



Quantum Property Syndicate No. 11

ARSN: 108 475 716

Quantum Property Trust No. 11

ARSN: 108 475 476



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Quantum Group's mission is to acquire high quality, value for money commercial, retail and development property that meet our investors appetite for risk and returns and to professionally manage and add value to the existing property portfolio through a high level of service to our investors and tenants.

1. HIGHLIGHTS

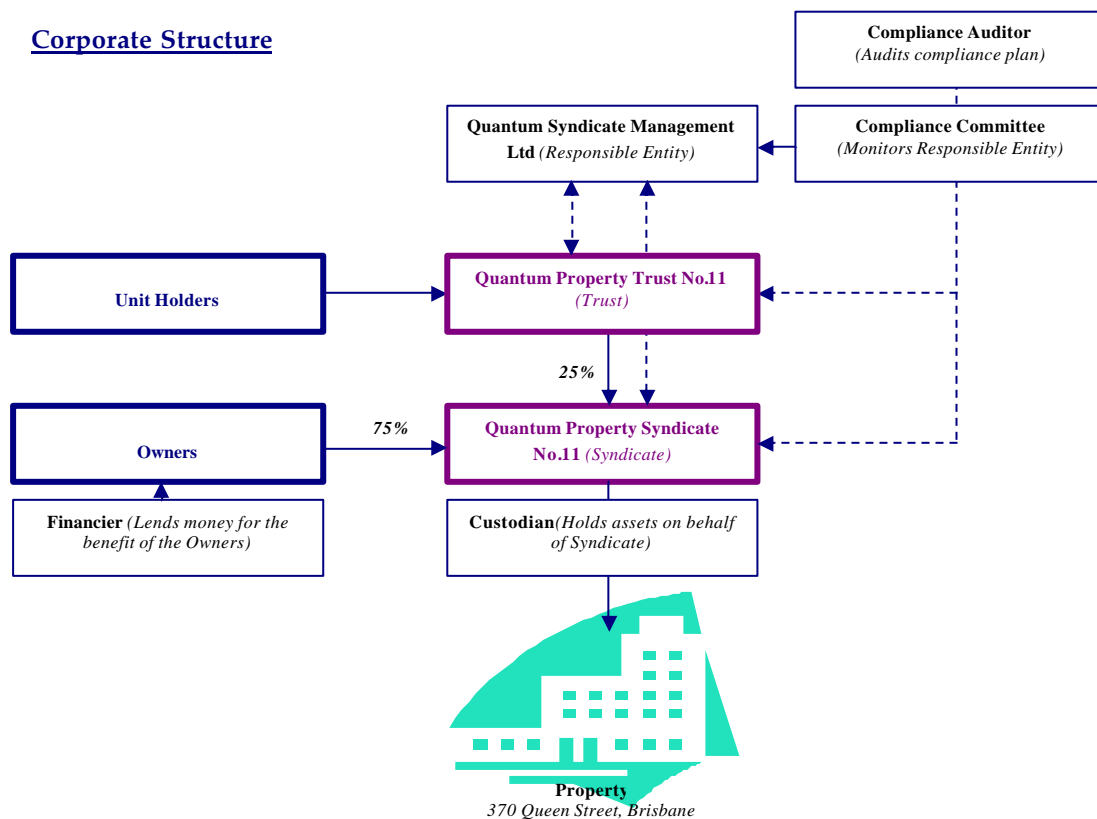
2005 FINANCIAL YEAR

- Property value increased 14% to \$12.50 million
- Net profit of the Syndicate outperformed the financial forecasts, after eliminating amortisation expense and the forecast supplemental income for the year
- Syndicate net asset backing per interest of \$1.05
- New 3 year lease signed on level 6 tenancy, and undertaken significant negotiations with some of the current tenants to renew their lease at expiry
- Earnings per unit for the Trust of 13.12 cents per unit
- Total cash distributions to unit holders of the Trust of 2.50 cents per unit
- Trust net asset backing per unit of \$1.09

2006 FINANCIAL YEAR SO FAR....

- Continued negotiations with current and prospective tenants to lease the vacant space, and secure future leases for the upcoming expiries.

Corporate Structure



2. RESPONSIBLE ENTITY'S REPORT

The Directors of Quantum Syndicate Management Ltd, the Responsible Entity of Quantum Property Syndicate No.11 ("the Syndicate") and Quantum Property Trust No.11 ("the Trust") are pleased to present their analysis and review of the Syndicate and Trust for the year ended 30 June 2005.

ACHIEVEMENTS

The past year has been a difficult year, with leasing remaining the number one priority, however the following significant achievements occurred during the year:

- 14% increase in property value;
- 3 year lease on level 6 tenancy;
- Trust net asset backing of \$1.09; and
- Syndicate net asset backing of \$1.05.

FINANCIAL PERFORMANCE

We are pleased to report that the Syndicate has outperformed the financial forecasts (based upon the actual lease income after eliminating the forecast supplemental income) for the year as set out in the offer document dated 5 April 2004.

	FY05 Actual	FY05 PDS Forecasts
Lease Income	1,139,372	1,055,724
Other Income	30,961	15,750
Syndicate Income	1,170,333	1,071,474
Less Property Outgoings	(445,147)	(442,346)
Less Other Expenses *	(108,119)	(110,880)
Net Income	617,067	518,248

* adding back one off amortisation expense of \$328,500

It was anticipated in the PDS that the cash reserves of the Syndicate would be used to supplement distributions. As previously reported at this stage these reserves have been set aside to fund any upfront lease incentives that may need to be given to new tenants.

Once the vacant tenancies are leased and the upcoming expiries renewed or leased, any cash reserves will be distributed to investors.

These results provided a standard Owner and Unit holder with the following returns.

	FY05 Actual	FY05 PDS Forecasts
Owners Loss	(47,235)	(44,779)
Unit Holders Distributions		
-Taxable Distribution	7,682	10,720
-Cash Distribution	1,950	8,682

The accounting policies of the Syndicate changed during the year, with the property now being valued at fair value as opposed to the previous period where it was valued at cost. This change sees the property no longer being depreciated for accounting purposes and this is reflected in the variance between the current and prior years property related expenses. This change should better reflect the underlying asset value of investor's funds.

AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AIFRS)

The Syndicate and Trust will determine and prepare the 2006 financial year results in accordance with AIFRS. Whilst at this stage it is not expected that this will impact the returns to investors, it will alter the way that the financial statements are prepared and presented. The major changes and their impacts have been determined to be:

- *The classification of investor's equity as debt.* Issued equity will now be classed as a liability and distributions as a borrowing cost. This will affect the value of the net assets and net profit;
- *Straight lining of lease income.* The income from leases will be reported on a straight line basis and is not increased each year in accordance with the rent reviews. This sees the rent in the initial years of the lease being higher than the actual rent collected and vice versa in the latter years.
- *Fair value increments and decrements are recognised in the profit and loss account.* Any changes in the value of the property will be recorded as income or an expense and will be reflected in the net profit each year.

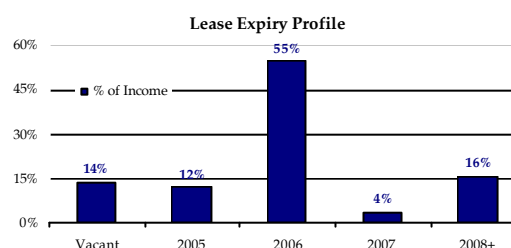
Whilst these changes will alter the way the financial performance and position of the Syndicate and Trust is prepared and presented they will not affect the net return to investors.

PROPERTY

The Syndicate owns 100% of the property located at 370 Queen Street, Brisbane. The property offers a mix of retail and commercial space and is located within the central part of Brisbane's commercial precinct (known as the "Golden Triangle").

Net Lettable Area	3,930 sqm plus 28 cars
Tenants	Multi-tenanted
Occupancy	89%
Lease Terms	Variable with 12 tenants
Acquisition Price	\$10.95 million
Valuation	\$12.50 million

The focus of the Responsible Entity has been on leasing the vacant tenancies, and working with the current tenants to renew their current leases. Negotiations with some of the existing tenants whose leases expire soon have been progressing well and we expect to report on the outcome of these negotiations at the AGM.



We anticipate that renewals should push a large amount of the balance of the 2006 expiries out for a further 3-5 years.

The Responsible Entity has prepared preliminary feasibilities, and discussed with the neighbouring sites on the potential of a joint development to develop a large commercial tower. These discussions are only in the preliminary stage and further updates will be provided once they are at hand.

CORPORATE

The corporate structure of the Syndicate and Trust is depicted in the diagram on page 3.

The board of Directors of the Responsible Entity changed during the year, with the chairman Geoffrey Hodgkinson resigning after his initial two year term. We thank him for his efforts over the past two years, and wish him all the best in the future.

Peter Gribble has assumed the role of the executive chairman which complements his role as chief executive officer, and provides the company with stability and clear direction to pursue the objectives of the Syndicate and Trust.

We are also pleased to announce that Joanna Fisher joined the board of directors as a non-executive director in September 2005. Joanna has extensive financial sector experience, in wholesale banking, investment management and capital markets across a wide range of products and countries. Working for companies such as Commonwealth Bank, BT Funds Management, Midland Montagu she brings a wealth of knowledge to strengthen and assist the board in the future.

THE STOCK EXCHANGE OF NEWCASTLE (NSX)

The Units of the Trust were officially listed on the NSX in July 2004. The listing of the Trust provided the unit holders with additional liquidity for their investment. As at the date of this report there have been no trades on the NSX, therefore the quoted unit price remains at \$1.00 per unit, being the issue price of the units. This price whilst the current quoted price on the NSX does not accurately reflect the price of the units given the net asset backing of the Trust was \$1.09 as at 30 June 2005.

Whilst the NSX provides an active secondary market for investors to buy and sell units in the Trust, the Directors recommend that investor refer to the announcements area for any further information that may assist in determining the value of their units.

2006 OUTLOOK

The past year has been a difficult year in respect of leasing and we anticipate that the demand for B grade office space should grow as the amount of premium and A grade stock dwindles.

The focus of the Syndicate for the 2006 year will continue to be to secure tenants for the vacant space, and retain and renew, or secure new tenants for the upcoming expiries.

3. INVESTOR RELATIONS

ANNUAL GENERAL MEETING (AGM)

The AGM for both the Quantum Property Syndicate No.11 and the Quantum Property Trust No.11 is to be held at 4:30pm on Thursday 27 October 2005. The AGM will be held at the Universities and Schools Club, located at 60 Phillip Street, Sydney, where light refreshments will be provided.

All investors should have received an invitation to the AGM, including information regarding any resolutions to be voted upon at the meeting. If you are unable to attend the AGM, a proxy appointment and direction to vote form can be completed and lodged with Quantum prior to the meeting.

DISTRIBUTION POLICY

The Syndicate distributes any surplus funds on an annual basis for the years ending 30 June. Funds distributed to Syndicate Owners are used to fund annual interest prepayments and any guarantee fee to the Trust.

