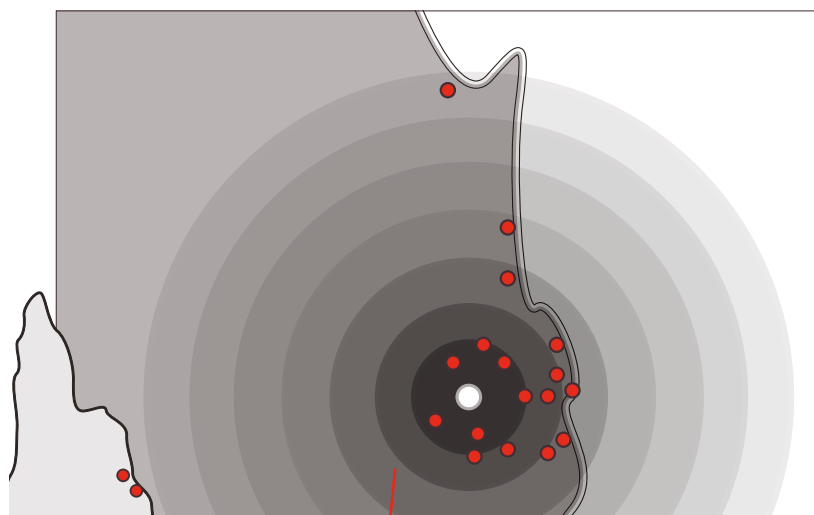


LEGEND

- CBD/STATE CAPITAL CITY
- BWP TRUST PROPERTY

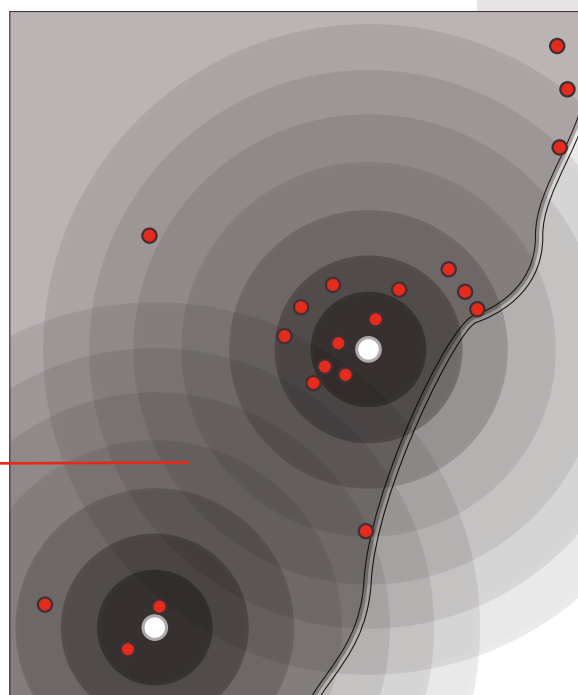
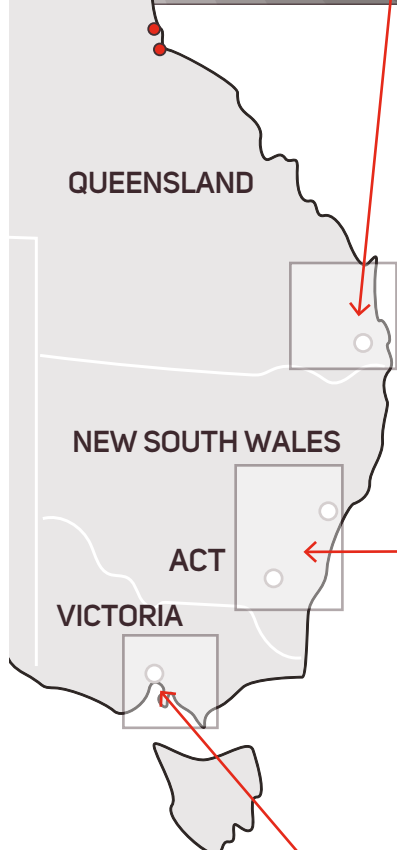


Each tinted ring represents 25km originating from CBD
Italicised properties are sold but not yet settled as at 30 June 2014



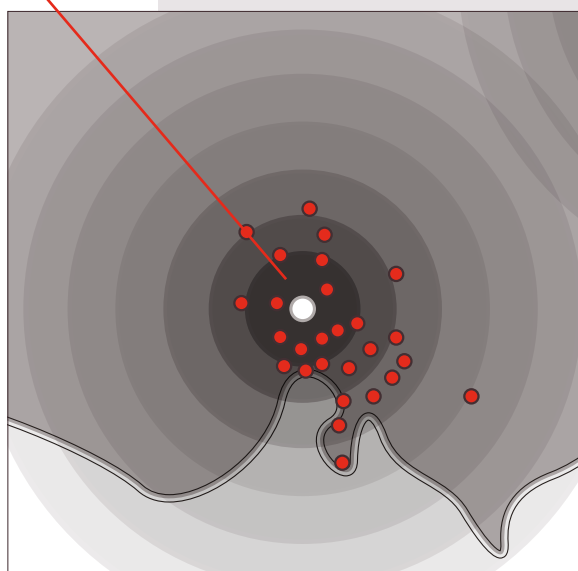
QUEENSLAND

- > Arundel
- > Bethania
- > Brendale
- > Browns Plains
- > Burleigh Heads
- > Cairns
- > Cannon Hill
- > Fairfield Waters
- > Gladstone
- > Hemmant
- > Hervey Bay
- > Manly West
- > Morayfield
- > Mount Gravatt
- > North Lakes
- > Rocklea
- > Smithfield
- > Southport
- > Townsville North
- > Underwood
- > West Ipswich



NEW SOUTH WALES & AUSTRALIAN CAPITAL TERRITORY

- > Artarmon
- > Belmont North
- > Belrose
- > Blacktown
- > Coffs Harbour
- > Dubbo
- > Fyshwick
- > Greenacre
- > Hoxton Park
- > Lismore
- > Maitland
- > Minchinbury
- > Port Macquarie
- > Rydalmere
- > Thornleigh
- > Tuggeranong
- > Villawood
- > Wagga Wagga
- > Wallsend
- > Wollongong



VICTORIA

- > Altona
- > Bayswater
- > Blackburn
- > Broadmeadows
- > Caroline Springs
- > Coburg
- > Craigieburn
- > Croydon
- > Dandenong
- > Epping
- > Fountain Gate
- > Frankston
- > Hawthorn
- > Maribyrnong
- > Mentone
- > Mornington
- > Northland
- > Nunawading
- > Oakleigh South
- > Pakenham
- > Port Melbourne
- > Sandown
- > Scoresby
- > Springvale
- > Sunbury
- > Sunshine
- > Vermont South

SUSTAINABILITY

During the year the Trust continued to imbed its sustainability principles in all aspects of how it does business, in particular, in relation to the assessment of new property acquisitions, choices on materials utilised, and the better collection of information on sustainability matters (particularly in relation to energy consumption) impacting the existing property portfolio.

OUR SUSTAINABILITY PRINCIPLES, PROGRESS AND PRIORITIES

The Trust is committed to acting responsibly and ethically, and operating its business in a manner that is sustainable. Principles based on the United Nations Principles for Responsible Investment, have been developed for incorporating environmental, social and governance ("ESG") issues in to how the Trust conducts its business, and are embedded in policies, practices and processes.

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, and use of energy and materials, and low impact on biodiversity.

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.

SUSTAINABILITY PRINCIPLE	PROGRESS DURING THE YEAR	FUTURE PRIORITIES
ESG in investment analysis and decisions	> All three investment proposals put to the board during the year expressly considered ESG issues	> Continue to refine and develop ESG assessment criteria for investment analysis and decision making
ESG in asset ownership and resource use	> Roof access and safety improvements completed for the Rydalmere property, improving the safety and amenity of people having to access the roof areas and helping to maintain the longer-term condition of the properties > Site metering was completed at the Geraldton, Bayswater and Dubbo multi-tenanted properties > A further 12 air conditioning units were replaced to phase out ozone depleting models and initiatives introduced to improve efficiency of air conditioning units	> Continue programme for phasing out ozone depleting air conditioning
Customer and supplier engagement	> Continue dialogue with Bunnings regarding its sustainability initiatives, particularly in relation to reducing energy consumption	> Continue to engage with the Trust's customers with a collaborative approach to sustainability initiatives
ESG reporting	> Responded to the 2014 Carbon Disclosure Project survey	> Broaden scope of ESG disclosure to other relevant and material topics > Improve scope and level of quantitative disclosure
Build knowledge and understanding	> Ongoing education of the management team in property related sustainability matters	> Establish baseline data for energy, and water consumption and emissions for common areas of multi-tenanted properties

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

DIRECTORS



JOHN A AUSTIN

ASSOC DIP VAL, FAPI (VAL&ECON)

Age: 68

Chairman, Non-executive external director

Member of the Audit and Risk Committee

Chairman of the Remuneration and Nomination Committee

Joined the Board in 2004 and was appointed Chairman in December 2007. John has been actively involved in professional property investment markets for over 43 years, during which he has been a proprietor of Jones Lang Wootton and an advisor in institutional property markets. He was the Managing Director of GRW Property Ltd, the sponsor and manager of the National Industrial Property Trust that listed in 1993 and was on a number of industry boards and committees. Currently he is Executive Chairman of Ringmer Pacific Pty Ltd, a private property investment company. He was a non-executive director of the MREEF series of unlisted private property funds, managed by Macquarie Bank and Chairman of Leighton Properties Pty Ltd.



JOHN KATKINS

LL.B, LL.M, FAICD

Age: 59

Non-executive external director

Member of the Audit and Risk Committee

Member of the Remuneration and Nomination Committee

Joined the Board in April 2014. John is a professional company director and has had a career as a corporate lawyer spanning more than 25 years including Head of Office, Freehills in Perth and Melbourne. He has significant experience in listed company governance, finance, M&A advice and corporate transactions.

