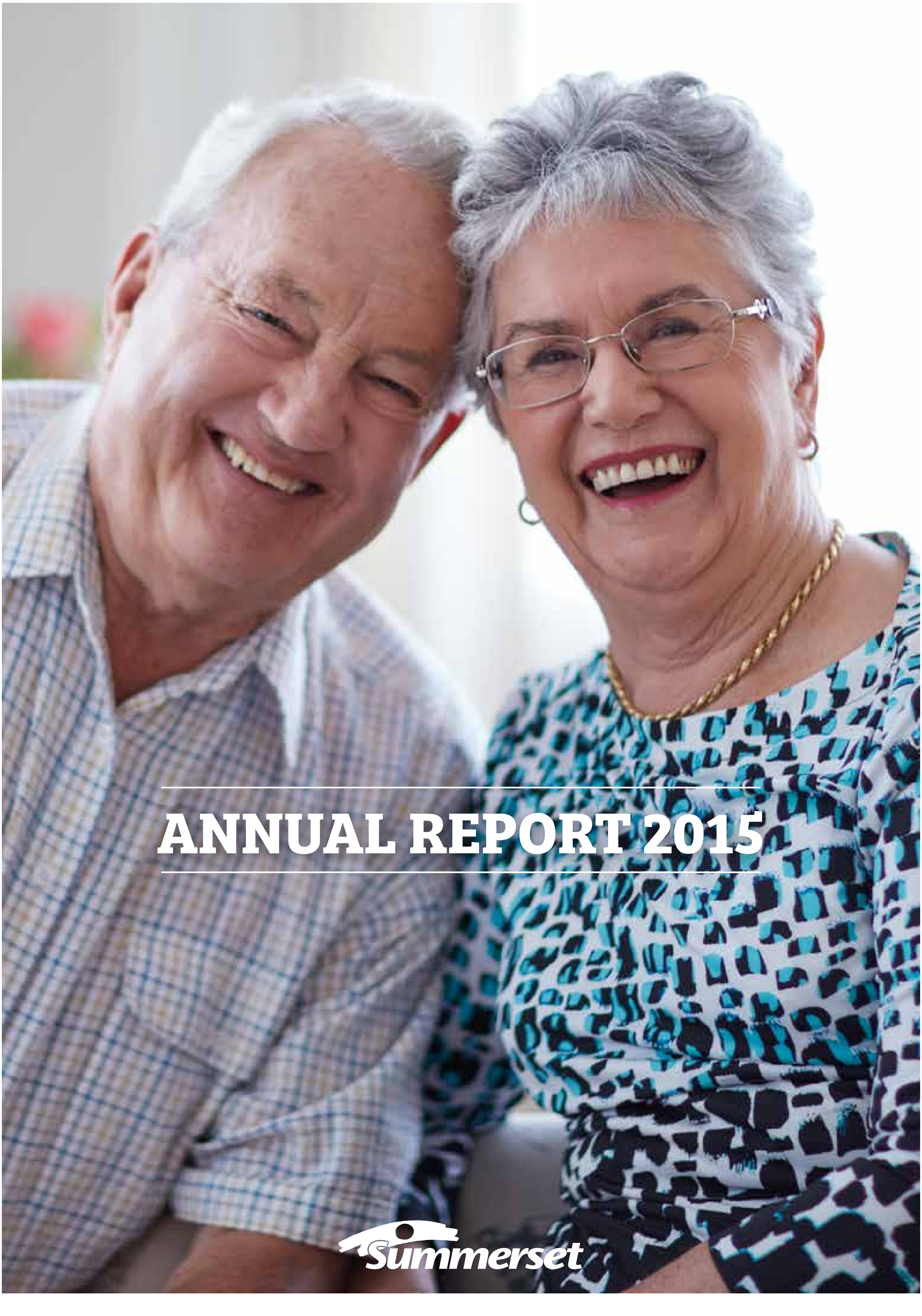
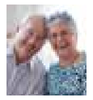


ANNUAL REPORT 2015

Summerset

Summerset by the Park, Manukau resident Dorrie and her daughter Jeannette.