The Trust pays distributions on a quarterly basis, for the periods ending 30 September, 31 December, 31 March and 30 June, where possible the Trust will make the payment within 30 days from the end of the quarter. The Trust sets its forecast distributions each year and publishes this information in the June quarterly report.

At this stage the Trust has not forecast any cash distributions.

INVESTOR REPORTING

The Syndicate and Trust prepare a quarterly report for the periods ending 30 September, 31 December, 31 March and 30 June, where possible the Trust will distribute these reports within 30 days from the end of the quarter. All quarterly reports are distributed to investors via email, please ensure that you provide Quantum with your current email address to ensure timely and correct delivery of these reports.

Annual tax statements for the Syndicate and Trust summarising the taxation consequences of any distributions for the year, are distributed annually within 90 days from the end of the June quarter. If you have not received your tax statement within this time, please contact Quantum's office to arrange for a replacement copy to be sent to you. Please note we do not provide taxation advice and recommend you consult your Accountant or Financial Adviser about personal tax matters.

This annual report, including the annual financial report for the Syndicate and Trust is distributed to all investors via both email and a printed copy is mailed to all investors. This annual report will also be made available on the Quantum website (www.quantumgroup.com.au) under the syndicate section and is accessed via your investor password.

4. FINANCIAL REPORT

The financial report of the Syndicate and the Trust are included in this report in that order and are independently numbered as outlined below:

Quantum Property Syndicate No.11
Financial Report
for the year ended 30 June 2005

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Quantum Property Trust No.11
Financial Report
for the year ended 30 June 2005

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QUANTUM PROPERTY SYNDICATE NO. 11

ARSN: 108 475 716

financial report

FOR THE YEAR ENDED 30 JUNE 2005

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Responsible Entity

Quantum Syndicate Management Ltd

ABN: 37 086 965 684

AFSL: 237301

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SYDNEY NSW 2000

GPO Box 2593

SYDNEY NSW 2001

Telephone: (02) 9262 4443

Facsimile: (02) 9262 2071

Internet: www.quantumgroup.com.au

Custodian

JPMorgan Trust Australia Ltd

ABN: 49 050 294 052

Level 35

AAP Centre

259 George Street

SYDNEY NSW 2000

Auditor

Pascoe Whittle

Level 8

191 Clarence Street

SYDNEY NSW 2000

DIRECTORS REPORT

The Directors of Quantum Syndicate Management Ltd, the Responsible Entity of Quantum Property Syndicate No.11 ("the Scheme") submit the report of the Scheme for the year ended 30 June 2005

DIRECTORS

The names of the Directors of Quantum Syndicate Management Ltd in office during the financial year and until the date of this report are:

Geoffrey Hodgkinson

Resigned 16 March 2005

Peter Gribble

Jonathan Martin

James Maitland

Directors were in office from the beginning of the financial year until the date of this report, unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activity of the Scheme during the year was to invest funds in accordance with the provisions of the Scheme Constitution. The Scheme invests in direct property, money market securities and fixed interest securities in accordance with the provisions of the constitution. There have been no significant changes in the nature of those activities during the year.

SCHEME INFORMATION

Quantum Property Syndicate No.11 is an Australian registered Managed Investment Scheme. Quantum Syndicate Management Ltd, the Responsible Entity of the Scheme, is incorporated and domiciled in Australia.

The registered office of the Responsible Entity is located at level 9, 49-51 York Street, Sydney, NSW, 2000.

At balance date, the Scheme had no employees.

OPERATING RESULTS

The net operating income is presented in the Statement of Financial Performance. The net profit attributable to the Members of the Scheme for the year ending 30 June 2005 amounted to a profit of \$288,568 (2004: a loss of \$53,931).

DIRECTORS REPORT

REVIEW OF OPERATIONS

The Scheme owns 100% of the property located at 370 Queen Street, Brisbane. List of major tenants and lease expiry profile;

<i>Tenants</i>	<i>Area</i>	<i>% of NLA</i>	<i>Lease expiry</i>
MDA	1,310	33%	June 2006
CreditSmart	522	13%	October 2006
Jefferson Stevenson	521	13%	April 2006
Integratec	521	13%	September 2005

DISTRIBUTIONS

Distributions paid to Members during the year included the following payments;

- 1.18 cents per interest paid on 22 June 2005, and
- 3.38 cents per interest paid on 30 June 2005

Totalling 5.01 cents per interest paid during the period ending 30 June 2005. Please refer to Note 12 in the Notes to Financial Statements for complete details regarding distributions.

INTERESTS ON ISSUE

12,480,000 interests of Quantum Property Syndicate No.11 were on issue at 30 June 2005 (2004: 12,480,000). There were no interests redeemed or issued during the year, refer to Note 10 in the Notes to Financial Statements for further information.

OPTIONS

No options over issued interests in the Scheme were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

SCHEME ASSETS

At 30 June 2005, Quantum Property Syndicate No.11 held assets to a total value of \$13,158,780 (2004: \$12,590,798). The basis for valuation of the assets is disclosed in Note 1 in the Notes to Financial Statements.

FEES PAID TO THE RESPONSIBLE ENTITY AND ASSOCIATES

The following fees were paid to the Responsible Entity out of Scheme property during the financial year;

- Management fee for the financial year paid to the Responsible Entity was \$82,125 (2004: \$0)
- Establishment fee for the financial year paid to the Responsible Entity was \$328,500 (2004: \$219,000)

Refer to Note 16 in the Notes to Financial Statements for further details regarding the fees paid to the Responsible Entity.

The Responsible Entity and its associates did not hold any interest in the Scheme for the financial year ended other than as set out in Note 16 in the Notes to Financial Statements.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes to the state of affairs of Quantum Property Syndicate No.11 during the year, other than those changes otherwise identified in this financial report.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There has been no matters or circumstances that has arisen since the end of the financial year that has significantly affected, or may affect the Schemes operations in future financial years, the results of those operations or the Schemes state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The investment strategy of the Scheme will be maintained in accordance with the Scheme Constitution and investment objectives.

The Responsible Entity will undertake no further investments in direct property, unless approved by Members. Future results will depend on the performance of the market in relation to the Schemes investment strategy.

ENVIRONMENTAL REGULATION AND ISSUES

The operations of the Scheme are not subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory. There have been no known significant breaches of any other environmental requirements applicable to the Scheme.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Scheme has indemnified all officers and employees of the Responsible Entity against liabilities of the Scheme, under the Constitution other than if;

“... provided that the Manager did not act negligently, fraudulently or in breach of duty or breach of trust and acted, in accordance with this Constitution or the law; and acted in good faith”

During the year the Responsible Entity has paid premiums in respect of their officers for liability and professional indemnity insurance for the year ended 30 June 2005. The Responsible Entity has paid or agreed to pay premiums in respect of such insurance contracts for the following year. Such insurance contracts insure against certain liability (subject to specified exclusions) for persons who are or have been the director or executive officers of the Responsible Entity.

Details of the nature of the liabilities covered or the amount of the premium paid has not been included as such disclosure maybe prohibited under the terms of the contracts.

DIRECTORS REPORT

PROCEEDINGS ON BEHALF OF MANAGED INVESTMENT SCHEME

No person has applied for leave of Court to bring proceedings on behalf of the Scheme or intervene in any proceedings to which the Scheme is a party for the purpose of taking responsibility on behalf of the Scheme for all or any part of those proceedings.

The Scheme was not a party to any such proceedings during the year.

BOARD COMMITTEES

As at the date of this report, the Responsible Entity had a Compliance Committee and a Nominating Committee.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

The directors received the following declaration from the auditor of the Scheme.



PASCOE WHITTLE

LEVEL 8, 191 CLARENCE STREET
SYDNEY NSW 2000
GPO Box 5269
SYDNEY NSW 2001
TELEPHONE (02) 9299 2444
FACSIMILE (02) 9299 2423

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 370C OF THE CORPORATIONS ACT 2001

TO THE OWNERS OF QUANTUM PROPERTY SYNDICATE NO. 11

We declare to the best of our knowledge and belief, during the year ended 30 June 2005 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

PASCOE WHITTLE

A handwritten signature in blue ink, appearing to read 'John Pascoe', is written over a faint, stylized line drawing of a signature.

JOHN PASCOE
Partner

Sydney

29 September 2005

DIRECTORS REPORT

The following non-audit services were provided by the Schemes auditor, Pascoe Whittle. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Pascoe Whittle received or are due to received the following amounts for the provision of non-audit services:

- Audit and review of the Scheme compliance plan \$200

Signed in accordance with a resolution of the Directors

A handwritten signature in black ink, appearing to be 'Peter Gribble', with a long horizontal line extending to the right.

Peter Gribble
Chairman
Quantum Syndicate Management Ltd

Sydney, 29 September 2005

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2005

	Note	30 June 2005	30 June 2004
CURRENT ASSETS			
Cash		470,762	560,054
Receivables	3	49,832	63,165
Other	4	138,186	336,512
		658,780	959,731
NON CURRENT ASSETS			
Property Investment	5	12,500,000	11,631,067
		12,500,000	11,631,067
TOTAL ASSETS		13,158,780	12,590,798
CURRENT LIABILITIES			
Payables	6	42,239	162,651
Provisions	7	0	35,661
Other	8	14,959	13,027
		57,197	211,339
NON CURRENT LIABILITIES			
Interest Bearing Liabilities	9	0	0
		0	0
TOTAL LIABILITIES		57,197	211,339
NET ASSETS		13,101,583	12,379,459
MEMBERS FUNDS			
Interests on Issue	10	12,480,000	12,480,000
Reserves	11	621,583	(100,541)
Undistributed Income	12	0	0
TOTAL MEMBERS FUNDS		13,101,583	12,379,459

**STATEMENT OF FINANCIAL PERFORMANCE
AND DISTRIBUTION**
FOR THE YEAR ENDED 30 JUNE 2005

	Note	30 June 2005	30 June 2004
STATEMENT OF FINANCIAL PERFORMANCE			
REVENUE AND EXPENSES FROM ORDINARY ACTIVITIES			
Rental Income		1,012,097	3,877
Recovery of Property Expenses		127,275	0
Less: Property Related Expenses	2	(445,147)	(64,310)
Net Property Income		694,225	(60,434)
Interest Income		30,961	6,614
Net Income Before Other Expenses		725,186	(53,819)
Custodian Fee	17	(7,500)	0
Audit and Accounting Fees	18	(6,700)	0
Managers Service Fee	16	(410,625)	0
Other Expenses		(11,794)	(112)
Total Other Expenses		(436,619)	(112)
NET PROFIT		288,568	(53,931)
Net Increase in Asset Revaluation Reserve		825,992	0
TOTAL CHANGE IN EQUITY EXCLUDING DISTRIBUTIONS AND INTEREST ISSUES		1,114,560	(53,931)
Basic Earnings per Interest		2.31	(157.73)
Diluted Earnings per Interest		2.31	(157.73)
STATEMENT OF DISTRIBUTION			
Net Profit Attributable to the Members of the Scheme		288,568	(53,931)
Net Transfers (to)/from Reserves	11	103,868	46,610
Distribution Paid or Payable	12	392,436	(7,321)
UNDISTRIBUTED INCOME AS AT YEAR END		0	0

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2005

	Note	30 June 2005	30 June 2004
CASH FLOWS FROM OPERATING ACTIVITIES			
Rent Received		1,115,689	16,774
Interest Received		30,961	6,614
Payments for Property Expenses		(386,546)	(383,848)
Fees and Other Expenses Paid		(108,119)	(8,137)
Net Cash Flows from Operating Activities	13(a)	651,986	(368,597)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for Purchase of Property		(68,212)	(11,601,539)
Payment for Additions to Property Investments		(47,642)	0
Net Cash Flows from Investing Activities		(115,855)	(11,601,539)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Interest Bearing Liabilities		0	0
Proceeds from Equity Raising		0	12,530,190
Payments for Equity Raising Costs		0	0
Distributions Paid to Interest holders		(625,423)	0
Net Cash Flows from Financing Activities		(625,423)	12,530,190
NET (DECREASE)/INCREASE IN CASH		(89,292)	560,054
Opening Cash		560,054	0
CLOSING CASH	13(b)	470,762	560,054

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF FINANCIAL REPORT

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Scheme in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(b) INVESTMENT PROPERTIES

Land and building are considered to have the function of an investment and are therefore regarded as a composite asset. The applicable Accounting Standards do not require that investment properties be depreciated. Accordingly, the buildings and components thereof (including plant and equipment) are not depreciated.