John is a Fellow of AICD, and he holds an LL.B from the University of Western Australia and an LL.M from London University.

John was previously the Chairman, Western Australia, of ANZ Bank and is a non-executive director of a number of listed and unlisted entities, including Lotterywest (Chairman), Chamber of Commerce and Industry of Western Australia, Australian Finance Group Ltd, Minotaur Exploration Ltd and Committee for Perth Ltd.

Past listed company directorships held in the last three years include Breakaway Resources Ltd and Aurora Oil & Gas Limited.



FIONA E HARRIS

BCOMM, FCA, FAICD

Age: 53

Non-executive external director

Chairman of the Audit and Risk Committee (from 1 January 2014)

Member of the Remuneration and Nomination Committee

Joined the Board in October 2012. A professional non-executive director for the past 19 years, Fiona has held board positions for over 25 companies, is a former member of the national board and a former WA State President of the Australian Institute of Company Directors.

Fiona is currently Chairman of Barrington Consulting Group Pty Ltd, a company providing consulting services in the areas of strategy and governance; director of ASX listed companies Oil Search Limited, Infigen Energy Limited Group, and Sundance Resources Limited; and Director of private company Perron Group Limited.

Past listed company directorships held in the last three years include Territory Resources Limited, Aurora Oil & Gas Limited and Altona Mining Limited.

Fiona was previously a partner at Chartered Accountants, KPMG, specialising in financial services and superannuation, capital raising, due diligence, IPO's, capital structuring of transactions and litigation support.

DIRECTORS CONTINUED



RICK D HIGGINS

FAPI

Age: 68

Non-executive external director

Member of the Audit and Risk Committee

Member of the Remuneration and Nomination Committee

Joined the Board in December 2007. Rick is a property professional with over 43 years' experience, having provided valuations and consultancy advice to a range of large institutional clients relating to a broad range of properties, including homemaker and large format retail centres. Before joining the Board, Rick was the National Director, Business Development for Colliers International Consultancy & Valuation and, prior to this, he was employed by Jones Lang Wootton for 30 years as a National Director (formerly proprietor) responsible for the national valuation and consultancy division. He is also a non-executive director of Charter Hall Direct Property Management Limited, a subsidiary of Charter Hall Group and the responsible entity for a number of unlisted retail funds that invest in office, industrial and retail properties.



TONY HOWARTH AO

CitWA, HON.LLD (UWA), SF FIN, FAICD

Age: 62

Non-executive director

Member of the Audit and Risk Committee

Member of the Remuneration and Nomination Committee

Joined the Board in October 2012. Tony is a life Fellow of the Financial Services Institution of Australia and has over 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. He is a director of Wesfarmers Limited, having been appointed to that Board in July 2007. He is also Chairman of ASX listed Mermaid Marine Australia Limited.

Tony is Chairman of St John of God Healthcare Inc, a director of Alinta Holdings and a Fellow of AICD. He is Adjunct Professor (Financial Management) at the University of Western Australia Business School. Tony is also involved in a number of community and business organisations including the Senate of the University of Western Australia, a member of the Rio Tinto Community Investment Fund and the University of Western Australia Business School Advisory Board and Deputy Chairman of West Australian Rugby Union Inc.



MICHAEL J WEDGWOOD

B.COM, MSC (FINANCE), GAICD

Age: 51

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 and also as the Chief Financial Officer of Bunnings Group Limited for a period of nine years. Most recently he has held the role of Executive General Manager, Business Improvement for the Wesfarmers Group. Before joining Wesfarmers, he held finance roles with the HSBC Group, and prior to that with Arthur Andersen.

He brings extensive knowledge of the large format retail sector, and broad financial and commercial experience.

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

The governance framework is embedded in the Trust's compliance plan (referred to under the heading Risk control and compliance on page 27) to ensure ethical behaviour and transparency and to protect unitholders' interests.

This statement outlines the main corporate governance practices of the responsible entity, which were in place throughout the year and at the date of this report. In accordance with the ASX Principles, copies of board and committee charters and many of the policies and documents mentioned in this statement can be found on the website.

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

RELATIONSHIP BETWEEN THE RESPONSIBLE ENTITY AND WESFARMERS

The responsible entity is a wholly owned subsidiary of Wesfarmers. A majority of the property income of the Trust is received from wholly owned subsidiaries of Wesfarmers. The Trust has purchased property from Wesfarmers subsidiaries, and utilised a Wesfarmers subsidiary, Bunnings, as project manager on property developments. Wesfarmers is a substantial unitholder in the Trust, and details of Wesfarmers' unitholding can be found on page 65 of this report. The responsible entity and Wesfarmers have one director in common. All directors of the responsible entity are ultimately appointed by the sole shareholder, Wesfarmers Limited. Further information regarding the relationship and transactions with Wesfarmers is detailed in Note 20(d) in the notes to the financial statements. Details of transactions with Wesfarmers are also provided in announcements released to ASX and published on the Trust's website.

ASX WAIVER

The Trust holds a waiver from the ASX ("waiver"), which allows the responsible entity to enter into certain leasing transactions on behalf of the Trust with Bunnings, a related party, without the need to obtain unitholder approval under Listing Rule 10.1.

The waiver is subject to certain conditions including disclosure of new leases, that lease agreements are substantially on the same terms and conditions established by the parties for leases of Bunnings Warehouse properties, and appropriate rent review provisions are in place.

The waiver was last renewed on 17 June 2014 and applies for six years.

ROLES OF THE BOARD AND MANAGEMENT

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

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

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

- > adopting annual operating budgets for the Trust and monitoring progress against budgets;
- > monitoring and overseeing the Trust's financial position;
- > determining that satisfactory arrangements are in place for auditing the Trust's financial affairs;
- > ensuring that all transactions with Wesfarmers and other related parties are carried out at arm's length, including obtaining independent valuation support for property related transactions;
- > reviewing the level and adequacy of services provided by external service providers including services provided by Wesfarmers;

CORPORATE GOVERNANCE CONTINUED

- > ensuring that appropriate policies and compliance systems are in place, and that the responsible entity and its officers act legally, ethically and responsibly on all matters; and
- > complying with the statutory duties and obligations as imposed by law.

The Board has delegated responsibility for the day-to-day management of the Trust to the Managing Director.

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

COMPLIANCE COMMITTEE

The responsible entity of a registered scheme must establish a compliance committee if less than half of the directors of the responsible entity are external directors.

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

- (a) are not, and have not been in the previous two years, an employee of the responsible entity or a related body corporate;
- (b) are not, and have not been in the previous two years, a senior manager of a related body corporate;
- (c) are not, and have not been in the previous two years, substantially involved in business dealings, or in a professional capacity, with the responsible entity or a related body corporate;
- (d) are not a member of a partnership that is, or has been in the previous two years, substantially involved in business dealings, or in a professional capacity, with the responsible entity or a related body corporate;
- (e) do not have a material interest in the responsible entity or a related body corporate; and
- (f) are not a relative of a person who has a material interest in the responsible entity or a related body corporate.

It is the responsible entity's policy that the Board should have a majority of non-executive directors and that not less than half of the directors are external (as defined under section 601JA of the Act).

The Board composition is consistent with this policy, and as such a compliance committee is not required.

BOARD STRUCTURE AND CHANGES

Under the Trust's compliance plan, the Board of the responsible entity should comprise a sufficient number of directors (not less than four) to ensure the balance of skills, knowledge and experience required. The Board is

currently comprised of one executive director, and five non-executive directors, four of whom meet the external director requirements of section 601JA of the Act.

In 2012 the Board completed a board succession plan and a competencies review. Since 2012, the Board has been undertaking an orderly renewal programme of its members designed to ensure not only that the Board maintains the complementary skillsets required following director retirements, but that there is also an appropriate weighting between the numbers of recently appointed directors on the Board and directors who have several years' valuable experience with the Trust.

As part of the succession plan, two directors retired during the financial year: Peter Mansell in December 2013 and Bryce Denison in February 2014. Following an external search process, Mr John Atkins was identified in December 2013, and appointed to the Board in April 2014.

Fiona Harris, who was appointed to the Board in October 2012, succeeded Bryce Denison as Chair of the Audit & Risk Committee from 1 January 2014.

Under the provisions of the Trust compliance plan, Wesfarmers may nominate one director to the responsible entity Board. Tony Howarth was nominated by Wesfarmers Limited and appointed to the Board in 2012.

The Chairman is an external director. The roles of the Chairman and the Managing Director are not held by the same individual.

The Board is satisfied that the composition of the Board accords with the requirements in the Trust's compliance plan to maintain an appropriate range of backgrounds, skills and experience.

Details of directors in office at the date of this report are set out on pages 22 to 23 of this report.

DIRECTOR INDEPENDENCE

The rules and regulations applicable to managed investment schemes rely on the "external" director component of a responsible entity board (or its compliance committee) to ensure there is an adequate level of independence on the board.

It is the responsible entity's policy that the board composition will comprise a majority of non-executive directors who meet the external director requirements and who the board considers are able to bring an independent view to the board's deliberations.

Four of the responsible entity's six directors are considered by the Board to be external directors as defined by section 601JA of the Act (refer Compliance Committee above

for section 601JA requirements]. Of the five non-executive directors, Tony Howarth is the one exception by virtue of his directorship on the Wesfarmers Limited Board.

In making an assessment of each director's "external" status, the Board considers all relevant facts and circumstances. It takes into account if a director has any of the relationships or interests described under section 601JA of the Act and whether that relationship or interest is material.

The test of whether a relationship or interest is material is based on the nature of the relationship or interest and on the circumstances and activities of the director. Materiality is considered from the perspective of the Trust, the persons or organisations with which the director is associated, and from the perspective of the director.