Cover Image: Summerset by the Park, Manukau residents Bill and Joy.

CONTENTS

SUMMERSET **SNAPSHOT**

616 CARE BEDS

MORE THAN **3,500** RESIDENTS

21 VILLAGES COMPLETED OR UNDER DEVELOPMENT

2,419 RETIREMENT UNITS IN PORTFOLIO

LAND BANK OF **2,414** RETIREMENT UNITS*

MORE THAN **800** STAFF MEMBERS

400 RETIREMENT UNITS: BUILD RATE FOR 2016

303 RETIREMENT UNITS BUILT IN 2015

4 GREENFIELD SITES*

LAND BANK OF **406** CARE BEDS

Excluding land in Rototuna acquired post balance date.

BUSINESS **HIGHLIGHTS**

3
AUCKLAND LAND ACQUISITIONS
St Johns, Parnell, and land adjacent to our Warkworth village

SALES OF
578
RETIREMENT UNITS

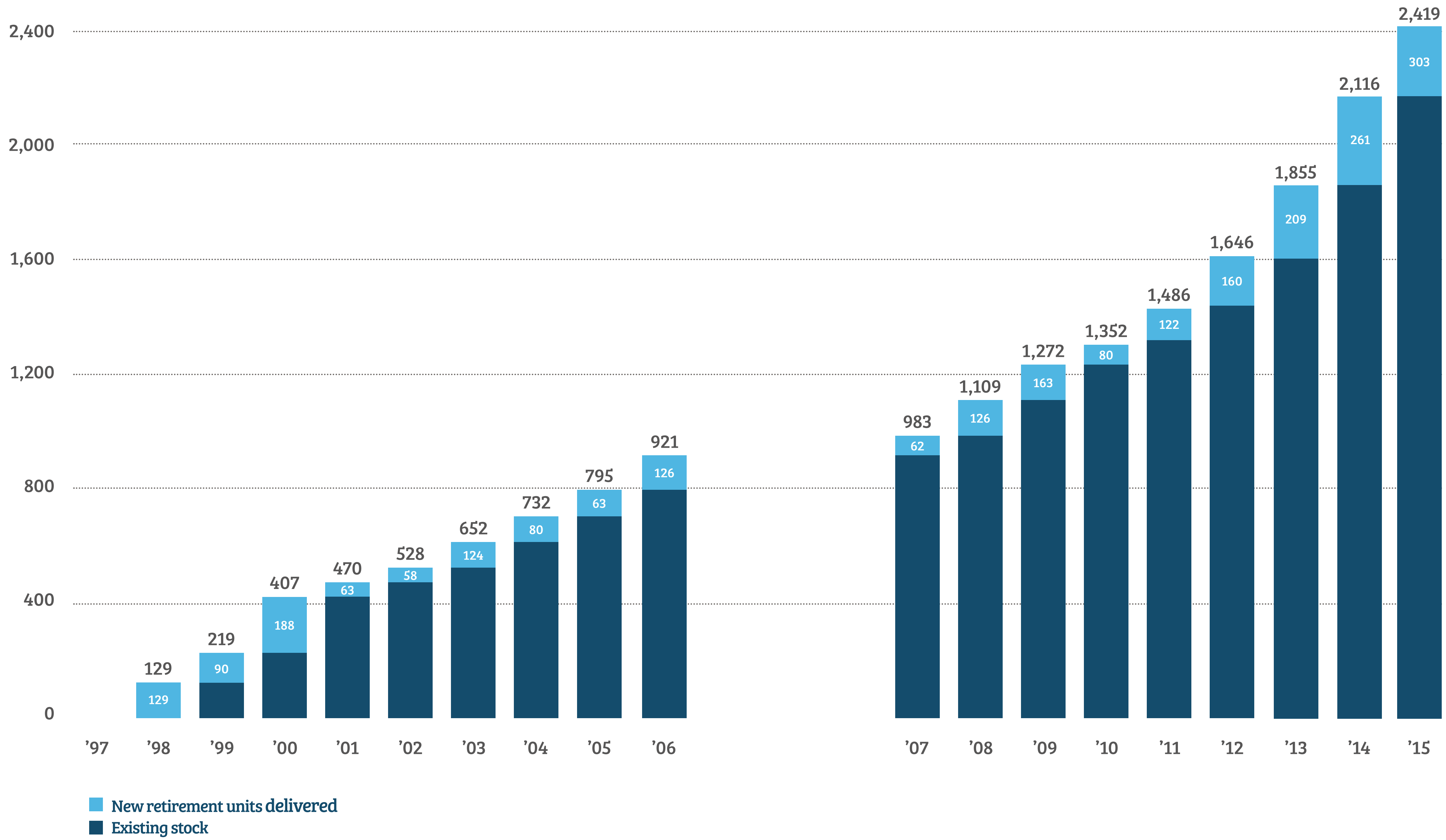
MILESTONE
303
RETIREMENT UNITS DELIVERED