Investment properties are carried at fair value. Independent valuation of investment properties are obtained at intervals of not more than three years from suitable qualified property valuers. Such valuations are reflected in the financial statements of the Scheme. Notwithstanding, the directors of the Responsible Entity assess the carrying value of each investment property at each reporting period to ensure its carrying value does not materially differ from its fair value. Where carrying values differ from fair value, those assets are adjusted to their fair value.

In determining fair value, the expected net cash flows have been discounted to their present value using a market risk adjusted discount rate.

A revaluation increment is credited directly to the asset revaluation reserve, unless it reverses a previous revaluation decrement charged as an expense in determining operating profit in respect of the that same class of asset, in which case the increment is credited to operating profit.

Where assets have been revalued, the potential effect of the capital gains tax on disposal has not been taken into account in the determination of the revalued carrying amount because the Scheme does not expect to be ultimately liable for CGT in respect of the assets.

Expenditure capitalised to properties includes the cost of acquisition, capital and refurbishment additions, and during development includes financing charges and related professional fees incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

(c) REVENUE AND RECEIVABLES

Revenue from rents and interest 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. Revenue brought to account but not received on balance date is recognised as a receivable.

Contingent rentals are recognised as revenues in the financial year in which they are earned.

Receivables are recognised and carried at original amount, less a provision for any uncollectable debts. An estimate for doubtful debts is made when collection of an amount is no longer probable. Bad debts are written off as incurred.

Receivables from related parties are recognised and carried at the nominal amount due. Interest and rent is taken up as income on an accrual basis.

(d) EXPENDITURE AND TRADE CREDITORS

Expenditure including rates and taxes, interest and other outgoings is taken up as an expense on an accrual basis.

Liabilities for creditors are carried at cost, which is fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Scheme.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

(e) GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the Statement of Financial Position are shown inclusive of GST. The net amount of GST which is recoverable or payable to the taxation authority is included in the Statement of Financial Position as an other asset or liability.

The GST component of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the taxation authority are classified as operating cashflows.

(f) INCOME TAX

Under current tax legislation, the Scheme is not liable to pay income tax provided its taxable income and taxable realised capital gains are fully distributed to Members.

(g) CASH AND CASH EQUIVALENTS

Cash on hand and in banks and short-term deposits are stated at nominal values.

For the purpose of the Statement of Cash Flows, cash includes cash at bank, deposits at call and short term money market securities which are readily convertible to cash on hand.

(h) LOANS AND BORROWING COSTS

All loans are measured at the principal amount. Interest is charged as an expense as it accrues.

Borrowing costs associated with the establishment and management of financing arrangements are amortised over the term of the loan.

(i) LEASING FEES

Leasing in relation to the initial leasing of the property after a redevelopment are capitalised to the carrying value of the property.

Costs that are directly associated with negotiating and executing the on-going renewal of tenant lease agreements (including commissions, legal fees and costs of preparing and processing documentation for new leases) are deferred and amortised over the lease term in proportion to the rental revenue recognised in each financial year.

(j) LEASING INCENTIVES

Leasing incentives that are offered while the property is under development are capitalised to the carrying value of the property.

Lease incentives in the form of up-front payments, contributions to certain lessees costs, relocation costs and fit-outs that are offered in relation to the on-going operation of the property are recognised as an asset and amortised over the period to which the lease relates.

Incentives provided to lessees in the form of lessor-paid fit-outs and improvements that remain assets of the lessor, for example by becoming part of the structure of the property which is retained beyond the lease term, are capitalised to the carrying value of the property.

(k) COMPARATIVE AMOUNTS

When necessary, comparative information has been reclassified to achieve consistency in disclosure with the current period amounts and other disclosures.

(l) CHANGE IN ACCOUNTING POLICY

Accounting policies are consistent with those of the prior years unless otherwise stated.

The Scheme changed its accounting policy in regard to the valuation of assets whereby investment properties are now valued at fair value as opposed to the previous periods where they were valued at cost. The directors of the Responsible Entity believe the change will improve the relevance and reliability of the Scheme's financial report. The financial effect of this change in accounting policy has been to recognise an increase in the value of the Scheme's property investments by \$825,992.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

(m) ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Scheme is in the process of transitioning its accounting policies and financial reporting from current Australian Accounting Standards (AGAAP) to Australian equivalents of International Financial Reporting Standards (AIFRS) which will be applicable for the financial year ended 30 June 2006. In 2004, the Responsible Entity allocated internal resources to conduct impact assessments to identify key areas that would be impacted by the transition to AIFRS. Priority has been given to the preparation of an opening balance sheet in accordance with AIFRS as at 1 July 2004, The Scheme's transition date to AIFRS. This will form the basis of accounting for AIFRS in the future, and is required when the Scheme prepares its first fully compliant financial report for the year ended 30 June 2006.

Set out below are the key areas where accounting policies are expected to change on adoption of AIFRS and the Directors of the Responsible Entity's best estimate of the quantitative impact of the changes on total equity as at the date of transition and 30 June 2005 and on net profit for the year ended 30 June 2005.

The figures disclosed are the Directors best estimates of the quantitative impact of the changes as at the date of preparing the 30 June 2005 financial report. The actual effects of transition to AIFRS may differ from the estimates disclosed due to:

- (a) Ongoing work being undertaken by the AIFRS project teams;
- (b) Potential amendments to AIFRS and interpretation thereof being issued by the standard-setters and IFRIC; and
- (c) Emerging accepted practice in the interpretation and application of AIFRS and UIG interpretations.

(l) Reconciliation of equity as presented under AGAAP to that under AIFRS

	Note	30 June 2005	1 July 2004
Total equity under AGAAP		13,101,583	12,379,459
<i>Adjustment to undistributed income</i>			
-reclassification of asset revaluation reserve	(i)	621,583	0
-impairment of assets	(ii)	0	(531,067)
		621,583	(531,067)
<i>Adjustment to reserves</i>			
-reclassification of asset revaluation reserve	(i)	(621,583)	0
		(621,583)	0
<i>Adjustment to interests on issue</i>			
-reclassification of equity as debt	(iii)	(12,480,000)	(12,480,000)
		(12,480,000)	(12,480,000)
Total equity under AIFRS		621,583	(631,608)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

- (i) Under AASB 140 *Investment Property* fair value increments or decrements are recognised in the profit and loss account. The opening balance held in asset revaluation reserve account is transferred to undistributed income at transition, and any future movements in fair value will effect the balance held in undistributed income.
- (ii) Under AASB 136 *Impairment of Assets* the recoverable amount of an asset is determined as the higher of its net selling price and value in use. The Scheme's accounting policy was to value its property assets using the cost method. The Scheme's property assets were tested for impairment on transition date as part of the cash generating unit to which they belong. This would result in impairment losses being recognised under AIFRS.
- (iii) Under AASB 132 *Financial Instruments: Disclosure and Presentation* the issued interests of the Scheme would no longer meet the definition of equity, given the fixed life of the Scheme. This requires the issued interests of the Scheme to be reclassified as debt rather than equity.

(II) Reconciliation of net profit under AGAAP to that under AIFRS

Note	30 June 2005
Net profit as reported under AGAAP	288,568
Reclassification of asset revaluation increments (i)	825,992
Net profit under AIFRS	1,114,560

- (i) Under AASB 140 *Investment Property* fair value increments or decrements are recognised in the profit and loss account. This would see any fair value movements being recognised each year in the net profits of the Scheme, and would increase the volatility of the reported net profits.

(III) Restated AIFRS Statement of Cash Flows for the year ended 30 June 2005

No material impacts are expected to the cash flows presented under AGAAP on adoption of AIFRS.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

2 PROPERTY RELATED EXPENSES

	30 June 2005	30 June 2004
Property related expenses comprise:		
-Insurance	19,337	18,546
-Property management fees	19,000	0
-Rates & property related taxes	238,727	(846)
-Repairs and maintenance	58,069	0
-Leasing costs	7,739	0
-Depreciation	0	46,610
-Cleaning	59,225	0
-Other	43,050	0
	445,147	64,310

3 RECEIVABLES

Receivables include; monies held in the property managers trust account on behalf of the Scheme, and outstanding rent from the tenants of the Schemes property. Rent is receivable on a monthly basis.

Rent Receivable	42,254	143
Provision for doubtful debts	0	0
	42,254	143
Other receivables	7,578	63,022
	49,832	63,165

4 OTHER ASSETS (CURRENT)

GST asset	0	8,012
Security deposits	2,000	
Prepaid expenses	0	328,500
Prepaid distributions	136,186	0
	138,186	336,512

Prepaid distributions represent a distribution of 1.09 cents (2004: 0 cents) per interest for the financial year ended 30 June 2005.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

5 PROPERTY INVESTMENTS

	30 June 2005	30 June 2004
Property investments held at fair value	12,500,000	-
Property investments held at costs	-	11,631,067
	12,500,000	11,631,067
(a) Reconciliation of carrying amounts		
<i>Reconciliations of the carrying amounts of property investments at the beginning and end of the financial year are set out below:</i>		
-Carrying amount at start of year	11,631,067	0
-Capital additions	47,642	0
-Depreciation and amortisation	(4,702)	(46,610)
-Acquisitions	-	11,677,677
-Net revaluation increments	825,992	-
	12,500,000	11,631,067

(b) Details of property investments

Description	Acquisition date	Original acquisition cost	Total cost including additons	Date latest independent valuation	Latests independent valuation	Fair value	
						2005	2004
370 Queen St, Brisbane (i)	June 2004	11,677,677	11,725,320	August 2005	12,500,000	12,500,000	-
		11,677,677	11,725,320		12,500,000	12,500,000	-

(i) As valued by Knight Frank

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

6 PAYABLES (CURRENT)

Trade liabilities are normally settled on 30 day terms.