The Board reviews the "external" status of its directors before they are appointed, on an annual basis, and at the commencement of any significant transactions requiring unitholder approval.

In the Board's review of each of the directors in office at the date of this report the following deliberations were made in respect of Tony Howarth.

Tony Howarth was nominated to the Board by Wesfarmers Limited and is a director on the Wesfarmers Limited Board. For these reasons, Mr Howarth is not eligible to be considered an "external" director of the responsible entity. However, Mr Howarth is not on the Bunnings Group Limited Board (the Wesfarmers entity with which the Trust conducts most of its related party transactions), and he has no direct involvement with that business. Accordingly, the responsible entity's board is satisfied there are few instances under which his dual board roles are likely to create a conflict of interest for him. Where significant transactions between Bunnings and the Trust require both unitholder approval and Wesfarmers Board approval, Mr Howarth limits his participation on one, or both, of the boards in relation to that transaction in order to appropriately deal with any perceptions of a conflict of interest.

Overall, the Board is satisfied that all directors bring an independent judgement to bear on board decisions in relation to the affairs of the Trust and its unitholders, but the Board also accepts there is a need to manage the potential for any perception that Tony Howarth's dual board roles could lead to a conflict of interest in some circumstances.

SELECTION AND APPOINTMENT OF DIRECTORS

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

- > the skills, knowledge and experience of the person which are relevant to the role of director of the responsible entity;
- > the extent to which the skills, knowledge and experience of the person (and additional qualities that add to the diversity of the Board) complement the qualifications, expertise and experience of incumbent directors;
- > the professional and personal reputation of the person; and
- > any person nominated as an executive director must be of sufficient stature and security of employment to express independent views on any matter.

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

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

INDEPENDENT PROFESSIONAL ADVICE

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

CORPORATE GOVERNANCE CONTINUED

BOARD MEETINGS

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

During the year the Board held nine meetings and two interstate site tours.

Directors' meeting attendances

Director	Board		Audit & Risk Committee		Remuneration & Nomination Committee	
	Held	Attended	Held	Attended	Held	Attended
JA Austin	9	9	3	3	3	3
JK Atkins ¹	2	2	1	1	1	1
BJH Denison ²	7	7	2	2	2	2
FE Harris	9	9	3	3	3	3
RD Higgins	9	9	3	3	3	3
AJ Howarth	9	9	3	3	3	3
PJ Mansell ³	6	6	1	1	2	2
MJ Wedgwood ⁴	2	2	-	-	-	-

¹ Joined 1 April 2014

² Retired 12 February 2014

³ Retired 4 December 2013

⁴ Joined 24 February 2014

TRADING IN UNITS

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

The policy is published on the Trust's website.

FINANCIAL REPORTING

Managing Director's declaration

In accordance with section 295A of the Corporations Act 2001, the Trust's financial report preparation and approval process for the financial year ended 30 June 2014, involved the Managing Director of the responsible entity providing a written statement to the Board that, to the best of his knowledge and belief:

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

REMUNERATION AND NOMINATION COMMITTEE

The Board has a formally constituted Remuneration and Nomination Committee. A copy of the Remuneration and Nomination Committee Charter is available on the Trust's website.

The committee consists of all the non-executive directors and is chaired by the Chairman of the Board. During the year the committee held three meetings. Refer table opposite for attendance record.

AUDIT AND RISK COMMITTEE

The compliance plan entrenches processes for reporting and audit purposes.

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

The committee consists of all the non-executive directors and is chaired by an external director, who is not the chairman of the Board. During the year the committee held three meetings. Refer table opposite for attendance record.

RISK CONTROL AND COMPLIANCE

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

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

In particular, the compliance plan establishes processes for:

- > identifying and reporting breaches of, or non-compliance with, the Corporations Act, the compliance plan, the constitution of the Trust and the responsible entity's Australian Financial Services Licence;
- > complying with the ASX Listing Rules;
- > protecting Trust property;
- > ensuring proper acquisition and disposal practices are followed in regard to Trust property;
- > ensuring the timely collection of Trust income;
- > completing regular valuations of Trust property;
- > the maintenance of financial and other records to facilitate preparation of audited/reviewed financial reports;
- > ensuring proper and timely distributions to unitholders;
- > complying with the Trust's investment objectives;
- > managing investment risk;
- > managing potential conflicts of interest with the various related parties of the Trust;

- > holding and maintaining adequate insurance cover;
- > ensuring that borrowing occurs only within permitted limits and ensuring that borrowing terms are complied with; and
- > handling complaints relating to the Trust.

KPMG, the external auditor of the compliance plan, has completed its annual audit for the year ended 30 June 2014. No material breaches of the plan were identified as a result of this audit.

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

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

- > risk management policy and risk register, with regular risk reviews;
- > guidelines and limits for the approval of capital and operating expenditure;
- > policies and procedures for the management of financial risk, including exposure to financial instruments and movement in interest rates; and
- > an insurance and risk management programme.

MANAGING DIRECTOR'S STATEMENT

In accordance with ASX Principle 7, the Managing Director has provided the Board with a written statement that:

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

REVIEW OF BOARD AND COMMITTEE PERFORMANCE

The Board and its committees participate in performance evaluations on average every two years.

The last Board performance evaluation was completed in December 2013. The next review is due in the second half of calendar year 2015.

REMUNERATION POLICIES

The right of the responsible entity to be remunerated and indemnified by the Trust is set out in the constitution of the Trust and disclosed in Note 4 to the financial statements in this report. The constitution is available from ASIC and is available to unitholders on request.

REMUNERATION OF NON-EXECUTIVE DIRECTORS AND EXECUTIVES

Remuneration expenses of the responsible entity are not borne by the Trust. Directors are remunerated by the responsible entity, and management services are provided to the responsible entity by Wesfarmers. Wesfarmers 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. Short-term incentives paid by Wesfarmers to employees engaged by the responsible entity are based entirely on the performance of the Trust and furthering the objectives of the Trust.

For the financial year ended 30 June 2014, each non-executive director was entitled to a director's fee. Non-executive directors do not receive options or bonus payments, nor do they receive retirement benefits in connection with their directorships other than statutory superannuation. There are no equity incentive schemes in relation to the Trust.

Details of the remuneration policy for directors are disclosed in Note 20(b) to the financial statements.

DIVERSITY POLICY

Commitment to diversity principles

The responsible entity is a wholly owned subsidiary of Wesfarmers. The Wesfarmers diversity policy applies to all Wesfarmers' business units and subsidiary companies and is published on the Wesfarmers website.

The responsible entity's Board and management understand that diversity relates to inclusiveness of all people, regardless of their gender, age, race, disability, sexual orientation, cultural background, religion, family responsibilities or any other area of difference. A commitment to diversity involves fostering a work environment that is free of discrimination and harassment and which ensures equal pay for equal work. Fostering diversity at all levels improves creativity and innovation, and supports the development of an enhanced talent pipeline for key and future roles by enabling access to a broader pool of talent. While opportunities to set meaningful diversity targets are presently limited for the responsible entity and the Trust (as explained below), the responsible entity's commitment to the principles of diversity is demonstrated daily by its support for flexible working arrangements as required to permit its staff and contractors to meet important family responsibilities, and its treatment of all staff and service providers equally and with respect, irrespective of differences.

CORPORATE GOVERNANCE CONTINUED

Responsible entity's workforce

A key differentiating factor for our business is that neither the listed entity, the Trust, nor the unlisted responsible entity has any direct employees. The responsible entity is presently staffed by only 6.5 full time equivalents ("FTEs") who have been seconded from Wesfarmers to act exclusively for the responsible entity and the Trust. In addition one external contractor (0.5 FTE) has been engaged to provide company secretarial and compliance management services. In total, of the seven FTE personnel servicing the responsible entity on a daily basis, the equivalent of two FTEs (consisting of one full time and one part time employee and one part time contractor) are female. The most senior responsible entity executive is the Managing Director, who is the chief executive officer. This executive position has been occupied by both genders, indicating that to date, there have been no gender barriers for the most senior executive position at the responsible entity.

The responsible entity's staffing requirements are not expected to increase in the foreseeable future. Due to the small and stable nature of the responsible entity's workforce, it is not considered appropriate or useful to set gender specific, or other diversity specific, performance targets that relate specifically to the responsible entity and the Trust operations. Rather it is expected that the responsible entity will be a natural beneficiary of the success of the overall Wesfarmers Group diversity policy by way of greater access to a broader talent pool from which to obtain future staff and support services. To the extent that it can, the responsible entity is committed to working within the guiding principles and objectives set out in the Wesfarmers diversity policy.

Responsible entity Board

Following a review of the Board composition in 2012, the Board set itself the objective of having at least one female member and met that objective by the end of calendar year 2012. In the Board's subsequent searches for new directors, recruitment firms have been instructed to identify suitable non-executive director candidates with an instruction that the shortlist should consider diversity principles and contain suitable representatives from each gender.

BWPM female participation rates as at 30 June 2014	%	No.
BWPM non-executive directors	20	1 of 5
Executive, professional and management roles	14	0.5 of 3.5 (FTE)
Total workforce	28	2.0 of 7.0 (FTE)

CONFLICTS MANAGEMENT POLICY

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

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

The board has also adopted a Directors' Conflict of Interests Policy that governs the disclosure of directors' interests and procedures for managing conflicts. This policy is available on the website.

CONTINUOUS DISCLOSURE AND COMMUNICATIONS WITH UNITHOLDERS

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

The Continuous Disclosure and Market Communications Policy is available on the website.

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

The responsible entity provides advance notification of teleconferenced investor briefings following results announcements and makes these accessible for all investors.