MILESTONE
20%
DEVELOPMENT MARGIN

126
CARE BEDS DELIVERED

3
CARE CENTRE OPENINGS
Karaka, Katikati and New Plymouth

PORTFOLIO GROWTH
18 YEARS OF CONSISTENT DELIVERY AND GROWTH



2015

303
new retirement units completed

16%
more built than in 2014

2,419
total retirement units in portfolio

The New Zealand population aged over 75 years is forecast to more than triple in the next 50 years.

The number of people aged 75 and over is projected to increase from 285,000 in 2015 to 1,001,000 by 2068. This is an increase from 6% of the population to 16%.

The number of people aged 85 and over is projected to increase from 81,000 in 2015 to 387,000 in 2068. This is an increase from 1.7% of the population to 6.3%.

FINANCIAL **HIGHLIGHTS**

Summerset in the Orchard, Hastings residents enjoying their croquet bowling green.

$37.8m
UNDERLYING PROFIT FY2015

55%
INCREASE ON FY2014

$84.2m
NET PROFIT AFTER TAX FY2015

56%
INCREASE ON FY2014

$1.36bn
TOTAL ASSETS

31%
INCREASE ON FY2014

$142.6m
OPERATING CASH FLOW

29%
INCREASE ON FY2014

FINANCIAL HIGHLIGHTS Continued

UNDERLYING PROFIT

$000	FY2015	FY2014	% CHANGE
Reported profit after tax *	$84,245	$54,173	55.5%
Less fair value movement of investment property *	($83,458)	($52,481)	59.0%
Less reversal of impairment of land and buildings *	-	($1,882)	(100%)
Add realised gain on resales	$12,345	$8,090	52.6%
Add realised development margin	$26,138	$16,699	56.5%
Less deferred tax credit *	($1,470)	($179)	721%
Underlying profit	**$37,800**	**$24,420**	**54.8%**

**Figure has been extracted from financial statements.*

Underlying profit differs from NZ IFRS net profit after tax. The directors have provided an unaudited underlying profit measure to assist readers in determining the realised and non-realised components of fair value movement of investment property and tax expense in the Group's income statement. The measure is used internally in conjunction with other measures to monitor performance and make investment decisions. Underlying profit is an industry-wide measure which the Group uses consistently across reporting periods.

RESULTS HIGHLIGHTS – FINANCIAL

$000	FY2015	FY2014	% CHANGE
Net operating cash flow	$142,574	$110,433	29.1%
Net profit before tax (NZ IFRS)	$82,775	$53,994	53.3%
Net profit after tax (NZ IFRS)	$84,245	$54,173	55.5%
Underlying profit *	$37,800	$24,420	54.8%
Total assets	$1,363,539	$1,043,189	30.7%
Net tangible assets (cents per share)	188.52	153.33	23.0%

**Underlying profit differs from NZ IFRS net profit after tax.*

RESULTS HIGHLIGHTS – OPERATIONAL

	FY2015	FY2014	% CHANGE
New sales of occupation rights	333	286	16.4%
Resale of occupation rights	245	172	42.4%
New retirement units delivered	303	261	16.1%
Realised development margin ($000)	$26,138	$16,699	56.5%
Gross proceeds (new sales) ($000)	$131,017	$106,252	23.3%
Realised gains on resales ($000)	$12,345	$8,090	52.6%

The Summerset Photo Competition 2015 winning shot, taken by Jenny, a Summerset Falls resident.