	30 June 2005	30 June 2004
Trade Creditors	42,239	157,519
Prepaid Rent	0	5,132
	42,239	162,651

7 PROVISIONS

Distributions payable	0	35,661
	0	35,661

8 OTHER LIABILITIES (CURRENT)

The Scheme reports its GST obligations quarterly on a cash basis.

GST liability	1,932	0
Tenant security deposits	13,027	13,027
	14,959	13,027

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

9 INTEREST BEARING LIABILITIES

	30 June 2005	30 June 2004
Interest bearing liabilities	0	0
	0	0

The Scheme has not directly borrowed any long term funds, however seventy-five percent of the Members of the Scheme (the "Owners") have collectively borrowed funds in order to purchase interests in the Scheme.

The Scheme has pledged as security over these loans;

- registered first mortgage over the property in Brisbane,
- registered second mortgage over the property in Brisbane, and
- a fixed and floating charge over the assets of the Scheme

These pledges have been approved by all of the Members of the Scheme, and the Owners pay a fee to the remaining Members who have not borrowed funds (the "Trust") for the use of their share of the Schemes assets as security for the borrowings.

INTEREST RATE RISK

Therefore should the Owners default on payment of their obligations to the financiers, the Schemes assets will be called upon to meet these obligations. In order to minimise their risk the Owners have fixed the exposure to interest rate risk by fixing the rate payable on the borrowed funds for three years until June 2007.

The Owners are primarily relying on their distributions from the Scheme's net profits to meet their borrowing cost obligations, should these distributions fall short of the amount required they have in place a facility to borrow funds from the Trust.

10 INTERESTS ON ISSUE

This represents the amount of equity raised by the Scheme:

	Date of Issue	Number of Interests		
Ordinary interests issued at \$1.00 per interest	29 June 2004	12,480,000	12,480,000	12,480,000
			12,480,000	12,480,000

Rights and Restrictions over Ordinary Interests:

Each Interest ranks equally with all other Ordinary Interests for the purpose of distributions and on termination of the Scheme.

Ordinary Interests entitle the holder to one vote on a show of hands, or if a poll is called, one vote for each percentage of the total issued Interests held by that Interest holder, either in person or by proxy, at a meeting of the Scheme.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

11 RESERVES AND UNDISTRIBUTED INCOME

	30 June 2005	30 June 2004
Asset revaluation	825,992	-
Distributions	(204,409)	(100,541)
Undistributed income	0	0
	621,583	(100,541)
Asset revaluation		
<i>(i) Nature and purpose of reserve</i>		
The asset revaluation reserve is used to record increments and decrements in the value of property investment assets. Upon disposal of an investment property, the amount of asset revaluation reserve applicable to that asset is transferred to retained earnings		
<i>(ii) Movements in reserve</i>		
Balance at beginning of year	0	-
Revaluation increments/(decrements)	825,992	-
Balance at end of year	825,992	0
Distributions reserve		
<i>(i) Nature and purpose of reserve</i>		
The distributions reserve is used to record distributed taxable losses and tax deferred amounts distributed to Members. These amounts reduce the value of the equity each Member holds in the Scheme.		
<i>(ii) Movements in reserve</i>		
Balance at beginning of year	(100,541)	0
Tax deferred distributions paid to Members	0	(46,610)
Tax losses distributed to Members	(103,868)	(53,931)
Balance at end of year	(204,409)	(100,541)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

12 DISTRIBUTIONS

	30 June 2005	30 June 2004
Statement of distribution		
Net profit attributable to Members of the Scheme	288,568	(53,931)
Net transfers from distributions reserve	103,868	46,610
Undistributed income bought forward	0	0
Amount available for distribution to Members	392,436	(7,321)
Distribution paid and payable		
-For half year ended 31 December	(45,000)	0
-For year ended 30 June	437,436	(7,321)
Total distributions	392,436	(7,321)
Undistributed income carried forward	0	0
Components of distribution		
	<i>Cents Per Interest</i>	<i>Cents Per Interest</i>
Distribution- half year ended 31 December	(0.36)	0.00
Distribution- year ended 30 June	3.51	(0.06)
	3.14	(0.06)
Reconciliation:	<i>Cents Per Interest</i>	<i>Cents Per Interest</i>
Opening balance	0.29	0.00
Initial loans from members	0.49	0.34
Distribution- half year ended 31 December	(0.36)	0.00
Distribution- year ended 30 June	3.51	(0.06)
Cash paid during year	(5.01)	0.00
	(1.09)	0.29

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

13 STATEMENT OF CASH FLOWS

a) RECONCILIATION OF NET PROFIT TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

	30 June 2005	30 June 2004
Net Profit	288,568	(53,931)
Add back non cash expenses	0	46,610
Movement in assets and liabilities:		
Trade debtors	(44,557)	(63,165)
Lease costs	4,702	0
Prepayments	328,500	(328,500)
Trade creditors	71,961	20,242
Security deposits	(2,000)	13,027
Prepaid rents	(5,132)	5,132
Good & services tax	9,944	(8,012)
Net cash inflows from operating activities	651,986	(368,597)

b) RECONCILIATION OF CASH

Cash balance comprises:		
-cash assets	470,762	560,054
	470,762	560,054

14 CAPITAL EXPENDITURE COMMITMENTS

Estimated capital expenditure contracted for at balance date but not provided for.

Not later than one year	0	100,000
Later than one year, but not later than five years	0	0
Later than five years	0	0
	0	100,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

15 FINANCIAL INSTRUMENTS

INTEREST RATE RISK

The Scheme's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

Financial Instruments	Floating interest rate	Fixed interest rate maturing in						Non-interest bearing	Total carrying amount as per statement of financial position			
		1 year or less		Over 1 to 5 years		More than 5 years						
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Financial assets												
Cash	470,762	560,054	-	-	-	-	-	-	-	-	470,762	560,054
Prepayments	-	-	-	-	-	-	-	-	136,186	328,500	136,186	328,500
Trade receivables	-	-	-	-	-	-	-	-	42,254	143	42,254	143
Other receivables	-	-	-	-	-	-	-	-	7,578	63,022	7,578	63,022
	470,762	560,054	0	0	0	0	0	0	186,018	391,665	656,780	951,719
Weighted average interest rate	3.75%	3.75%	N/A	N/A	10.00%	N/A	N/A	N/A	N/A	N/A		
Financial liabilities												
Trade creditors	-	-	-	-	-	-	-	-	42,239	157,519	42,239	157,519
Distribution payable	-	-	-	-	-	-	-	-	-	35,661	0	35,661
Other	-	-	-	-	-	-	-	-	13,027	18,159	13,027	18,159
	0	0	0	0	0	0	0	0	55,265	211,339	55,265	211,339
Weighted average interest rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Net financial assets/liabilities	470,762	560,054	0	0	0	0	0	0	130,753	180,325	601,515	740,379

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2005

FINANCIAL INSTRUMENTS (cont'd)

CREDIT RISK

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts of those assets, as disclosed in the Statement of Financial Position and Notes to the Financial Statements.

NET FAIR VALUES

The net fair values of financial assets and financial liabilities generally approximate their carrying values.

HEDGING INSTRUMENTS

The Scheme does not usually use any hedging instruments, there were no hedging instruments used during the year.

16 RELATED PARTIES

RESPONSIBLE ENTITY

The Responsible Entity of Quantum Property Syndicate No.11 is Quantum Syndicate Management Ltd, whose ultimate holding company is Quantum Group Holdings Pty Ltd.

DIRECTORS

The Directors of Quantum Syndicate Management Ltd during the year were:

Name	Date of Appointment	Number of Interests held
Geoffrey Hodgkinson	Appointed 14 January 2003, Resigned 16 March 2005	
Peter Gribble	Appointed 1 April 1999	0
Jonathan Martin	Appointed 1 April 1999	0
James Maitland	Appointed 9 April 2002	0

RELATED PARTY TRANSACTIONS

All related party transactions are conducted on normal commercial terms and conditions.

FEES

As the Responsible Entity, Quantum Syndicate Management Ltd receives all management fees which have been deducted from the Scheme during the year. The rate of remuneration paid to the Responsible Entity for its services is provided for in the constitution at a rate being the greater of either;

- 7% per annum of gross income of the Scheme for the year,
- 0.75% per annum of the cost of the real estate increased by CPI, or
- \$80,000 per annum increased according to CPI

Quantum Syndicate Management Ltd provides management services for Quantum Property Syndicate No.11, and out sources administrative functions to associated entities that are wholly owned by Quantum Group Holdings Pty Ltd.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

Quantum Administration Services Pty Ltd provides administrative services to the Scheme, total fees paid or payable for the current year \$0 (2004: \$0). Quantum Accounting Practice Pty Ltd provides accounting services to the Scheme, total fees paid or payable for the current year \$0 (2004: \$0). Quantum Development Management Pty Ltd provides development management services to the Scheme, total fees paid or payable for the current year \$0 (2004: \$0).

Transactions between the Scheme and Quantum Syndicate Management Ltd result from normal dealings with that company as the Schemes Responsible Entity. Total fees paid or payable to the Responsible Entity for the current year \$410,625 (2004: \$219,000).

	30 June 2005	30 June 2004
Total fees paid or payable for the current year		
-Paid to Responsible Entity	410,625	219,000
-Paid to related parties of the Responsible Entity	0	0
	410,625	219,000

OTHER TRANSACTIONS

From time to time Directors of the Responsible Entity, or their related entities, may invest or withdraw from the Scheme. These transactions are on the same terms and conditions as those entered into by other Scheme Members.

Apart from the details disclosed in this note, no Director has entered into a material contract with the Scheme since the end of the previous financial year and there were no material contracts involving Directors interests subsisting at year end.

17 CUSTODIANS REMUNERATION

Amounts received by JP Morgan Trust Australia Ltd for :		
-Custodial services	7,500	0
	7,500	0

18 AUDITORS REMUNERATION

Amounts received by Pascoe Whittle for :		
-Audit and review of the financial report	6,500	0
-Audit and review of the compliance plan	200	0
	6,700	0

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

19 NET ASSET BACKING PER INTEREST

Basic net asset backing is calculated by dividing the Total Members Funds by the number of Ordinary Interests on issue. The number of Interests used in the calculation of Basic Net Asset Backing is 12,480,000 (2004: 12,480,000).

	30 June 2005	30 June 2004
Basic net asset backing per unit (\$)	1.05	0.99

20 EARNINGS PER INTEREST

Earnings per Interest is calculated by dividing the Net Profit Attributable to Members of the Scheme by the weighted number of Ordinary Interests on issue during the year. The weighted average number of Interests used in the calculation of earnings per Interest is 12,480,000 (2004: 34,192).