ETHICS AND CONDUCT

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

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

SUSTAINABILITY

The responsible entity is committed to acting responsibly and ethically and operating its business in a manner that is sustainable. Further information on the Trust's sustainability principles and practices are provided on page 21.

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Statement of profit or loss and other comprehensive income

For the year ended 30 June 2014

	Note	June 2014 \$000	June 2013 \$000
Rental income		122,857	107,311
Other property income		4,099	1,778
Finance income	3	470	140
Total revenue		127,426	109,229
Finance costs	3	(20,901)	(21,780)
Responsible entity's fees	4	(8,567)	(7,255)
Other operating expenses	5	(5,990)	(4,426)
Profit before unrealised gains in fair value of investment properties		91,968	75,768
Unrealised gains in fair value of investment properties	10	57,113	34,805
Profit attributable to the unitholders of BWP Trust		149,081	110,573
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Effective portion of changes in fair value of cash flow hedges:			
- Realised losses transferred to profit or loss	3	5,421	4,349
- Unrealised losses on cash flow hedges	3	(4,952)	(852)
Total comprehensive income for the year attributable to the unitholders of BWP Trust		149,550	114,070
Basic and diluted earnings (cents per unit) resulting from profit	7	24.34	20.78

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 2014

	Note	June 2014 \$000	June 2013 \$000
ASSETS			
Current assets			
Cash	8	12,045	11,063
Deposits for purchases of investment properties		-	4,185
Receivables and prepayments	9	6,351	4,897
Assets held for sale	10(d)	53,496	4,100
Total current assets		71,892	24,245
Non-current assets			
Investment properties	10	1,765,480	1,374,444
Total non-current assets		1,765,480	1,374,444
Total assets		1,837,372	1,398,689
LIABILITIES			
Current liabilities			
Payables and deferred income	11	15,647	14,077
Derivative financial instruments		1,244	99
Distribution payable	6	49,991	38,396
Total current liabilities		66,882	52,572
Non-current liabilities			
Interest-bearing loans and borrowings	12	448,332	296,492
Derivative financial instruments		10,803	12,417
Total non-current liabilities		459,135	308,909
Total liabilities		526,017	361,481
Net assets		1,311,355	1,037,208
UNITHOLDERS' EQUITY			
Issued capital	13	924,786	707,363
Hedge reserve	14	(12,047)	(12,516)
Undistributed income		398,616	342,361
Total unitholders' equity		1,311,355	1,037,208

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

Statement of cash flows

For the year ended 30 June 2014

	Note	June 2014 \$000	June 2013 \$000
Cash flows from operating activities			
Rent received		141,339	122,888
Payments to suppliers		(20,911)	(18,527)
Payments to the responsible entity		(8,095)	(7,008)
Finance income		470	140
Finance costs		(20,388)	(21,370)
Net cash flows from operating activities	15	92,415	76,123
Cash flows from investing activities			
Payments of deposits for purchases of investment properties		-	(4,185)
Payments for purchase of, and additions to, investment properties		(379,465)	(38,551)
Net cash flows used in investing activities		(379,465)	(42,736)
Cash flows from financing activities			
Proceeds of borrowings		151,840	7,602
Proceeds from issue of units via pro-rata entitlement offer		200,156	-
Expenses incurred in pro-rata entitlement offer		(4,348)	-
Distributions paid		(59,616)	(54,658)
Net cash flows from/(used in) financing activities		288,032	(47,056)
Net increase/(decrease) in cash		982	(13,669)
Cash at the beginning of the financial year		11,063	24,732
Cash at the end of the financial year	8	12,045	11,063

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 2014

	Issued capital \$000	Undistributed income \$000	Hedge reserve \$000	Total \$000
Balance at 1 July 2012	682,435	307,539	(16,013)	973,961
Total comprehensive income for the year attributable to the unitholders of BWP Trust				
Profit attributable to unitholders of BWP Trust	-	110,573	-	110,573
Other comprehensive income: effective portion of changes in fair value of cash flow hedges	-	-	3,497	3,497
Total comprehensive income for the year	-	110,573	3,497	114,070
Transactions with unitholders recorded directly in equity				
Distributions to unitholders	-	(75,751)	-	(75,751)
Equity issued during the year:				
- Distribution Reinvestment Plan	24,928	-	-	24,928
Total transactions with unitholders of BWP Trust	24,928	(75,751)	-	(50,823)
Balance at 30 June 2013	707,363	342,361	(12,516)	1,037,208
Balance at 1 July 2013	707,363	342,361	(12,516)	1,037,208
Total comprehensive income for the year attributable to the unitholders of BWP Trust				
Profit attributable to unitholders of BWP Trust	-	149,081	-	149,081
Other comprehensive income: effective portion of changes in fair value of cash flow hedges	-	-	469	469
Total comprehensive income for the year	-	149,081	469	149,550
Transactions with unitholders recorded directly in equity				
Distributions to unitholders	-	(92,826)	-	(92,826)
Equity issued during the year:				
- Pro-rata entitlement offer	200,156	-	-	200,156
- Distribution Reinvestment Plan	21,615	-	-	21,615
- Expenses incurred in pro-rata entitlement offer	(4,348)	-	-	(4,348)
Total transactions with unitholders of BWP Trust	217,423	(92,826)	-	124,597
Balance at 30 June 2014	924,786	398,616	(12,047)	1,311,355

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 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with the requirements of the constitution of BWP Trust ("the Trust") and Australian Accounting Standards. The Trust is a for profit trust whose units are publicly traded on the Australian Securities Exchange. The financial statements have been prepared on a historical cost basis, except for investment properties and derivative financial instruments, which have been measured at fair value.

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

(b) Statement of compliance

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

The Trust has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for financial reporting periods beginning on or before 1 July 2013. The adoption of these standards has given rise to additional disclosure but did not have a material effect on the financial statements of the Trust. In particular, the Trust has adopted AASB 13 Fair Value Measurement with a date of initial application of 1 July 2013. AASB 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other AASBs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. It also replaces and expands the disclosure requirements about fair value measurements in other AASBs, including AASB 7 Financial Instruments: Disclosures. As a result, the Trust has included additional disclosures in this regard (see Notes 10 and 17). In accordance with the transitional provisions of AASB 13, the Trust has applied the new fair value measurement guidance for the current year reporting period but not for prior periods and therefore has not disclosed any comparative information. The adoption of this standard has had no significant impact on the measurement of the Trust's assets and liabilities.

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

(c) Significant judgements and estimates

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

Investment properties – operating leases

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

The Trust has determined that it retains all the significant risks and rewards of ownership of these properties and has thus classified the leases as operating leases (see Notes 1(e), 1(o), and 10(c)).

Investment properties – valuations

Investment properties are revalued each balance date to reflect their fair value according to the Trust's policy on valuing assets and applying generally accepted valuation criteria, methodology and assumptions (see Notes 1(e) and 10(a)).

Financial instruments – valuations

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

Notes to the financial statements

For the year ended 30 June 2014

(d) Finance costs

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

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

(e) Investment properties

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

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

(f) Assets held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Immediately before classification as held for sale the assets are remeasured in accordance with the Trust's other accounting policies. Thereafter, generally, the assets are measured at the lower of their carrying amount and fair value less costs to sell.

(g) Cash

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

(h) Interest-bearing loans and borrowings

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

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

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

(i) 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.

Notes to the financial statements

For the year ended 30 June 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Payables

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

(k) Distribution payable

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

The recording of the distribution payable at each reporting date as a current liability may result in the Trust's current liabilities exceeding its current assets. 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.

(l) Revenue

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

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

Rental and other property income

Rental and other property income is recognised at the amount and when due under the terms of the lease. All fixed, Consumer Price Indices-linked and market rent review increases are recognised in income from the date that these are due in accordance with the respective lease terms. This is done to ensure that rental income is matched with the associated cash flows over the term of the lease.

Interest income

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

(m) Taxation

Income Tax

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

Goods and Services Tax

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

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

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

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

Notes to the financial statements

For the year ended 30 June 2014

(n) Derivative financial instruments

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

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

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and any ineffective portion is considered a finance cost and is recognised in 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.

(o) Leases

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

Operating leases

The rental revenues of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased items, are included in the determination of the net profit in accordance with the revenue recognition policy at Note 1(l).

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 straightline basis over the lease term as a reduction of rental income.

(p) Units on issue

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

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

(q) 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.

(r) Segment reporting

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. Refer to notes 17 and 21 for further information.

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 relating to revenue, profit or loss, assets and liabilities or other material items.

Notes to the financial statements

For the year ended 30 June 2014

2. AUDITOR'S REMUNERATION

	June 2014 \$	June 2013 \$
Auditing and review of the financial statements		
KPMG Australia	79,630	76,029
Other services		
KPMG Australia – taxation services	24,000	22,300
	103,630	98,329

3. FINANCE INCOME AND EXPENSE

	June 2014 \$000	June 2013 \$000
Recognised directly in profit and loss		
Finance income - interest income on bank deposits	470	140
Finance expense:		
- Interest expense on financial liabilities measured at amortised cost	(15,480)	(17,431)
- Interest expense on interest rate swaps	(5,421)	(4,349)
Total finance expenses	(20,901)	(21,780)
Net finance income and expense	(20,431)	(21,640)
Recognised in other comprehensive income		
Net gains on cash flow hedges for the year:		
- Realised losses transferred to profit or loss	5,421	4,349
- Unrealised losses on cash flow hedges	(4,952)	(852)
Finance expense recognised in other comprehensive income	469	3,497

Notes to the financial statements

For the year ended 30 June 2014

4. RESPONSIBLE ENTITY'S FEES

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

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

The responsible entity may waive the whole or any part of the remuneration to which it would otherwise be entitled (see Note 20(d)(ii)(h)).