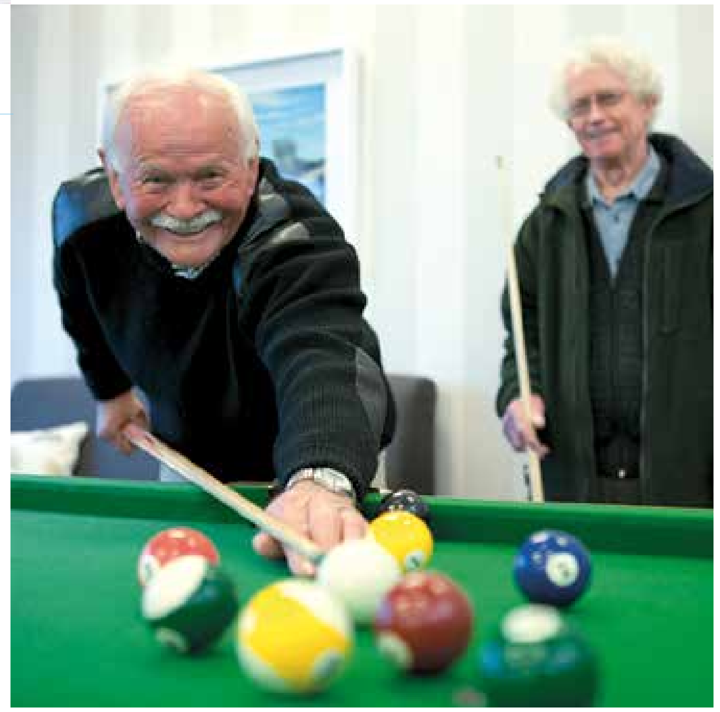
PEOPLE HIGHLIGHTS

MORE THAN
800
STAFF MEMBERS

MORE THAN
3,500
RESIDENTS

92%
CARE RESIDENT AND FAMILY SATISFACTION

95%
VILLAGE RESIDENT SATISFACTION



CHAIRMAN'S **REPORT**

Welcome to Summerset's annual report for the financial year to 31 December 2015. I am pleased to present another strong set of annual results for the company. There were several milestones throughout the year including three land acquisitions, achieving a record build rate, a significant uplift in our development margin and our successful launch into Christchurch.

These, combined with annual sales of over 570 retirement units, demonstrate the momentum that Summerset continues to create, and that we are seen as a provider of choice in an increasingly competitive market.

Summerset delivered underlying profit in 2015 of $37.8 million, an increase of 55% on 2014 and a net profit after tax of $84.2 million. As we are a relatively young company in a fast-growing sector, it is natural to benchmark our progress from when we listed. Since November 2011 we have increased:

- Retirement unit growth by 933 units
- Staff numbers by over 400
- Asset value growth by $746.6 million
- Underlying profit by $29.7 million
- Resident numbers by 1,800

While it is always pleasing to deliver better than expected results, this strong cumulative growth hinges on our ability to meet our residents' needs and exceed their expectations. To do this requires continual investment and is a result of the hard work our people put in to building a successful and sustainable business.

The Board has declared a final dividend of NZ 3.4 cents per share. This is a total dividend payment for 2015 of NZ 5.25 cents and represents 30.5% of underlying profit in line with our dividend policy. As communicated in our half year report, we will maintain our dividend payment at the bottom end of this range as, at this point, the business must continue to invest in growth.

I would like to advise of a change to the Summerset Board, with Norah Barlow deciding not to stand for re-election in April. Norah has made a significant contribution to Summerset and the broader aged-care industry. On behalf of the Board, I sincerely thank her and wish her all the best for the future.

The Board has begun a search process for a replacement director.