Basic earnings per Interest (cents)	2.31	(157.73)
Diluted earnings per Interest (cents)	2.31	(157.73)

21 SEGMENT REPORTING

The Scheme operates in one business segment being commercial property investment activities, and in one geographical segment being Queensland, Australia.

22 OTHER REQUIRED INFORMATION

a) COMMENCEMENT DATE OF SCHEME

The Scheme was constituted on 2 April 2004.

b) LIFE OF THE SCHEME

The term of the Scheme is six years from the date of execution of the constitution (dated 2 April 2004). This term may only be extended if greater than 75% of Members agree. The Scheme must be terminated within twelve years of the execution of the constitution.

c) BUYBACK OR REDEMPTION

The Responsible Entity does not anticipate that it will ever be in a position to buy back or redeem any Interests in the Scheme to Members unless all assets are sold and are all in cash.

d) BORROWINGS

Under the constitution the Responsible Entity has the power to arrange loans for the Scheme. The Responsible Entity does not intend to borrow more than 75% of the value of the assets of the Scheme and such loans will be limited solely to the assets of the Scheme.

DIRECTORS DECLARATION

In the opinion of the directors of Quantum Syndicate Management Ltd, the Responsible Entity of Quantum Property Syndicate No.11:

1. the Financial Statements and notes of the Scheme are in accordance with the Corporations Act 2001, including:
 - a. giving a true and fair view of the Schemes financial position as at 30 June 2005 and of the performance as represented by the results of the operations and the cash flows for the year ended on that date; and
 - b. complying with Accounting Standards and Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable; and
3. the registered Scheme has operated in accordance with the provisions of the constitution dated 2 April 2004; and
4. the register of Members has, during the year ended 30 June 2005, been properly drawn up and maintained so as to give a true account of the Members of the Scheme

Signed in accordance with a resolution of the Directors



Peter Gribble
Chairman
Quantum Syndicate Management Ltd

Sydney 29 September 2005

INDEPENDENT AUDIT REPORT



PASCOE WHITTLE

LEVEL 8, 191 CLARENCE STREET
SYDNEY NSW 2000

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SYDNEY NSW 2001

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INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF QUANTUM PROPERTY SYNDICATE NO. 11

Scope

We have audited the financial report of Quantum Property Syndicate No. 11, a Managed Investment Scheme for the year ended 30 June 2005, consisting of the statement of financial position, statement of financial performance and distribution, statement of cash flows, accompanying notes and the responsible entity's declaration set out in this report. The responsible entity, Quantum Syndicate Management Ltd is responsible for the financial report

We have conducted an independent audit of this financial report in order to express an opinion on it to the owners. Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements, statutory requirements, and the provisions of the Constitution dated 2 April 2004 so as to present a view which is consistent with our understanding of the Scheme's financial position, and performance as represented by the results of its operations and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Audit Opinion

In our opinion, the financial report of the Quantum Property Syndicate No. 11 is in accordance with:

- (a) The Corporations Act 2001, including:
 - (i) Giving a true and fair view of the Scheme's financial position as at 30 June 2005 and of its performance for the year ended on that date; and
 - (ii) Complying with Accounting Standards and the Corporations Regulations; and
- (b) Other mandatory professional reporting requirements; and
- (c) With the provisions of the Constitution dated 2 April 2004.

PASCOE WHITTLE

A handwritten signature in blue ink, appearing to read 'John Pascoe', is written over a horizontal line.

JOHN PASCOE
Partner

Sydney

29 September 2005

QUANTUM PROPERTY TRUST NO. 11

ARSN: 108 475 476

financial report

FOR THE YEAR ENDED 30 JUNE 2005

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Responsible Entity

Quantum Syndicate Management Ltd

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AFSL: 237301

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Level 35

AAP Centre

259 George Street

SYDNEY NSW 2000

Auditor

Pascoe Whittle

Level 8

191 Clarence Street

SYDNEY NSW 2000

Share Registry

Newcastle Capital Markets

10 Murray Street

HAMILTON NSW 2303

DIRECTORS REPORT

The Directors of Quantum Syndicate Management Ltd, the Responsible Entity of Quantum Property Trust No.11 ("the Scheme") submit the report of the Scheme for the year ended 30 June 2005

DIRECTORS

The names of the Directors of Quantum Syndicate Management Ltd in office during the financial year and until the date of this report are:

Geoffrey Hodgkinson	Resigned 16 March 2005
Peter Gribble	
Jonathan Martin	
James Maitland	

Directors were in office from the beginning of the financial year until the date of this report, unless otherwise stated.

Relevant Interest in the Scheme and options over Interests in the Scheme

As at the date of this report, the Interests of the Directors in the Scheme and options over Interests in the Scheme were:

	Relevant Interest	Options over Interests
	Fully paid Units	
Geoffrey Hodgkinson	0	0
Peter Gribble	0	0
Jonathan Martin	50,000 [^]	0
James Maitland	0	0

[^] In capacity as trustee; beneficially held by a related party of Peter Gribble

The Directors are not party to any contract to which the Directors may be entitled to a benefit or that confer a right to call for or deliver Interests in the Scheme.

PRINCIPAL ACTIVITIES

The principal activity of the Scheme during the year was to invest funds in accordance with the provisions of the Scheme Constitution. The Scheme invests in Managed Investment Schemes that hold direct property, money market securities and fixed interest securities, in accordance with the provisions of the constitution. There have been no significant changes in the nature of those activities during the year.

DIRECTORS REPORT

SCHEME INFORMATION

Quantum Property Trust No.11 is a listed Australian registered Managed Investment Scheme. Quantum Syndicate Management Ltd, the Responsible Entity of the Scheme, is incorporated and domiciled in Australia.

The Scheme was officially listed to trade on the Stock Exchange of Newcastle Ltd on 16 July 2004 (trading code QPTXXK).

The registered office of the Responsible Entity is located at level 9, 49-51 York Street, Sydney, NSW, 2000.

At balance date, the Scheme had no employees.

OPERATING RESULTS

The net operating income is presented in the Statement of Financial Performance. The net profit attributable to the Members of the Scheme for the year ending 30 June 2005 amounted to a profit of \$409,421 (2004: \$7,614).

REVIEW OF OPERATIONS

The Scheme owns a twenty-five percent interest in Quantum Property Syndicate No.11 ARSN: 108 475 716 (QPS11) the following information is some of the relevant financial information on this investment relating to QPS11 as a whole:

Total Assets	\$13,158,780
Total Equity	\$13,101,583
Net Profit	\$288,568
Earnings per Interest (cents)	2.31

DISTRIBUTIONS

Distributions paid to Members during the year included the following payments;

- 2.50 cents per Unit paid on 29 June 2005.

Totalling 2.50 cents per Unit paid during the period ending 30 June 2005. Please refer to Note 12 in the Notes to Financial Statements for complete details regarding distributions.

UNITS ON ISSUE

3,120,000 Units of Quantum Property Trust No.11 were on issue at 30 June 2005 (2004: 3,120,000) There were no Units redeemed or issued during the year, refer to Note 10 in the Notes to Financial Statements for further information.

OPTIONS

No options over issued Units in the Scheme were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

SCHEME ASSETS

At 30 June 2005, Quantum Property Trust No.11 held assets to a total value of \$3,653,880 (2004: \$3,115,961). The basis for valuation of the assets is disclosed in Note 1 in the Notes to Financial Statements.

FEES PAID TO THE RESPONSIBLE ENTITY AND ASSOCIATES

The following fees were paid to the Responsible Entity out of Scheme property during the financial year;

- Management fee for the financial year paid to the Responsible Entity was \$0 (2004: \$0)
- Other fees for the financial year paid to related parties of the Responsible Entity was \$0 (2004: \$0)

Refer to Note 17 in the Notes to Financial Statements for further details regarding the fees paid to the Responsible Entity.

The Responsible Entity and its associates did not hold any Units in the Scheme for the financial year ended other than as set out in Note 17 in the Notes to Financial Statements.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There has been no other matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may affect the Schemes operations in future financial years, the results of those operations or the Schemes state of affairs in future financial years.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There has been no other matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may affect the Schemes operations in future financial years, the results of those operations or the Schemes state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The investment strategy of the Scheme will be maintained in accordance with the Scheme Constitution and investment objectives.

The Responsible Entity will undertake no further investments in Managed Investment Schemes, unless approved by Members. Future results will depend on the performance of the market in relation to the Scheme's investment strategy.

ENVIRONMENTAL REGULATION AND ISSUES

The operations of the Scheme are not subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory. There have been no known significant breaches of any other environmental requirements applicable to the Scheme.

DIRECTORS REPORT

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Scheme has indemnified all officers and employees of the Responsible Entity against liabilities of the Scheme, under the Constitution other than if;

“... provided that the Manager did not act negligently, fraudulently or in breach of duty or breach of trust and acted, in accordance with this Constitution or the law; and acted in good faith”

During the year the Responsible Entity has paid premiums in respect of their officers for liability and professional indemnity insurance for the year ended 30 June 2005. The Responsible Entity has paid or agreed to pay premiums in respect of such insurance contracts for the following year. Such insurance contracts insure against certain liability (subject to specified exclusions) for persons who are or have been the director or executive officers of the Responsible Entity.

Details of the nature of the liabilities covered or the amount of the premium paid has not been included as such disclosure maybe prohibited under the terms of the contracts.

PROCEEDINGS ON BEHALF OF MANAGED INVESTMENT SCHEME

No person has applied for leave of Court to bring proceedings on behalf of the Scheme or intervene in any proceedings to which the Scheme is a party for the purpose of taking responsibility on behalf of the Scheme for all or any part of those proceedings.

The Scheme was not a party to any such proceedings during the year.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Quantum Syndicate Management Ltd support and have adhered to the principles of corporate governance, other than as noted below.

Outlined below are the following recommendations that have not been followed by the Responsible Entity and the explanation for the departure from best practice recommendations:

- The majority of board members is not made up of independent Directors. Based upon the relatively small size of the operations of the Responsible Entity and the appointment of an independent Director as the chairperson, the Responsible Entity feels that this structure effectively adds value to the company;
- An audit committee has not been established. This is due mainly to the relatively small size of the operations, and the board consults regularly on financial issues concerning the company;
- The Responsible Entity has not requested the attendance by the external auditor of the Scheme at the annual general meeting. Should any Members of the Scheme raise any questions at the meeting in respect to the conduct of the audit and the preparation and content of the audit report, the Responsible Entity will convey these to the auditor, and seek to provide the Members of the Scheme with a written response by the Auditor.
- A remuneration committee has not been established. This is due mainly to the relatively small size of the operations, and the board consults regularly on remuneration issues concerning the Directors and executives of the company.

BOARD COMMITTEES

As at the date of this report, the Responsible Entity had a Compliance Committee and a Nominating Committee.