5. OTHER OPERATING EXPENSES

	June 2014 \$000	June 2013 \$000
Non-recoverable property costs ¹	4,716	3,923
Listing and registry expenses	493	296
Meeting costs	277	-
Bad debts written off	302	38
Other operating expenses	202	169
	5,990	4,426

¹ Included in non-recoverable property costs are amounts paid or payable of \$1,918,499 (2013: \$1,575,018) for Queensland Land Tax which under the respective state legislation when the lease was entered into cannot be on-charged to tenants.

6. 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 are not included in the profit available for distribution to unitholders. A reconciliation is provided below:

	June 2014 \$000	June 2013 \$000
6.83 cents (2013: 7.00 cents) per unit, interim distribution paid on 25 February 2014	42,835	37,355
7.88 cents (2013: 7.14 cents) per unit, final distribution provided	49,991	38,396
	92,826	75,751
Profit attributable to unitholders of BWP Trust	149,081	110,573
Capital profits released from undistributed income reserve	825	-
Net unrealised gains in fair value of investment properties	(57,113)	(34,805)
Distributable profit for the year	92,793	75,768
Opening undistributed profit	34	17
Closing undistributed profit	(1)	(34)
Distributable amount	92,826	75,751
Distribution (cents per unit)	14.71	14.14

Notes to the financial statements

For the year ended 30 June 2014

7. EARNINGS PER UNIT

	June 2014	June 2013
Net earnings used in calculating basic and diluted earnings per unit	\$149,081,000	\$110,573,000
Basic and diluted earnings per unit	24.34 cents	20.78 cents
Basic and diluted earnings per unit excluding unrealised gains in fair value of investment properties	15.01 cents	14.24 cents
Weighted average number of units on issue used in the calculation of basic and diluted earnings per unit	612,563,010	532,204,054

8. CASH

	June 2014 \$000	June 2013 \$000
Cash at bank	12,045	11,063
Weighted average effective interest rates	2.59%	2.82%

Cash at bank earns interest at floating rates based on daily bank deposit rates.

The Trust's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are set out in Note 17.

9. RECEIVABLES AND PREPAYMENTS

	June 2014 \$000	June 2013 \$000
Current		
Receivables from Wesfarmers Limited subsidiaries	1,251	572
Other receivables	251	309
Prepayments	4,849	4,016
	6,351	4,897

Wesfarmers Limited is a related party (see Note 20 (d)(i)).

Notes to the financial statements

For the year ended 30 June 2014

10. INVESTMENT PROPERTIES (NON-CURRENT)

(a) Reconciliation of carrying amount

	June 2014 \$000	June 2013 \$000
Opening balance at the beginning of the financial year	1,374,444	1,306,563
Acquisitions during the year	374,179	31,566
Reclassification to assets held for sale	(49,396)	(4,100)
Capital improvements since acquisition	9,140	5,610
Net unrealised gains from fair value adjustments	57,113	34,805
Closing balance at the end of the financial year	1,765,480	1,374,444

(i) Valuation policy

Investment properties are carried at fair value.

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

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

Initially, each investment property is measured at cost including transaction costs (see Note 1(e)).

Subsequent revaluations to fair value according to the Trust's revaluations policy may result in transaction costs appearing as a negative adjustment (loss) in fair value.

Under the AASBs, 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". Details of the methodology and the significant assumption/ inputs used are detailed below.

(ii) Methodology and significant assumptions

Independent valuations

The independent valuer determines the most appropriate valuation method for each property.

Methods used for valuations during the year were the discounted cash flow and capitalisation of income valuation methods. Details of the independent valuations conducted as at 30 June 2014 are provided at Note 10(b).

Directors' valuations

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

Discounted cash flow method

The discounted cash flow method calculates a property's value by using projections of reliable estimates of future 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.

Notes to the financial statements

For the year ended 30 June 2014

10. INVESTMENT PROPERTIES (NON-CURRENT) (CONTINUED)

(a) Reconciliation of carrying amount (continued)

(ii) Methodology and significant assumptions (continued)

Capitalisation of income valuation method

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

- > lease term remaining;
- > the relationship of current rent to the market rent;
- > the location;
- > for Bunnings Warehouses, distribution of competing hardware stores;
- > prevailing investment market conditions; and
- > other property specific conditions.

In completing the valuations, reliance was placed on market evidence of broadly comparable Bunnings Warehouses sold within the past 12 months, with capitalisation rates ranging between 6.50 per cent to 8.00 per cent (compared with the Trust's weighted average rate of 7.59 per cent).

Under the capitalisation of income valuation method, by which the majority of the Trust's investment properties are valued, the estimated fair value would increase or decrease significantly if the occupancy rate was higher or lower. The current occupancy rate as at 30 June 2014 is 97.4 per cent, after excluding the Sandown and Regency Park properties, which although vacant were sold but not settled at the end of the financial year.

(b) Independent valuations and valuers

Property	Valuation date	Valuer
Minchinbury, NSW	30.06.14	JLL, Bernard Sweeney FAPI MRICS
Port Macquarie, NSW	30.06.14	Colliers International, Peter Macadam AAPI
Villawood, NSW	30.06.14	CBRE, Paul Satara AAPI
Hervey Bay, QLD	30.06.14	CBRE, Tom Irving AAPI MRICS
Morayfield, QLD	30.06.14	CBRE, Tom Irving AAPI MRICS
Noarlunga, SA	30.06.14	CBRE, Cain Gurney FAPI
Mile End, SA	30.06.14	CBRE, Cain Gurney FAPI
Fountain Gate, VIC	30.06.14	JLL, Bernard Sweeney FAPI MRICS
Nunawading, VIC	30.06.14	CBRE, Stephen Thomas AAPI
Mindarie, WA	30.06.14	Opteon, David Moore FAPI
Morley, WA	30.06.14	Opteon, David Moore FAPI

(c) Operating leases

- (i) All of the Trust's properties are leased by Bunnings Group Limited except Trust properties at Blackburn, Maribyrnong, Blacktown, Regency Park, Brendale, West Ipswich, Manly West, Sandown and Hemmant; surplus land adjoining properties at: Albany (1.2 hectares), Altona (1.0 hectare), Minchinbury (0.5 hectares), Nunawading (0.1 hectares), Fyshwick (1.0 hectare); Geraldton Showrooms; showrooms co-located with Bunnings Warehouses at Bayswater, Browns Plains, Coburg, Dubbo, Gladstone, Harrisdale, Hoxton Park and Pakenham; and a pad site at Dubbo.
- (ii) General information regarding the duration of leases is as follows:
 - > 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.

Notes to the financial statements

For the year ended 30 June 2014

- > Leases to non-Bunnings tenants generally commit the tenant to an initial term of between 5 and 10 years, followed by one or a number of optional terms of five years each exercisable by the tenant.
 - > At 30 June 2014, the minimum lease expiry (being the duration until which the tenants' committed terms expire) for the Trust's investment properties is 0.3 years (2013: 0.2 years) and the maximum lease expiry is 13.3 years (2013: 14.3 years), with a weighted average lease expiry for the portfolio of 6.9 years (2013: 6.8 years).
- (iii) Generally, rents are reviewed annually in line with movements in Consumer Price Indices compiled by the Australian Bureau of Statistics or a fixed percentage increase, except when a market rent review is due. Market rent reviews for most Bunnings Warehouses are due each fifth anniversary of the commencement date and for other leases at the exercise of each option by the tenant. Generally, market rents are agreed by the landlord and tenant or if not agreed, determined by an independent expert in accordance with generally accepted rent review criteria.
- (iv) The tenants are generally responsible for payment of most outgoings, which include all normal rates, taxes and assessments (other than land tax in some instances). At the Browns Plains and Gladstone properties, the non-Bunnings tenants do not contribute to outgoings, but each is responsible for payment of all of its respective utilities charges.
- (v) Some of the leases of Bunnings Warehouses allow for the tenant to repurchase the properties in specified circumstances:
- (a) At Bayswater, Morley, Thornleigh and Vermont South properties, the tenant may repurchase the property from the landlord in the event that:
 - (i) the tenant proposes a redevelopment of the relevant property for which the tenant and landlord cannot agree commercial terms and at the time the tenant and landlord are not related bodies corporate; or
 - (ii) the landlord and tenant cease to be related bodies corporate. In respect to the Bunnings Warehouses at Bayswater and Vermont South properties, in the event that the tenant and landlord cease to be related bodies corporate, the tenant may only exercise the right to repurchase at the end of the initial lease term and at the end of each further option term.
 - (b) If the right to repurchase is exercised in respect of any of these properties, the purchase price for the property will be a price to be agreed between the parties and failing agreement, a price determined by an appointed valuer based on the market value assuming vacant possession for the relevant property.
- (vi) There are no lease commitments receivable as at the reporting date.
- (vii) There were no contingent rentals recognised as revenues in the financial year.
- (viii) The future minimum non-cancellable rental revenues are:

	June 2014 \$000	June 2013 \$000
Not later than one year	132,725	106,543
Later than one year not later than five years	475,147	387,236
Later than five years	310,835	244,972
	918,707	738,751

(d) Assets held for sale		
Current	53,496	4,100

During the year or subsequently after the year-end, the Trust entered into sale contracts to sell a number of the Trust's properties. As described in Note 1(f), these properties are valued at their fair value less costs to sell.

Notes to the financial statements

For the year ended 30 June 2014

11. PAYABLES AND DEFERRED INCOME

	June 2014 \$000	June 2013 \$000
Current		
Trade creditors and accruals	2,860	3,226
Responsible entity's fees payable	2,488	2,016
Rent received in advance	10,299	8,835
	15,647	14,077

The Trust's exposure to liquidity risk in respect of payables is disclosed in Note 17.