With the number of New Zealanders aged 75 years and over forecast to more than double by 2033, the demand for quality aged care services continues to grow.

With a firm focus on our core purpose of bringing the best of life to older New Zealanders, and solid sector fundamentals, Summerset is well-positioned to deliver outcomes that our residents, staff and investors can all benefit from.

On behalf of the Board, I would like to thank you for your continued support throughout 2015.

Rob Campbell
Chairman

Summerset at Wigram under construction.

CHIEF EXECUTIVE OFFICER'S **REPORT**

If 2014 was a year characterised by turning investment into growth, then 2015 can be described as one of momentum. While we continued to focus on expansion across New Zealand, Summerset also benefited from strong demand across our villages driven by sales from new villages and increased resales of occupational rights, with Summerset now home to more than 3,500 residents. We also significantly added to our land bank, and continued to realise the benefits of increasing our scale and the efficiencies of our internal development model.

Summerset's 2015 financial performance heralded a number of firsts for the company. For the first time we exceeded 570 retirement unit sales (new sales and resales) driven by an increasing presence in Auckland and strong demand across all of our other locations for independent living and care options. In addition, our development margin hit 20% for the first time. Momentum has also continued in terms of our build rates. We updated guidance to our build rate intentions, raising our FY16 target to 400 retirement units, up from 300 in FY15. This represents an increase of 60% on the FY16 build rate guidance of 250 retirement units given at the time of initial public offering in November 2011.

Of course all of this means nothing if people don't choose Summerset as their home.

Creating a long-term, sustainable business means being firmly focused on our core purpose of bringing the best of life to older New Zealanders.

To do this we focus on three key areas: providing the highest quality care for our residents, expanding our villages and communities using best practice design, location and management, and developing and supporting our people. Success in these areas enables us to continue to build quality communities in the best locations with the highest quality services and management.

Providing the highest quality care

Summerset villages are known for their thriving social communities. This sense of verve is a key reason for people choosing Summerset as their home and we are focused on creating environments where our communities can flourish. The Divine Cafés are very popular with our residents, hosting many social activities and providing a great place to spend time with family and friends. All our new villages are now launched with Divine Cafés and we have continued to add these facilities to our exisiting villages.

We have also invested in a new fleet of Mercedes vans which will be progressively introduced to new villages and as older vehicles need to be replaced. These modern vans will provide more comfort, more space and be able to transport more people than our previous fleet. In late 2015 we started work on a national exercise programme which will be launched for residents across our village network in 2016. All of these initiatives contribute to our village environments and we will continue to engage with residents on how we can do more.

Our aim is to provide the highest quality of care and support for our residents in a place where they can live, and love, the life they choose. For Summerset this is about being a company that listens. Central to this is our resident and care satisfaction surveys, which we undertake annually and which inform our efforts to continually improve.

Our performance, as determined by the 2015 feedback, was 95% satisfaction for people living independently and 92% satisfaction for residents who live in our care facilities.

While we are pleased with these results, the satisfaction surveys always highlight areas in which we can improve. As well as implementing ideas from the surveys, I spend time throughout the year in each village talking with residents and staff to understand important issues and discussing ideas that can make Summerset the place they want to live and work.

As demand for specialised care services in the aged care sector increases, we have continued to develop care services in our villages. Last year we appointed a Head of Clinical Services to oversee our care area and we also introduced clinical nurse leads to support our nurse managers. One of the key care initiatives during the year was developing a benchmark for clinical indicators across our care centres. These benchmarks are an important tool for measuring our services and maintaining high quality care, as well as looking for areas to improve. Summerset is one of a few operators that shares its benchmark results with other providers. We believe this is important for creating best practice across the industry and providing transparency about the quality of care to residents and their families.

Technology continues to improve how we administer care. Early last year we introduced Medi-map, a medicine management system that creates an electronic link between our villages, general practices and pharmacies. This ensures residents' prescriptions are automatically updated, increasing safety for our residents and saving time for our staff, which in turn means more time for them to spend with residents. Systems and how they can be managed are an important part of how our business moves forward, so we will be looking at our clinical systems over 2016 to further improve efficiency and create better clinical outcomes.