Members acting on the committees of the board during the year were:

Nominating

Peter Gribble[^]
Jonathan Martin

Compliance

Geoffrey Hodgkinson
Jonathan Martin
Andrew Thomas [^]@
Edmund Khalaf @
Christopher Nicholls @

[^] Chairman of the committee.

@ Andrew Thomas, Edmund Khalaf and Christopher Nicholls are independent consultants and not Directors of the Responsible Entity.

DIRECTORS REPORT

DIRECTORS MEETINGS

The number of meetings of Directors (including meetings of committees of Directors) held during the year and the number of meetings attended by each Director were as follows:

	Directors Meetings	Meetings of Committees	
		Nominating	Compliance
Number of meetings held	12	0	4
Number of meetings attended			
Geoffrey Hodgkinson	12	-	4
Peter Gribble	12	0	-
Jonathan Martin	12	0	4
James Maitland	12	-	-

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

The directors received the following declaration from the auditor of the Scheme.



PASCOE WHITTLE

LEVEL 8, 191 CLARENCE STREET
SYDNEY NSW 2000

GPO Box 5269
SYDNEY NSW 2001

TELEPHONE (02) 9299 2444
FACSIMILE (02) 9299 2423

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 370C OF THE CORPORATIONS ACT 2001

TO THE UNITHOLDERS OF QUANTUM PROPERTY TRUST NO. 11

We declare to the best of our knowledge and belief, during the year ended 30 June 2005 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

PASCOE WHITTLE

A handwritten signature in blue ink, appearing to read 'John Pascoe', is written over a stylized blue line graphic that resembles a signature or a checkmark.

JOHN PASCOE
Partner

Sydney

29 September 2005

DIRECTORS REPORT

The following non-audit services were provided by the Schemes auditor, Pascoe Whittle. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Pascoe Whittle received or are due to received the following amounts for the provision of non-audit services:

- Audit and review of the Scheme compliance plan \$200

Signed in accordance with a resolution of the Directors

A handwritten signature in black ink, appearing to be 'Peter Gribble', with a long horizontal line extending to the right.

Peter Gribble
Chairman
Quantum Syndicate Management Ltd

Sydney, 29 September 2005

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2005

	Note	30 June 2005	30 June 2004
CURRENT ASSETS			
Cash		2,873	84,595
Receivables	3	0	0
Other	4	1	0
		2,874	84,595
NON CURRENT ASSETS			
Managed Investment Schemes	5	3,241,349	3,031,366
Other	6	409,657	0
		3,651,006	3,031,366
TOTAL ASSETS		3,653,880	3,115,961
CURRENT LIABILITIES			
Payables	7	0	0
Provisions	8	240,925	11,653
		240,925	11,653
NON CURRENT LIABILITIES			
Interest Bearing Liabilities	9	0	0
		0	0
TOTAL LIABILITIES		240,925	11,653
NET ASSETS		3,412,955	3,104,309
MEMBERS FUNDS			
Units on Issue	10	3,120,000	3,120,000
Reserves	11	194,846	(15,691)
Undistributed Income	12	98,109	0
TOTAL MEMBERS FUNDS		3,412,955	3,104,309

**STATEMENT OF FINANCIAL PERFORMANCE
AND DISTRIBUTION**
FOR THE YEAR ENDED 30 JUNE 2005

	Note	30 June 2005	30 June 2004
STATEMENT OF FINANCIAL PERFORMANCE			
REVENUE AND EXPENSES FROM ORDINARY ACTIVITIES			
Investment Income		423,142	(1,830)
Interest Income		643	9,556
Net Income Before Other Expenses	2	423,785	7,725
Custodian Fee	18	0	0
Audit Fees	19	(3,500)	0
Managers Service Fee	17	0	0
Other Expenses		(10,865)	(112)
Total Other Expenses		(14,365)	(112)
NET PROFIT		409,421	7,614
Net Increase in Asset Revaluation Reserve		206,498	0
TOTAL CHANGE IN EQUITY EXCLUDING DISTRIBUTIONS AND INTEREST ISSUES		615,919	7,614
Basic Earnings per Unit	21	13.12	89.07
Diluted Earnings per Unit	21	13.12	89.07
STATEMENT OF DISTRIBUTION			
Net Profit Attributable to the Members of the Scheme		409,421	7,614
Net Transfers (to)/from Reserves	11	0	0
Distribution Paid or Payable	12	307,273	11,653
UNDISTRIBUTED INCOME AS AT YEAR END		102,148	(4,039)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2005

	Note	30 June 2005	30 June 2004
CASH FLOWS FROM OPERATING ACTIVITIES			
Investment Income Received		419,657	11,653
Interest Received		643	9,556
Fees and Other Expenses Paid		(14,365)	(112)
Net Cash Flows from Operating Activities	13(a)	405,935	21,096
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of Investments		0	(3,056,501)
Repayment of Loans		0	0
Provision of Loans		(409,657)	0
Net Cash Flows from Investing Activities		(409,657)	(3,056,501)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Equity Raising		0	3,120,000
Distributions Paid to Unit Holders		(78,000)	0
Net Cash Flows from Financing Activities		(78,000)	3,120,000
NET (DECREASE)/INCREASE IN CASH		(81,722)	84,595
Opening Cash		84,595	0
CLOSING CASH	13(b)	2,873	84,595

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF FINANCIAL REPORT

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Scheme in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(b) ASSET INVESTMENTS

Investments of the Scheme are valued at either cost or fair value as at reporting date. Specifically, investment asset classes are valued on the following basis:

Interest Bearing Securities

The net market value of bank accepted bills, promissory notes, negotiable certificates of deposit, corporate bonds, indexed bonds and government bonds is determined by reference to the last available market sales prices of the securities on the recognised exchange platform through which they are ordinarily traded.

Interest bearing securities that are not traded frequently are valued at Directors' valuation, which is based on the quoted market price of securities with similar terms and maturity. Where appropriate, price adjustments will be made to reflect the relative risk premium attached to specific issues of interest bearing securities.

Unlisted Managed Investment Schemes

The net market value of unlisted managed investment schemes is determined on the basis of the published unit prices of the scheme, which is determined by reference to the net asset value of the relevant scheme on a per unit basis on the last day of the period.

Unlisted Equities

For unlisted equity investments where current market valuations are not readily available, a net fair value is determined in good faith by the Responsible Entity at balance date. In circumstances where an investment is individually material to the Scheme's total asset holdings, an independent valuation is sought from a reputable third party.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

(c) REVENUE AND RECEIVABLES

Revenue from distributions and interest is recognised to the extent that it is probable that the economic benefits will flow to the Scheme and the revenue can be reliably measured. Revenue brought to account but not received on balance date is recognised as a receivable.

Receivables are recognised and carried at original amount, less a provision for any uncollectable debts. An estimate for doubtful debts is made when collection of an amount is no longer probable. Bad debts are written off as incurred.

Receivables from related parties are recognised and carried at the nominal amount due. Interest and distributions are taken up as income on an accrual basis.

(d) EXPENDITURE AND TRADE CREDITORS

Expenditure including interest and other expenses is taken up as an expense on an accrual basis.

Liabilities for creditors are carried at cost, which is fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Scheme.

Payables to related parties are carried at the principle amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

(e) GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the Statement of Financial Position are shown inclusive of GST. The net amount of GST which is recoverable or payable to the taxation authority is included in the Statement of Financial Position as an other asset or liability.

The GST component of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the taxation authority are classified as operating cashflows.

(f) INCOME TAX

Under current tax legislation, the Scheme is not liable to pay income tax provided its taxable income and taxable realised capital gains are fully distributed to Members.

(g) CASH AND CASH EQUIVALENTS

Cash on hand and in banks and short-term deposits are stated at nominal values.

For the purpose of the Statement of Cash Flows, cash includes cash at bank, deposits at call and short term money market securities which are readily convertible to cash on hand.

(h) LOANS PROVIDED

Unsecured Loans

Unsecured loans are measured at the principle amount, allowing for any repayments or drawdowns. Interest is charged on the balance at a fixed rate as simple interest as it accrues.

Interest brought to account but not received during the year is recognised as a receivable, and any amount not received at balance date is then added to the loan balance as a drawdown on each balance date.

(i) COMPARATIVE AMOUNTS

When necessary, comparative information has been reclassified to achieve consistency in disclosure with the current period amounts and other disclosures.

(j) CHANGE IN ACCOUNTING POLICY

There have been no changes to accounting policies to the Scheme during the last financial year.

(k) ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Scheme is in the process of transitioning its accounting policies and financial reporting from current Australian Accounting Standards (AGAAP) to Australian equivalents of International Financial Reporting Standards (AIFRS) which will be applicable for the financial year ended 30 June 2006. In 2004, the Responsible Entity allocated internal resources to conduct impact assessments to identify key areas that would be impacted by the transition to AIFRS. Priority has been given to the preparation of an opening balance sheet in accordance with AIFRS as at 1 July 2004, The Scheme's transition date to AIFRS. This will form the basis of accounting for AIFRS in the future, and is required when the Scheme prepares its first fully compliant financial report for the year ended 30 June 2006.

Set out below are the key areas where accounting policies are expected to change on adoption of AIFRS and the Directors of the Responsible Entity's best estimate of the quantitative impact of the changes on total equity as at the date of transition and 30 June 2005 and on net profit for the year ended 30 June 2005.

The figures disclosed are the Directors best estimates of the quantitative impact of the changes as at the date of preparing the 30 June 2005 financial report. The actual effects of transition to AIFRS may differ from the estimates disclosed due to:

- (a) Ongoing work being undertaken by the AIFRS project teams;
- (b) Potential amendments to AIFRS and interpretation thereof being issued by the standard-setters and IFRIC; and
- (c) Emerging accepted practice in the interpretation and application of AIFRS and UIG interpretations.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

(I) Reconciliation of equity as presented under AGAAP to that under AIFRS

	Note	30 June 2005	1 July 2004
Total equity under AGAAP		3,412,955	3,104,309
<i>Adjustment to undistributed income</i>			
-impairment of assets	(i)	0	(132,767)
		0	(132,767)
<i>Adjustment to reserves</i>			
		0	0
<i>Adjustment to interests on issue</i>			
-reclassification of equity as debt	(ii)	(3,120,000)	(3,120,000)
		(3,120,000)	(3,120,000)
Total equity under AIFRS		292,955	(148,458)

- (i) Under AASB 136 *Impairment of Assets* the recoverable amount of an asset is determined as the higher of its net selling price and value in use. The Scheme's accounting policy was to value its unlisted managed investment scheme assets based upon their net market value. These Scheme's property assets were tested for impairment on transition date as part of the cash generating unit to which they belong. This resulted in impairment losses being recognised under AIFRS, which inturn affected the net market value.
- (ii) Under AASB 132 *Financial Instruments: Disclosure and Presentation* the issued interests of the Scheme would no longer meet the definition of equity, given the fixed life of the Scheme. This requires the issued interests of the Scheme to be reclassified as debt rather than equity.
- (iii) The Directors have decided to apply the exemption provided in AASB 1 *First-time Adoption of Australian Equivalent to International Financial Reporting Standards* which permits entities not to apply the requirements of AASB 132 *Financial Instruments: Presentation and Disclosures* and AASB 139 *Financial Instruments: Recognition and Measurement* for the financial year ended 30 June 2005. The standards will be applied from 1 July 2005.