12. INTEREST-BEARING LOANS AND BORROWINGS

	Note	June 2014 \$000	June 2013 \$000
Non-current - unsecured			
Bank bills and term advances	12(a)	248,938	296,492
Corporate bonds	12(b)	199,394	-
		448,332	296,492

Refer to Note 17 for information on interest rate and liquidity risk.

At 30 June 2014 the minimum duration of the above debt facilities was 31 months (2013: 37 months) and the maximum was 59 months (2013: 43 months) with a weighted average duration of 44.3 months (2013: 41.1 months).

(a) Bank bills and term advances (bank loans)

	Expiry date	June 2014		June 2013	
		Limit \$000	Amount drawn \$000	Limit \$000	Amount drawn \$000
Australia and New Zealand Banking Group Limited	23 January 2017	125,000	89,500	150,000	56,500
Commonwealth Bank of Australia	31 July 2017	125,000	105,900	100,000	65,500
Westpac Banking Corporation	31 December 2017	150,000	53,800	180,000	175,500
Less: accrued interest and borrowing costs			(262)		(1,008)
		400,000	248,938	430,000	296,492

The borrowings under the facilities are not secured by assets of the Trust, but are subject to reporting and financial undertakings by the Trust to the banks under negative pledge agreements with each bank.

(b) Corporate bonds

On 27 May 2014, the Trust issued \$200 million fixed rate domestic bonds maturing on 27 May 2019. Interest is payable semi-annually in arrears on the fixed rate domestic bonds, at 4.58 per cent per annum.

Notes to the financial statements

For the year ended 30 June 2014

13. ISSUED CAPITAL

(a) Book value of units on issue

	June 2014 \$000	June 2013 \$000
Book value at the beginning of the financial year	707,363	682,435
Equity issued during the year – DRP:		
- August 2013: 2,387,450 units at \$2.3387 per unit	5,583	15,832
- February 2014: 7,229,276 units at \$2.2176 per unit	16,032	9,096
Equity issued during the year – pro-rata entitlement offer:		
- September 2013: 87,024,515 units at \$2.30 per unit	200,156	-
Expenses incurred in pro-rata entitlement offer	(4,348)	-
Book value at the end of the financial year	924,786	707,363

(b) Number of ordinary units on issue

	June 2014	June 2013
Number of fully paid units on issue at the beginning of the financial year	537,753,954	525,255,093
Issue of units during the year – DRP	9,616,726	12,498,861
Issue of units during the year – pro-rata entitlement offer	87,024,515	-
Number of fully paid units on issue at the end of the financial year	634,395,195	537,753,954

(c) Rights

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

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

(d) Distribution Reinvestment Plan

The DRP was in place for both the interim distribution and final distribution for the year ended 30 June 2014 and the preceding year.

14. HEDGE RESERVE

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

	June 2014 \$000	June 2013 \$000
Opening balance at the beginning of the financial year	(12,516)	(16,013)
Effective portion of changes in fair value of cash flow hedges:		
- Realised losses transferred to profit or loss	5,421	4,349
- Unrealised losses on cash flow hedges	(4,952)	(852)
Closing balance at the end of the financial year	(12,047)	(12,516)

Notes to the financial statements

For the year ended 30 June 2014

15. CASH FLOW

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

	June 2014 \$000	June 2013 \$000
Profit for the year attributable to unitholders of BWP Trust	149,081	110,573
Net fair value change on investment properties	(57,113)	(34,805)
Increase in receivables and prepayments	(474)	(151)
Increase in payables and deferred income	921	506
Net cash flows from operating activities	92,415	76,123

(b) Reconciliation of cash

Cash balance comprises:		
Cash (see Note 8)	12,045	11,063

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

- > credit risk;
- > liquidity risk; and
- > interest rate risk.

This note and Note 17 present information about the Trust's exposure to each of these risks, and the Trust's objectives, policies and processes for measuring and managing risk, and managing capital. Further quantitative disclosures are included throughout these financial statements.

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

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

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

The Trust's principal financial instruments, other than derivatives, are bank bills and term advances ("bank loans") and corporate bonds. The main purpose of these financial instruments is to raise finance for the Trust's operations. 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, 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 has various other financial assets and liabilities such as other receivables and payables, which arise directly from its operations. The Trust also enters into derivative transactions (interest rate swaps) to manage the interest rate risks arising from the Trust's operations. The main risk arising from the Trust's financial instruments is interest rate risk. The Board of directors of the responsible entity reviews and agrees policies for managing this risk and this is summarised in Note 17.

Notes to the financial statements

For the year ended 30 June 2014

17. FINANCIAL INSTRUMENTS

The Trust has recognised certain financial instruments in the accounts. These financial instruments are disclosed in Notes 8, 9, 11 and 12, as well as derivative financial instruments. The main risks associated with the Trust's financial instruments and the means by which these risks are managed, the measurement of financial instruments and how capital is managed are outlined below:

(a) Concentration of credit risk

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

Receivables

The credit risk associated with 94.6 per cent (2013: 95.3 per cent) of the rental income is with three tenants, Bunnings Group Limited 93.1 per cent (2013: 93.9 per cent), J Blackwood and Son Pty Limited 0.9 per cent (2013: 1.1 per cent) and Officeworks Superstores Pty Ltd 0.6 per cent (2013: 0.3 per cent), all wholly owned subsidiaries of Wesfarmers Limited. Bunnings Group Limited, J Blackwood and Son Pty Limited, Officeworks Superstores Pty Ltd and Wesfarmers Limited are currently subject to a Deed of Cross Guarantee under which they covenant with a trustee for the benefit of each creditor that they guarantee to each creditor payment in full of any debt in the event of any entity that is included in the Deed of Cross Guarantee being wound up. Wesfarmers Limited has been assigned a credit rating of A-(stable)/A2 by Standard & Poor's (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.

Notes to the financial statements

For the year ended 30 June 2014

17. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Concentration of credit risk (continued)

Exposure to credit risk

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

	Note	Carrying amount	
		June 2014 \$000	June 2013 \$000
Cash and short-term deposits	8	12,045	11,063
Loans and receivables	9	1,502	881
		13,547	11,944

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

	Carrying amount	
	June 2014 \$000	June 2013 \$000
Tenants		
Wesfarmers Limited subsidiaries	1,251	572
Other tenants	251	309
	1,502	881

Impairment losses

Rental receivables of approximately \$13,668 were overdue at 30 June 2014 (2013: \$124,624).

During the year, \$302,500 (2013: \$38,262) of rental income was deemed non-recoverable and has been written off in relation to one tenancy. There were no other allowances for impairment in respect of receivables during the current year or the previous year.

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

Notes to the financial statements

For the year ended 30 June 2014

(b) Liquidity risk

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

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 2014						
Non-derivative financial liabilities						
Bank loans - principal	(248,938)	(249,200)	-	-	(249,200)	-
Bank loans - future interest	-	(31,919)	(9,998)	(10,484)	(11,437)	-
Corporate bonds	(199,394)	(245,000)	(9,000)	(9,000)	(227,000)	-
Payables and deferred income	(15,647)	(15,647)	(15,647)	-	-	-
Derivative financial liabilities						
Interest rate swaps	(12,047)	(12,621)	(4,406)	(3,924)	(4,122)	(169)
	(476,026)	(554,387)	(39,051)	(23,408)	(491,759)	(169)

30 June 2013**Non-derivative financial liabilities**

Bank loans - principal	(296,492)	(297,500)	-	-	(297,500)	-
Bank loans - future interest	-	(46,378)	(12,938)	(12,901)	(20,539)	-
Payables and deferred income	(14,077)	(14,077)	(14,077)	-	-	-

Derivative financial liabilities

Interest rate swaps	(12,516)	(12,998)	(4,490)	(4,700)	(3,811)	3
	(323,085)	(370,953)	(31,505)	(17,601)	(321,850)	3

Notes to the financial statements

For the year ended 30 June 2014

17. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Interest rate risk

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

At 30 June 2014 the fixed rates varied from 3.10 per cent to 5.77 per cent (2013: 3.10 per cent to 5.77 per cent) and the floating rates were at bank bill rates plus a bank margin.

The Trust has a policy of hedging the majority of its borrowings against interest rate movements to ensure stability of distributions. At 30 June 2014, the Trust's hedging cover (interest rate swaps and fixed rate corporate bonds) was 91.3 per cent of borrowings. This level is currently above the Board's preferred 50 per cent to 75 per cent range due to the corporate bond issuance in late May 2014 resulting in the repayment of bank loans. Hedging levels are expected to return within the Board's preferred range in the coming years as the Trust continues to grow.

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

	Carrying amount	
	June 2014 \$000	June 2013 \$000
Variable rate instruments		
Cash and short-term deposits	12,045	11,063
Bank loans	(248,938)	(296,492)

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, and the Trust does not designate any interest rate swaps as hedging instruments under a fair value hedging model. 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 below considers the impact on equity and net profit or loss due to a reasonably possible increase or decrease in interest rates. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2013.

	Net profit		Equity	
	50 basis points increase \$000	50 basis points decrease \$000	50 basis points increase \$000	50 basis points decrease \$000
30 June 2014				
Variable rate instruments	(1,246)	1,246	-	-
Interest rate swaps	1,050	(1,050)	3,087	(3,147)
Net impact on net profit and equity	(196)	196	3,087	(3,147)
30 June 2013				
Variable rate instruments	(1,488)	1,488	-	-
Interest rate swaps	1,050	(1,050)	3,519	(4,575)
Net impact on net profit and equity	(438)	438	3,519	(4,575)

Notes to the financial statements

For the year ended 30 June 2014

(d) Net fair values

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

	June 2014 \$000		June 2013 \$000	
	Book value	Fair value	Book value	Fair value
Assets and liabilities held at amortised costs				
Loans and receivables	1,502	1,502	881	881
Cash and short-term deposits	12,045	12,045	11,063	11,063
Bank loans	(248,938)	(248,938)	(296,492)	(296,492)
Corporate bonds	(199,394)	(201,727)	-	-
Payables and deferred income	(15,647)	(15,647)	(14,077)	(14,077)
Liabilities held at fair value				
Interest rate swaps	(12,047)	(12,047)	(12,516)	(12,516)

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 estimates 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).