Developing and supporting our people

Our people are integral to our residents' satisfaction and we are committed to developing, supporting and empowering our people to provide the best of life to our residents. With more than 800 employees, Summerset's people philosophy is led by the simple understanding that we are, first and foremost, a people business. Being a people business is about providing an environment where employees are valued and fulfilled. We reward the achievements and dedication of our people and celebrate their success across the company at our annual Applause Awards. Our awards highlight the diversity of roles involved in developing and operating our villages – from caregivers to gardeners, from architects to nurse managers – everyone has an important part to play. I would like to congratulate all of our people who have been recognised at the Awards for their efforts over 2015.

The issue of how the aged-care workforce is remunerated continued to be debated throughout 2015 with the Terranova case highlighting the issue. This is an important case for the industry overall and the announcement from the government on the establishment of a working group that will address pay rates for caregivers is a step in the right direction. As a large employer in the aged-care sector, career progression, training and a pay scale that reflects achievement are important to us. All of our caregivers can access our New Zealand Qualifications Authority training programme and pay increases are directly linked to achieving their certification.

We want to recognise everyone's contribution to our business while also enabling our staff to share in the financial success of Summerset.

As part of our continual investment in our people, I am pleased to announce the implementation of an all staff share plan, which will begin in June 2016. The plan, which sees all permanent Summerset employees receive a fully funded share allocation every year they are employed, is another way we reward and acknowledge the great work our people do. The share allocation will be transferred to the staff member after three years continual service, which also provides a retention feature to the plan and Summerset.

Keeping our people safe is a top priority. We need to ensure that our people are working in a safe

Left to right: Nurse of the Year – Winner, Kathy Dillon with finalists Lalaine Nidua and Ana Gutierrez.

Right to left: Office Manager of the Year – Winner Tarsh McConchie and finalists Geet Sharma and Viv Thomson.

Left to right: Summerset's 2015 Supreme Winners of the Applause Awards, Kathy Dillon and Stuart Cheeseman with CEO Julian Cook.

Left to right: Caregivers of the Year - Lesiele Va'alele, Marissa McKean, Kathy Mercer, Natalie Van Nistelrooy, Alvinesh Sharma, Eitema Kario, Jobin George, Val Smith and Lisa Moorcock.

Left to right: Sales Manager of the Year - finalists Fiona Nelson and Anne Rawlence and overall winner Ranee Duff.

Summerset Applause Awards 2015.

environment and that the appropriate processes are in place to support them. Over 2015 we revised all of our health and safety procedures and established a dedicated National Health and Safety Committee. The Committee oversees health and safety by monitoring trends in incidents, accidents and injuries, reviewing significant incidents, ensuring we have effective health and safety systems and providing resources to support the annual health and safety plan. A Health and Safety Manager was also appointed, which will provide a specialist resource to oversee this critical aspect of our operations.

Expanding our villages through best design, location and management

2015 has seen robust growth in new development opportunities as well as continuing expansion of existing villages. In July we secured three Auckland land sites in St Johns and Parnell as well as land adjacent to our existing Warkworth village. These three sites were added to our two villages currently under construction in Ellerslie and Hobsonville, bringing total sites in Auckland to seven and to 25 nationwide. At the end of 2015, Summerset's total land bank represented approximately 2,414 retirement units and 406 care beds.

Our land acquisitions in Auckland reflect the increasing demand for living and care services for older people in this region now and into the future.

The sites in St Johns and Parnell will form two of the premier villages servicing Auckland's eastern suburbs, while the Warkworth land next to our existing village allows us to meet demand in an area that is clearly constrained in supply for quality housing. We are closely watching the emerging pressure in the property market in Auckland, however we believe our development model, scale and pipeline of work has us well placed to sustain any significant downturn in the property market should this occur.

Our two locations in Christchurch, Casebrook and Wigram, continue to move forward. Casebrook received resource consent in September with development planned for 2017. Wigram welcomed its first residents in September and is experiencing good demand.