It is not expected that the application of these standards will have a material impact upon the equity of the Scheme. At this stage it is anticipated that the non current assets of the scheme would be classified as being "available for sale" which would not alter the current accounting treatment of these assets.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

(II) Reconciliation of net profit under AGAAP to that under AIFRS

Note		30 June 2005
Net profit as reported under AGAAP		409,421
Changes to accounting treatment	(i)	0
Net profit under AIFRS		409,421

- (i) The Directors have decided to apply the exemption provided in AASB 1 *First-time Adoption of Australian Equivalent to International Financial Reporting Standards* which permits entities not to apply the requirements of AASB 132 *Financial Instruments: Presentation and Disclosures* and AASB 139 *Financial Instruments: Recognition and Measurement* for the financial year ended 30 June 2005. The standards will be applied from 1 July 2005.

It is not expected that the application of these standards will have a material impact upon the equity of the Scheme. At this stage it is anticipated that the non current assets of the scheme would be classified as being "available for sale" which would not alter the current accounting treatment of these assets.

(III) Restated AIFRS Statement of Cash Flows for the year ended 30 June 2005

No material impacts are expected to the cash flows presented under AGAAP on adoption of AIFRS.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

2 NET INCOME BEFORE OTHER EXPENSES

The Scheme has allowed the other Members of QPS11 to use the assets of QPS11 as security for any borrowings that they may make to invest in QPS11. The Scheme charges these Members a fee for allowing them to pledge the assets of QPS11 based upon the equity interest held by the Scheme in QPS11 at a rate of 11.25% per annum.

	30 June 2005	30 June 2004
Investment income		
-Distributions	72,142	(1,830)
-Guarantee fees	351,000	0
	423,142	(1,830)
Interest income		
-Bank interest	643	9,556
	643	9,556
	423,785	7,726

3 RECEIVABLES

Distributions are receivable on an annual basis, as at balance date there were no distributions receivable.

4 OTHER ASSETS (CURRENT)

The Scheme reports its GST obligations quarterly on a cash basis.

GST asset	1	0
	1	0

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

5 MANAGED INVESTMENT SCHEMES

	30 June 2005	30 June 2004
Issued Interests- at cost	3,120,000	3,120,000
Prepaid distributions	(34,047)	(63,499)
Reserves	155,396	(25,135)
	3,241,349	3,031,366
Book value at beginning of the year	3,031,366	0
Acquisitions	0	3,120,000
Distributed reserves	(25,967)	(25,135)
Revaluation increments/(decrements)	206,498	0
Prepaid distributions earned/(paid)	29,452	(63,499)
	3,241,349	3,031,366

VALUATIONS

The accounting policy of the Scheme is to value its unlisted managed investment schemes on the basis of the published unit prices of the scheme, which is determined by reference to the net asset value of the relevant scheme on a per unit basis at balance date.

OTHER INFORMATION

QPS11 has not directly borrowed any long term funds, the other Members of QPS11 (the "Owners") have collectively borrowed funds in order to purchase interests in QPS11.

QPS11 has pledged as security over these loans;

- registered first mortgage over the property asset of QPS11,
- registered second mortgage over the property asset of QPS11, and
- a fixed and floating charge over the assets of QPS11

These pledges have been approved by all of the Members of QPS11, and the Owners pay a fee to the Scheme for the use of their share of QPS11 assets as security for the borrowings.

The Owners are primarily relying on their distributions from QPS11 net profits to meet their borrowing cost obligations, should these distributions fall short of the amount required, the Scheme has agreed to provide an unsecured loan to the Owners.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

6 OTHER ASSETS (NON CURRENT)

	30 June 2005	30 June 2004
Unsecured Loan		
-opening balance	0	0
-plus drawdowns	409,657	0
-plus unpaid interest	0	0
	409,657	0

7 PAYABLES (CURRENT)

Trade liabilities are normally settled on 30 day terms, as at balance date there were no payables.

8 PROVISIONS

Distributions payable represent a final distribution of 7.72 cents (2004: 0.37 cents) per Unit for the financial year ended 30 June 2005.

Distribution Payable	240,925	11,653
	240,925	11,653

9 INTEREST BEARING LIABILITIES

The Scheme has not borrowed any funds and does not intend to borrow any funds

Interest bearing liabilities	0	0
	0	0

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

10 UNITS ON ISSUE

This represents the amount of equity raised by the Scheme:

			30 June 2005	30 June 2004
	Date of Issue	Number of Interests		
Ordinary Units issued at \$1.00 per Unit	29 June 2004	3,120,000	3,120,000	3,120,000
			3,120,000	3,120,000

Rights and Restrictions over Ordinary Units:

Each Unit ranks equally with all other Ordinary Units for the purpose of distributions and on termination of the Scheme.

Ordinary Units entitle the holder to one vote on a show of hands, or if a poll is called, one vote for each percentage of the total issued Units held by that Unit holder, either in person or by proxy, at a meeting of the Scheme.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

11 RESERVES AND UNDISTRIBUTED INCOME

	30 June 2005	30 June 2004
Asset Revaluation	206,498	0
Distributions	(11,653)	(11,653)
Undistributed income	98,109	(4,039)
	292,955	(15,691)
Asset revaluation		
<i>(i) Nature and purpose of reserve</i>		
The asset revaluation reserve is used to record increments and decrements in the value of Managed Investment Scheme assets. Upon disposal of these assets, the amount of asset revaluation reserve applicable to that asset is transferred to retained earnings		
<i>(ii) Movements in reserve</i>		
Balance at beginning of year	0	-
Revaluation increments/(decrements)	206,498	-
Balance at end of year	206,498	0
Distributions reserve		
<i>(i) Nature and purpose of reserve</i>		
The distributions reserve is used to record tax free and tax deferred amounts distributed to Members. These amounts are not taxable income to Members, but they reduce the value of the equity each Member holds in the Scheme.		
<i>(ii) Movements in reserve</i>		
Balance at beginning of year	(11,653)	0
Distributions paid to Members	0	(11,653)
Balance at end of year	(11,653)	(11,653)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

12 DISTRIBUTIONS

	30 June 2005	30 June 2004
Statement of distribution		
Net profit attributable to Members of the Scheme	409,421	7,614
Net transfers from general reserve	0	0
Undistributed income	(4,039)	0
Amount available for distribution to Members	405,382	7,614
Distribution paid and payable		
-For half year ended 31 December	0	0
-For year ended 30 June	307,273	11,653
Total distributions	307,273	11,653
Undistributed income carried forward	98,109	(4,039)
Components of distribution		
	<i>Cents Per Interest</i>	<i>Cents Per Interest</i>
Distribution- half year ended 31 December	0.00	0.00
Distribution- year ended 30 June	9.85	0.37
	9.85	0.37
Reconciliation:	<i>Cents Per Interest</i>	<i>Cents Per Interest</i>
Opening balance	0.37	0.00
Distribution- half year ended 31 December	0.00	0.00
Distribution- year ended 30 June	9.85	0.37
Cash paid during year	(2.50)	0.00
	7.72	0.37

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

13 STATEMENT OF CASH FLOWS

a) RECONCILIATION OF NET PROFIT TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

	30 June 2005	30 June 2004
Net Profit	409,421	7,614
Add back non cash expenses	25,967	13,483
Movement in assets and liabilities:		
Distribution receivable	(29,452)	0
Trade creditors	0	0
Good & services tax	(1)	0
Net cash inflows from operating activities	405,935	21,096

b) RECONCILIATION OF CASH

Cash balance comprises:		
-cash assets	2,873	84,595
	2,873	84,595

14 CAPITAL EXPENDITURE COMMITMENTS

Estimated capital expenditure contracted for at balance date but not provided for.

Not later than one year	0	0
Later than one year, but not later than five years	0	0
Later than five years	0	0
	0	0

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

15 FINANCIAL INSTRUMENTS

INTEREST RATE RISK

The Schemes exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

Financial Instruments	Floating interest rate		Fixed interest rate maturing in						Non-interest bearing	Total carrying amount as per statement of financial position		
			1 year or less		Over 1 to 5 years		More than 5 years					
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Financial assets												
Cash	2,873	84,595	-	-	-	-	-	-	-	-	2,873	84,595
Distribution receivable	-	-	-	-	-	-	-	-	-	-	0	0
Unsecured loans	-	-	-	-	-	-	409,657	-	-	-	409,657	0
	2,873	84,595	0	0	0	0	409,657	0	0	0	412,530	84,595
Weighted average interest rate	3.75%	3.75%	N/A	N/A	10.00%	N/A	10.00%	N/A	N/A	N/A		
Financial liabilities												
Prepaid distribution	-	-	-	-	-	-	-	-	34,047	63,499	34,047	63,499
Distribution payable	-	-	-	-	-	-	-	-	240,925	11,653	240,925	11,653
	0	0	0	0	0	0	0	0	274,972	75,151	274,972	75,151
Weighted average interest rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Net financial assets/liabilities	2,873	84,595	0	0	0	0	409,657	0	(274,972)	(75,151)	137,558	9,444

FINANCIAL INSTRUMENTS (cont'd)

CREDIT RISK

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts of those assets, as disclosed in the Statement of Financial Position and Notes to the Financial Statements.

NET FAIR VALUES

The net fair values of financial assets and financial liabilities generally approximate their carrying values.

HEDGING INSTRUMENTS

The Scheme does not usually use any hedging instruments, there were no hedging instruments used during the year.

16 DIRECTORS AND EXECUTIVE DISCLOSURES

DETAILS OF SPECIFIED DIRECTORS AND SPECIFIED EXECUTIVES

Specified Directors

The Directors of Quantum Syndicate Management Ltd during the year were:

Geoffrey Hodgkinson	Chairman (non-executive)
Peter Gribble	Director and Chief Executive Officer
Jonathan Martin	Director (non- executive)
James Maitland	Director and Chief Financial Officer

Specified Executives

Neither Quantum Property Trust No.11 nor Quantum Syndicate Management Ltd employ persons deemed to be specified executives of the Scheme.

REMUNERATION OF SPECIFIED DIRECTORS

Remuneration Policy

Remuneration of Directors is paid directly by either Quantum Syndicate Management Ltd or, one of the subsidiaries of its ultimate parent entity, Quantum Group Holdings Pty Ltd. The Directors do not receive any remuneration directly from Quantum Property Trust No.11. The Remuneration of Directors disclosed below has been based on the estimated proportion of time spent by each Director on the overall property syndication business and then apportioned equally to all registered schemes managed by the Responsible Entity.