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:

	2014	2013
Interest rate swaps	2.66% to 4.22%	2.67% to 4.33%

(e) Capital management

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

In order to maintain a manageable level of debt, the responsible entity has established a preferred range of 20 to 30 per cent for the Trust's gearing ratio (debt to total assets), which is monitored on a monthly basis. At 30 June 2014, the gearing level was 24.4 per cent (2013: 21.2 per cent).

The DRP was in place for both the interim distribution and final distribution for the year ended 30 June 2014 and the preceding year.

Notes to the financial statements

For the year ended 30 June 2014

18. CAPITAL EXPENDITURE COMMITMENTS

	June 2014 \$000	June 2013 \$000
Estimated capital expenditure contracted for at balance date, but not provided for in the financial statements, which is payable:		
Not later than one year:		
Unrelated parties	-	38,792
Related parties	72,976	23,360
	72,976	62,152

Capital Commitments to related parties

Portfolio acquisition

Following approval by unitholders in September 2013, the Trust agreed to acquire a property portfolio comprising 10 Bunnings Warehouse properties from Bunnings Group Limited, a controlled entity of Wesfarmers Limited, as well as committing to upgrading three of its existing Trust-owned Bunnings Warehouses. The total purchase price for the portfolio and upgrades is \$291.1 million plus acquisition costs, of which \$237.4 million was paid to Bunnings Group Limited during the year. Subject to the completion of the development and upgrades of Bunnings Warehouses on four of the properties, a further \$53.7 million is expected to be payable within the next 12 months.

Brendale

In June 2014, the Trust entered into a contract to acquire a development site in Brendale, Queensland on which Bunnings Group Limited will develop a Bunnings Warehouse. The purchase price of the land of \$7.6 million was paid in June 2014, with a further \$19.2 million for the completed development to be paid to Bunnings Group Limited upon completion.

19. SUBSEQUENT EVENT

During the last quarter of the 2014 financial year and also subsequent to the year-end, the Trust has entered into sale contracts for five of the Trust's properties. The settlement of these properties will occur throughout the 2015 financial year, with net sale proceeds of approximately \$53.5 million to be received.

Notes to the financial statements

For the year ended 30 June 2014

20. DIRECTOR AND EXECUTIVE DISCLOSURES AND RELATED PARTY DISCLOSURES

(a) Details of key management personnel

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

Chairman – non-executive

Mr J A Austin

Managing Director

Mr M J Wedgwood (from 24 February 2014)

Non-executive directors

Mr J K Atkins (from 1 April 2014)

Mr B J H Denison (until 12 February 2014)

Ms F E Harris

Mr R D Higgins

Mr A J Howarth

Mr P J Mansell (until 4 December 2013)

General Manager

Mr G W Gernhoefer (until 24 February 2014)

(b) Remuneration policy

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

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

For the financial year ended 30 June 2014, each director was entitled to director's fees and/or superannuation for their services and the reimbursement of reasonable expenses. The fees paid reflect the demands on, and the responsibilities of, those directors. The advice of independent remuneration consultants is taken to establish that the fees are in line with market standards. Directors do not receive option or bonus payments, nor do they receive retirement benefits in connection with their directorships. There are no equity incentive schemes in relation to the Trust.

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

Directors	Balance at the beginning of the year	Net change during the year	Balance at the end of the year
Mr J K Atkins	26,501 ¹	-	26,501
Mr J A Austin	295,967	47,892	343,859
Mr B J H Denison ²	11,205	(11,205)	-
Ms F E Harris	-	20,000	20,000
Mr R D Higgins	-	20,000	20,000
Mr A J Howarth	-	20,000	20,000
Mr P J Mansell ²	234,475	(234,475)	-
Mr M J Wedgwood	-	-	-
Total	568,148	(137,788)	430,360

¹ Units held prior to appointment to the Board

² Ceased to be non-executive director during the year

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.

Notes to the financial statements

For the year ended 30 June 2014

20. DIRECTOR AND EXECUTIVE DISCLOSURES AND RELATED PARTY DISCLOSURES (CONTINUED)

(d) Transactions with related parties

(i) Relationship with the Wesfarmers Group

Wesfarmers Investments Pty Limited, a controlled entity of Wesfarmers Limited, holds 156,540,889 (2013: 130,712,708) units in the Trust, representing 24.68 per cent of the units on issue at 30 June 2014 (2013: 24.31 per cent).

(ii) Transactions with the Wesfarmers Group

During the year ended 30 June 2014, the Trust had the following transactions with Wesfarmers Limited subsidiaries:

- (a) Following approval by unitholders in September 2013, the Trust agreed to purchase a property portfolio, comprising 10 Bunnings Warehouse properties from Bunnings Group Limited, a controlled entity of Wesfarmers Limited, as well as committing to upgrading three of its existing Trust-owned Bunnings Warehouses. The total purchase price for the portfolio and upgrades was \$291.1 million plus acquisition costs, of which \$237.4 million was paid to Bunnings Group Limited during the year. Subject to the completion of the development and upgrades of Bunnings Warehouses on four of the properties, a further \$53.7 million is expected to be payable within the next 12 months.
- (b) In June 2014, the Trust entered into a contract to acquire a development site in Brendale, Queensland on which Bunnings Group Limited will develop a Bunnings Warehouse. The purchase price of the land of \$7.6 million was paid in June 2014, with a further \$19.23 million for the completed development to be paid to Bunning Group Limited upon completion.
- (c) Also in June 2014, The Trust entered into a contract to sell to Bunnings Group Limited, the Bunnings Warehouse at Sunshine, Victoria for \$13 million, with settlement to occur in December 2014.
- (d) Subsequent to the year-end, the Trust entered into a contract to sell to Bunnings Group Limited, the Bunnings Warehouse in Coffs Harbour, New South Wales for \$7.3 million, with settlement to occur in June 2015.
- (e) Rent and other property income of \$118,421,255 (2013: \$102,582,141) was received from Bunnings Group Limited. The amount includes an amount received in advance of \$9,548,859 (2013: \$8,421,676). As at 30 June 2014 there was amounts receivable of \$291,975 (2013: \$358,579).
- (f) Rent of \$1,137,409 (2013: \$1,143,588) was received from J Blackwood and Son Pty Limited, a controlled entity of Wesfarmers Limited. No amounts were received in advance in the current year (2013: nil). As at 30 June 2014 there were receivables of \$23,778 (2013: \$114,339).
- (g) Rent of \$799,600 (2013: \$349,788) was received from Officeworks Superstores Pty Ltd, a controlled entity of Wesfarmers Limited. As at 30 June 2014 there was no rent receivable (2013: \$35,319).
- (h) The responsible entity's fee of \$8,566,858 (2013: \$7,254,610) is paid or payable to the responsible entity. During the year, as part of the agreement to acquire 10 Bunnings Warehouse properties from Bunnings Group Limited, the responsible entity waived its entitlement to fees in respect to these properties purchased until 30 June 2014. For the year ended 30 June 2014 the amount of fees the responsible entity had waived was \$849,016 (2013: \$666,022).

Notes to the financial statements

For the year ended 30 June 2014

- (i) The Trust reimbursed Bunnings Group Limited \$21.2 million for the completion of the development of Trust's Wallsend Bunnings Warehouse.
- (j) 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 to incur.
- (k) The Trust paid \$255,385 (2013: \$510,896) to Wesfarmers Limited for insurance premiums on a number of the Trust's properties. The amount paid in the previous year represents insurance payments covering two years of insurance.

21. ADDITIONAL INFORMATION

(a) Principal activities and investment policy of the Trust

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

(b) Commencement and life of the Trust

The Trust is a unit trust of no fixed duration and was constituted under a Trust Deed dated 18 June 1998 as amended. The Trust is managed by BWP Management Limited. Both the Trust and the responsible entity are domiciled in Australia.

(c) Economic dependency

94.6 per cent (2013: 95.3 per cent) of the Trust's rental income received during the year was from Bunnings Group Limited, J Blackwood and Son Pty Ltd and Officeworks Superstores Pty Ltd, all controlled entities of Wesfarmers Limited.

(d) Corporate information

The financial report of the Trust for the year ended 30 June 2014 was authorised for issue in accordance with a resolution of the directors on 7 August 2014.

Directors' report

For the year ended 30 June 2014

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 2013 and ended 30 June 2014. The information on pages 1 to 29 forms part of this directors' report and is to be read in conjunction with the following information:

Results and distributions

	June 2014 \$000	June 2013 \$000
Profit attributable to unitholders of BWP Trust	149,081	110,573
Capital profits released from undistributed income reserve	825	-
Net unrealised gains in fair value of investment properties	(57,113)	(34,805)
Distributable profit for the year	92,793	75,768
Opening undistributed profit	34	17
Closing undistributed profit	(1)	(34)
Distributable amount	92,826	75,751

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 2014:

	June 2014 \$000	June 2013 \$000
(a) Out of the profits for the year ended 30 June 2013 on ordinary units as disclosed in last year's directors' report:		
(i) Final distribution of 7.14 cents per ordinary unit paid on 28 August 2013	38,396	42,231
(b) Out of the profits for the year ended 30 June 2014 (see Note 6 of the notes to the financial statements):		
(i) Interim distribution of 6.83 cents per ordinary unit paid on 25 February 2014	42,835	37,355
(ii) Final distribution of 7.88 cents per ordinary unit declared by the directors for payment on 28 August 2014	49,991	38,396

Units on issue

At 30 June 2014, 634,395,195 units of BWP Trust were on issue (2013: 537,753,954).