We continue to work with Council and community groups to progress our plans for a village in Boulcott, Lower Hutt. Initial plans drew opposition from some local residents, however we remain positive about our plans to bring Summerset's retirement living options to the area. During 2015 we opened village centres in Karaka and New Plymouth as well as a care centre in Katikati. We are also substantially extending our Trentham village which will help meet growing demand. Several recreational centre upgrades and extensions, significant facility refurbishments, as well as some major landscaping projects for our existing villages were also undertaken over 2015.

Summerset at Aotea, Wellington.

Our business carries an appropriate and comfortable level of debt, which is all related to village development activities. As at 31 December 2015 debt stood at $248 million. In August 2015 we increased our banking facility limits from NZ$255 million to NZ$450 million. This increase in our facility creates significant headroom to continue to expand as well as the flexibility should there be any significant changes in the property market.

With the number of villages entering development phase or currently under construction, the increased efficiencies of in-house management of the development and construction process continues to be a strong contributor to our performance. As previously mentioned, a development margin uplift to 20% in 2015 is a strong measure of the model's success. It has also resulted in an increased rate at which we can expand. We believe there could be further gains to come from ongoing improved procurement and forward planning of how we develop our sites.

The future

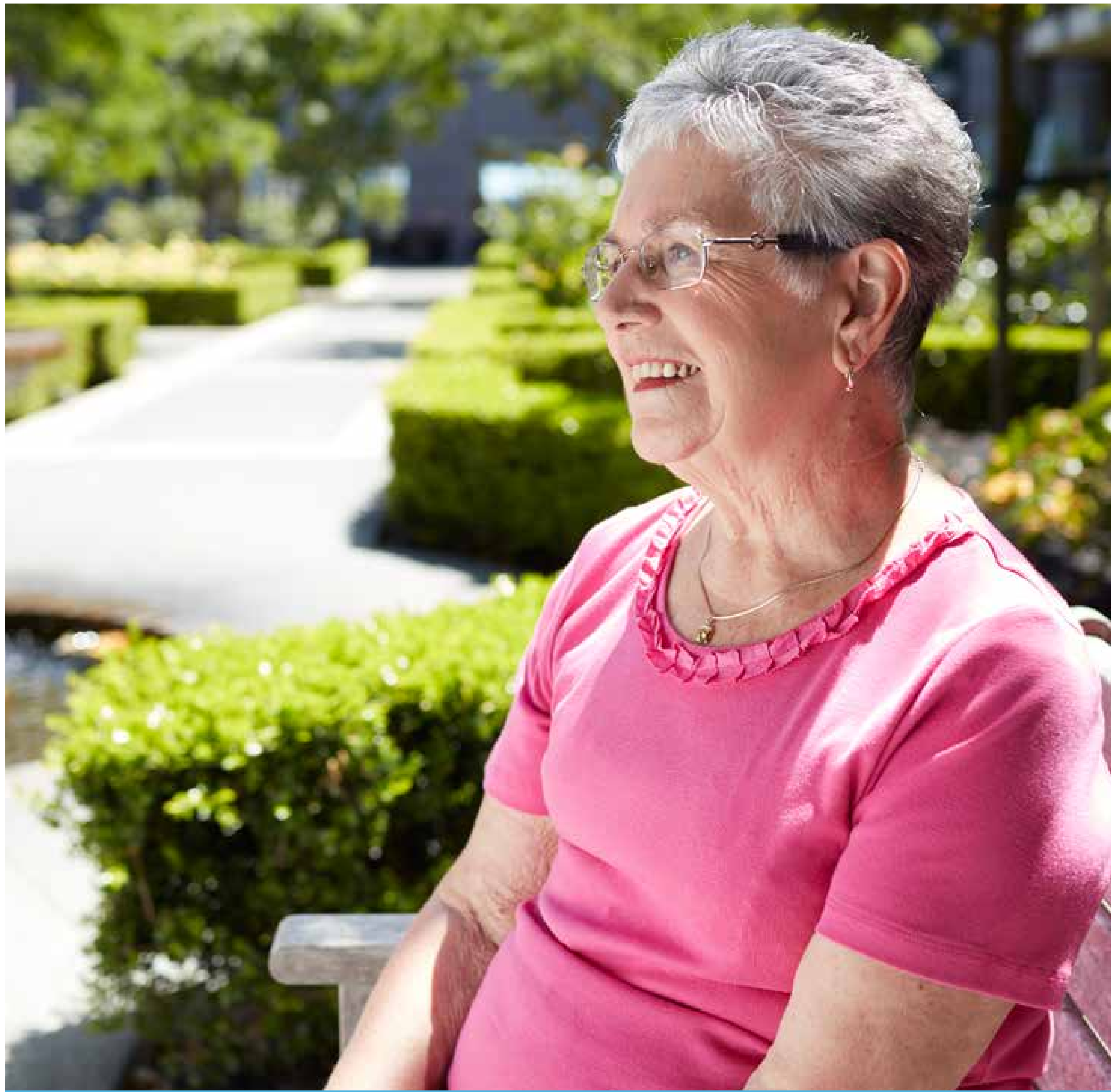
Our villages support an ageing population, who require safe, secure housing that is designed specifically for their needs.