The board of Directors are responsible for determining and reviewing compensation arrangements for the Directors of the Responsible Entity. The Directors assess the appropriateness of the nature and amount of emoluments of the Directors on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum shareholder benefit from the retention of a high quality board.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

Remuneration of Specified Directors

	<i>Primary</i>		<i>Post Empl'mnt</i>	<i>Equity</i>	<i>Other</i>	<i>Total</i>
Specified Directors	Salary & Fees	Cash Bonus	Super- annuation	Options		
Geoffrey Hodgkinson*	3,967	-	357	-	-	4,324
Peter Gribble^	13,193	-	3,870	-	-	17,063
Jonathan Martin^	6,529	-	588	-	-	7,117
James Maitland^	4,783	2,006	385	-	-	7,174
Total	28,472	2,006	5,200	-	-	35,678

* The amount of remuneration of non-executive Directors has been determined based on an allocation of their activities attributed to each scheme managed by the Responsible Entity.

^ As these Directors either are or were also Directors of other entities within the wholly-owned group, the amount of remuneration disclosed in the Scheme is based, firstly, on an allocation of their activities attributed to the Responsible Entity and, secondly, on an equal allocation to each scheme managed by the Responsible Entity.

OTHER TRANSACTIONS AND BALANCES WITH SPECIFIED DIRECTORS

Apart from the details disclosed in this note, no specified Director has entered into a material contract with the Scheme since the end of the previous financial year and there were no material contracts involving Directors interests subsisting at year end.

17 RELATED PARTIES

RESPONSIBLE ENTITY

The Responsible Entity of Quantum Property Trust No.11 is Quantum Syndicate Management Ltd, whose ultimate holding company is Quantum Group Holdings Pty Ltd.

DIRECTORS

The Directors of Quantum Syndicate Management Ltd during the year were:

Name	Date of Appointment	Number of interests held	
Geoffrey Hodgkinson	Appointed 14 January 2003, Resigned 16 March 2005		^ held in capacity as trustee for related party
Peter Gribble	Appointed 1 April 1999	0	
Jonathan Martin	Appointed 1 April 1999	50,000^	
James Maitland	Appointed 9 April 2002	0	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

RELATED PARTY TRANSACTIONS

All related party transactions are conducted on normal commercial terms and conditions.

FEES

As the Responsible Entity, Quantum Syndicate Management Ltd receives all management fees which have been deducted from the Scheme during the year. The Responsible Entity is not entitled to any management fees in respect of the management of the Scheme.

Quantum Syndicate Management Ltd provides management services for Quantum Property Trust No.11, and out sources administrative functions to associated entities that are wholly owned by Quantum Group Holdings Pty Ltd.

Quantum Administration Services Pty Ltd provides administrative services to the Scheme, total fees paid or payable for the current year \$0 (2004: \$0). Quantum Accounting Practice Pty Ltd provides accounting services to the Scheme, total fees paid or payable for the current year \$0 (2004: \$0).

Transactions between the Scheme and Quantum Syndicate Management Ltd result from normal dealings with that company as the Schemes Responsible Entity. Total fees paid or payable to the Responsible Entity for the current year \$0 (2004: \$0).

	30 June 2005	30 June 2004
Total fees paid or payable for the current year		
-Paid to Responsible Entity	0	0
-Paid to related parties of the Responsible Entity	0	0
	0	0

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

OTHER TRANSACTIONS

Jonathan Martin holds Units in the Scheme in his capacity as trustee for a private unit trust, of whom the sole beneficiary is a relative of Peter Gribble. These transactions were entered into on the same terms and conditions as those entered into by other Scheme Members.

From time to time Directors of the Responsible Entity, or their related entities, may invest or withdraw from the Scheme. These transactions are on the same terms and conditions as those entered into by other Scheme Members.

Apart from the details disclosed in this note, no Director has entered into a material contract with the Scheme since the end of the previous financial year and there were no material contracts involving Directors interests subsisting at year end.

18 CUSTODIANS REMUNERATION

	30 June 2005	30 June 2004
Amounts received by JP Morgan Trust Australia Ltd for :		
-Custodial services	0	0
	0	0

19 AUDITORS REMUNERATION

Amounts received by Pascoe Whittle for :		
-Audit and review of the financial report	3,300	0
-Audit and review of the compliance plan	200	0
	3,500	0

20 NET ASSET BACKING PER INTEREST

Basic net asset backing is calculated by dividing the Total Members Funds by the number of Ordinary Units on issue. The number of Units used in the calculation of Basic Net Asset Backing is 3,120,000 (2004: 3,120,000).

Basic net asset backing per unit (\$)	1.09	0.99
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

21 EARNINGS PER INTEREST

Earnings per Interest is calculated by dividing the Net Profit Attributable to Members of the Scheme by the weighted number of Ordinary Units on issue during the year. The weighted average number of Units used in the calculation of earnings per Unit is 3,120,000 (2004: 8,548).

	30 June 2005	30 June 2004
Basic earnings per Interest (cents)	13.12	89.07
Diluted earnings per Interest (cents)	13.12	89.07

22 SEGMENT REPORTING

The Scheme operates in one business segment being unlisted Managed Investment Scheme investments, and in one geographical segment being Queensland, Australia.

23 OTHER REQUIRED INFORMATION

a) COMMENCEMENT DATE OF SCHEME

The Scheme was constituted on 2 April 2004.

b) LIFE OF THE SCHEME

The term of the Scheme is six years from the date of execution of the constitution (dated 2 April 2004). This term may only be extended if greater than 75% of Members agree. The Scheme must be terminated within twelve years of the execution of the constitution.

c) BUYBACK OR REDEMPTION

The Responsible Entity does not anticipate that it will ever be in a position to buy back or redeem any Units in the Scheme to Members unless all assets are sold and are all in cash.

d) BORROWINGS

The Responsible Entity does not intend to borrow any funds.

DIRECTORS DECLARATION

In the opinion of the directors of Quantum Syndicate Management Ltd, the Responsible Entity of Quantum Property Trust No.11:

1. the Financial Statements and notes of the Scheme are in accordance with the Corporations Act 2001, including:
 - a. giving a true and fair view of the Schemes financial position as at 30 June 2005 and of the performance as represented by the results of the operations and the cash flows for the year ended on that date; and
 - b. complying with Accounting Standards and Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable;
3. this declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2005; and
4. the registered Scheme has operated in accordance with the provisions of the constitution dated 2 April 2004.

Signed in accordance with a resolution of the Directors



Peter Gribble
Chairman
Quantum Syndicate Management Ltd

Sydney, 29 September 2005

INDEPENDENT AUDIT REPORT



PASCOE WHITTLE

LEVEL 8, 191 CLARENCE STREET
SYDNEY NSW 2000

GPO BOX 5269
SYDNEY NSW 2001

TELEPHONE (02) 9299 2444
FACSIMILE (02) 9299 2423

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF QUANTUM PROPERTY TRUST NO. 11

Scope

We have audited the financial report of Quantum Property Syndicate No. 11, a Managed Investment Scheme for the year ended 30 June 2005, consisting of the statement of financial position, statement of financial performance and distribution, statement of cash flows, accompanying notes and the responsible entity's declaration set out in this report. The responsible entity, Quantum Syndicate Management Ltd is responsible for the financial report

We have conducted an independent audit of this financial report in order to express an opinion on it to the unitholders of the trust.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements, statutory requirements, and the provisions of the Constitution dated 2 April 2004 so as to present a view which is consistent with our understanding of the Scheme's financial position, and performance as represented by the results of its operations and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Audit Opinion

In our opinion, the financial report of the Quantum Property Trust No. 11 is in accordance with:

- (a) The Corporations Act 2001, including:
 - (i) Giving a true and fair view of the Scheme's financial position as at 30 June 2005 and of its performance for the year ended on that date; and
 - (ii) Complying with Accounting Standards and the Corporations Regulations; and
- (b) Other mandatory professional reporting requirements; and
- (c) With the provisions of the Constitution dated 2 April 2004.

PASCOE WHITTLE

A handwritten signature in blue ink, appearing to read 'John Pascoe', is written over a horizontal line.

JOHN PASCOE
Partner

Sydney

29 September 2005

NSX ADDITIONAL INFORMATION

Additional information required by the Stock Exchange of Newcastle Ltd and not shown elsewhere in this report is as follows. The information is current as at 29 September 2005.

a) DISTRIBUTION OF EQUITY SECURITIES

The number of Unit holders, by size of holding are:

	Ordinary Units	
	<i>Number of Holders</i>	<i>Number of Units</i>
1 - 1,000	-	-
1,001 - 5,000	-	-
5,001 - 10,000	-	-
10,001 - 100,000	28	2,347,000
100,001 and over	5	773,000
	33	3,120,000

b) TWENTY LARGEST UNITHOLDERS

The names of the twenty largest holders of quoted Units are:

	Listed Ordinary Units	
	<i>Number of Units</i>	<i>% Ordinary Units</i>
JNR Corp Pty Ltd	200,000	6.41%
Don Bray	156,000	5.00%
Kyanna Pty Ltd	156,000	5.00%
Retirala Pty Ltd	141,000	4.52%
Narclip Pty Ltd	120,000	3.85%
AL & EL Price	100,000	3.21%
Dasith & Company Pty Ltd	100,000	3.21%
Fant Pty Ltd	100,000	3.21%
Graham Lee	100,000	3.21%
Halclap Pty Ltd	100,000	3.21%
RD Hooper Engineering Pty Ltd	100,000	3.21%
Simon & May Yeung	100,000	3.21%
Anthony Robert & Phyllis Naomi Folland	78,000	2.50%
F&M Investments Pty Ltd	78,000	2.50%
G W Wulff Nominees Pty Ltd	78,000	2.50%
JKL Enterprises Pty Ltd	78,000	2.50%
John Warburton & Maureen Warburton	78,000	2.50%
Ken Mikl & Pamela Mikl	78,000	2.50%
Peter Wegner & Geraldine Wegner	78,000	2.50%
Ross Capital Pty Ltd	78,000	2.50%
	2,097,000	67.25%

c) SUBSTANTIAL UNITHOLDERS

The names of substantial Unit holders who have notified the Responsible Entity in accordance with section 671B of the Corporation Act 2001 are:

	Number of Units
JNR Corp Pty Ltd	200,000
Don Bray	156,000
Kyanna Pty Ltd	156,000

d) VOTING RIGHTS

On a show of hands, each Unit holder present in person or by proxy has one vote. Upon a poll every Unit holder present in person or by proxy will have one vote for each one percent (1%) (or fraction of that percentage) of the total of all Units in the Trust which the Unit holder holds.

Subject to this Constitution all questions will be decided by a majority vote. In the case of joint holders, only the person whose name appears first in the relevant register may vote.

e) FIVE YEAR PERFORMANCE HISTORY

	2005	2004
Gross revenue	423,785	7,725
Net profit before distributions	409,421	7,614
Total assets	3,653,880	3,115,961
Total liabilities	240,925	11,653
Unit holders funds	3,412,955	3,104,309
Earnings per unit (cents per unit)	13.12	89.07
Distributions per unit (cents per unit)	9.85	0.37
Net tangible assets	1.09	0.99
Price earnings ratio	7.62	1.12