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 2014, BWP Trust held assets to a total value of \$1,837.4 million (2013: \$1,398.7 million). The basis for valuation of the assets is disclosed in Note 1 of the notes to and forming part of the financial statements.

Fee paid to the responsible entity and associates

Management fees totalling \$8,566,858 (2013: \$7,254,610) were paid or payable to the responsible entity out of Trust property during the financial year.

Directors' report

For the year ended 30 June 2014

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

The Trust had no employees during the financial year (2013: 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**Information on directors**

Mr J A Austin (Chairman)
 Mr J K Atkins (from 1 April 2014)
 Mr B J H Denison (until 12 February 2014)
 Ms F E Harris
 Mr R D Higgins
 Mr A J Howarth
 Mr P J Mansell (until 4 December 2013)
 Mr M J Wedgwood (Managing Director) (from 24 February 2014)

Details of the directors appear on pages 22 to 23.

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

Ms K A Lange, FGIA, FCIS, MBus

Ms K A Lange has been the company secretary since 9 April 2008. Ms Lange has more than 27 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:

	Units in the Trust
Mr J K Atkins	51,413
Mr J A Austin	343,859
Ms F E Harris	20,000
Mr R D Higgins	20,000
Mr A J Howarth	20,000
Mr M J 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.

Directors' report

For the year ended 30 June 2014

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.

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, unless the liability arises out of conduct involving a lack of good faith.

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 5 to 13 of this report and in the accompanying financial statements. This includes information on the financial position of the Trust and its business strategies and prospects for future financial years.

Significant changes in the state of affairs

During the financial year, the value of the Trust's investment properties increased by \$391.0 million (2013: \$67.9 million increase) to \$1.8 billion (2013: \$1.4 billion), with the number of investment properties increasing from 73 properties to 87 properties at the financial year end.

In September 2013, the Trust raised \$200.2 million (2013: nil) through a non-renounceable pro-rata entitlement offer with 87,024,515 new units being issued. The majority of the net proceeds of the pro-rata entitlement offer was used to fund a property portfolio of 10 properties from Bunnings Group Limited and one Bunnings Warehouse-anchored large format retail centre from an unrelated party.

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

Significant events after the balance date

During the last quarter of the 2014 financial year and also subsequent to the year-end, the Trust has entered into sale contracts for five of the Trust's properties. The settlement of these properties will occur throughout the 2015 financial year, with net sale proceeds of approximately \$53.5 million to be received.

Likely developments and expected results

Likely developments in and expected results of the operations of the Trust in subsequent years are referred to elsewhere in this report, particularly on pages 5 to 13.

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 majority of the ASX Corporate Governance Principles and Recommendations. The responsible entity's corporate governance statement is contained on pages 24 to 29 of this annual report.

Environmental regulation and performance

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

Board committees

As at the date of this report, the responsible entity had an Audit and Risk Committee and Remuneration 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 three Remuneration and Nomination Committee meetings held during the year.

Directors' report

For the year ended 30 June 2014

Rounding

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

Auditor independence

The lead auditor's independence declaration is set out on page 62 and forms part of the Directors' report for the year ended 30 June 2014.

Non-audit services

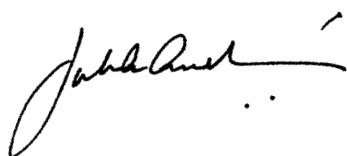
KPMG provided the following non-audit services to the Trust during the year ended 30 June 2014 and received, or is due to receive, the following amount for the provision of these services:

Taxation services	\$24,000
Total	\$24,000

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

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

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



J A Austin
Chairman

BWP Management Limited
Perth, 7 August 2014

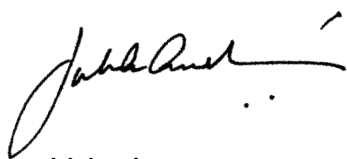
Directors' declaration

For the year ended 30 June 2014

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 2014 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 in Note 1(b).
2. This declaration has been made after receiving the declaration required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial period ended 30 June 2014.

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



J A Austin
Chairman

BWP Management Limited
Perth, 7 August 2014

Auditor's independence declaration



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

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

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2014 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.

A stylized, handwritten signature of the KPMG firm, consisting of the letters 'KPMG' in a cursive, flowing script.

KPMG
Perth, 7 August 2014

A handwritten signature of Grant Robinson, written in a cursive, flowing script.

Grant Robinson
Partner

Independent auditor's report to the unitholders of BWP Trust



Report on the financial report

We have audited the accompanying financial report of BWP Trust (the Trust), which comprises the statement of financial position as at 30 June 2014, and the statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 21 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' responsibility for the financial report

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

Auditor's responsibility

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

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

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

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

Independent auditor's report to the unitholders of BWP Trust



Independence

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

Auditor's opinion

In our opinion:

- (a) the financial report of BWP Trust is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Trust's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1(b).

A stylized, handwritten signature of the KPMG firm, consisting of the letters 'KPMG' in a cursive script.

KPMG
Perth, 7 August 2014

A handwritten signature of Grant Robinson, written in a cursive script.

Grant Robinson
Partner

Unitholder information

Substantial unitholders

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

	Date of notice	Units
Wesfarmers Limited, its subsidiaries and their associates	9 September 2013	151,863,632

Distribution of unitholders

As at 22 July 2014

Range of holding	Holders	Units	%
1 – 1,000	3,405	1,698,935	0.27
1,001 – 5,000	8,132	23,901,812	3.77
5,001 – 10,000	4,973	37,428,192	5.90
10,001 – 100,000	7,025	167,480,717	26.40
100,001 – over	231	403,885,539	63.66
Total	23,766	634,395,195	100.00
Unitholders holding less than a marketable parcel (197 units)	630	26,040	

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 22 July 2014 were:

	Number of units	Percentage of capital held
Wesfarmers Investments Pty Ltd	156,540,889	24.68
HSBC Custody Nominees (Australia) Limited	61,857,510	9.75
JP Morgan Nominees Australia Limited	61,542,317	9.70
Citicorp Nominees Pty Limited	23,330,903	3.68
National Nominees Limited	11,369,221	1.79
BNP Paribas Noms Pty Ltd <DRP>	9,006,543	1.42
RBC Investor Services Australia Nominees Pty Limited <APN A/C>	7,129,543	1.12
RBC Investor Services Australia Nominees Pty Limited <BKCUST A/C>	6,642,380	1.05
Citicorp Nominees Pty limited <Colonial First State Inv A/C>	6,160,140	0.97
HSBC Custody Nominees (Australia) Limited – GSCO ECA	2,133,345	0.34
CS Fourth Nominees Pty Ltd	1,689,013	0.27
Milton Corporation Limited	1,584,008	0.25
HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp A/C>	1,479,679	0.23
AMP Life Limited	1,246,544	0.20
UBS Wealth Management Australia Nominees Pty Ltd	1,159,341	0.18
Nulis Nominees (Australia) Limited <Navigator Mast Plan Sett A/C>	1,124,089	0.18
Superlife Trustee Nominees Ltd <SL Prop A/C>	1,085,892	0.17
Bond Street Custodians Limited <ENH Property Securities A/C>	1,068,733	0.17
RE GL CM & JE Adshead Pty Ltd <Adshead Bus Hire S/F A/C>	1,006,055	0.16
Cantala Pty Ltd	1,000,000	0.16
Total	358,156,145	56.46

INVESTOR INFORMATION

Stock exchange listing

The BWP Trust is listed on the 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 distribution and final distribution for the year ended 30 June 2014.

Electronic payment of distributions

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

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

Publications

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

Periodically, the Trust may also send releases to the ASX covering matters of relevance to investors.

Website

The Trust's website, is a useful source of information for unitholders. It includes details of the Trust's property portfolio, current activities and future prospects. The site also provides access to annual and half-year reports and releases made to the ASX.

Annual tax statements

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

Profit distributions

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

Unitholder meetings

A unitholder meeting was held on 16 September 2013, details of which are available on the Trust's website.

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 11, Wesfarmers House, 40 The Esplanade, Perth, Western Australia, 6000. The procedure for lodgement of complaints and complaints handling is set out under the Investors tab of the BWP Trust website.

Should a complainant be dissatisfied with the decision made by the responsible entity in relation to a complaint, the complainant is entitled to take the matter up with the Financial Ombudsman Service ("FOS"), an external and independent industry complaint handling scheme. FOS is located at Level 12, 717 Bourke Street, Docklands, Victoria, 3008.

FOS can be contacted by telephone on 1300 780 808 or by facsimile on +61 3 9613 6399, by mail at GPO Box 3, Melbourne, Victoria, 3001, by email at info@fos.org.au, or by visiting their website at fos.org.au.

DIRECTORY

RESPONSIBLE ENTITY

BWP Management Limited

ABN 26 082 856 424

Level 11
Wesfarmers House
40 The Esplanade
PERTH WA 6000

Telephone: (+61 8) 9327 4356

Facsimile: (+61 8) 9327 4344

bwptrust.com.au

Directors and senior management

Mr J A Austin (Chairman)

Mr M J Wedgwood (Managing Director)

Mr J K Atkins (Director)

Ms F E Harris (Director)

Mr R D Higgins (Director)

Mr A J Howarth (Director)

Ms K A Lange (Secretary)

REGISTRY MANAGER

Computershare Investor Services Pty Limited

Level 2
45 St Georges Terrace
PERTH WA 6000

Telephone: 1300 136 972
(within Australia)

Telephone: (+61 3) 9415 4323
(outside Australia)

Facsimile: 1800 783 447
(within Australia)

Facsimile: (+61 3) 9473 2555
(outside Australia)

computershare.com.au

AUDITOR

KPMG

235 St Georges Terrace
PERTH WA 6000

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ANNUAL
REPORT
2014
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