Development is a key part of our business and its financial success and we will continue to look for opportunities across New Zealand. With a robust land bank that will eventually house an additional 2,414 retirement units and 406 care beds, we have set ourselves a target of building 400 retirement units for 2016 and beyond. But the industry will require more than just homes, it will require increased levels of specialised care and a business that can attract and retain the people needed to deliver these services.

Summerset is committed to meeting this need and providing the choice, care and community older New Zealanders desire.

I would like to thank our investors for continuing to support our business as well as our residents for choosing Summerset as their home and creating our vibrant communities. And a big thank you to all of our staff – who we couldn't do this without.

Julian Cook
Chief Executive Officer



Joy enjoying the gardens at Summerset by the Park, Manukau.

DIRECTORS' PROFILES

Rob Campbell

Independent Chairman

Rob Campbell has over 30 years' experience as a director and investor.

He is currently the Chair of Tourism Holdings Ltd, G3 Group Ltd, and a director of Precinct Properties NZ Ltd and T&G Global Ltd (Turners & Growers), all listed companies in New Zealand.

Rob is also an investor and director of a number of substantial private companies and is a director of, or an advisor to, a number of private global equity and hedge funds. Rob holds a Bachelor of Arts with First Class Honours in Economic History and Political Science and a Masters of Philosophy in Economics.

Norah Barlow

Non-executive

Norah is an accountant by profession who formed her own practice, now known as Barlow McCormack, in 1992.

In 1999, Norah sold that practice to join Summerset, then a fledgling retirement village developer and operator, where she served first as group accountant, and then as CEO until 2013. Norah continued on the board of Summerset and is now a professional director.

In 2014, Norah was made an officer of the New Zealand Order of Merit for her services to business.

Norah will retire from the board on 29 April 2016.

James Ogden

Non-executive Independent

James is a director of The Warehouse Group, Vista Group International and Alliance Group Ltd as well as Chair of Summerset's Audit Committee.

James has had a career as an investment banker, including six years as Country Manager for Macquarie Bank and five years as a director of Credit Suisse First Boston.

James also worked in the New Zealand dairy industry for eight years in chief executive and finance roles.

Dr Marie Bismark

Non-executive Independent

Marie is dually trained as a lawyer and doctor, and divides her time between Australia and New Zealand. She has worked in the health sector for many years, her areas of expertise including patient safety and healthcare complaints resolution.

She is an associate professor at the University of Melbourne and a consultant on the health law team at legal firm Buddle Findlay in Wellington. She serves as director on the boards of the Young and Well CRC and GMHBA Health Insurance.

Anne Urlwin

Non-executive Independent

Anne is a professional director, chartered accountant and business consultant with more than 20 years of directorship experience in sectors ranging from infrastructure and telecommunications to banking, health and construction.

Anne is Chair of Naylor Love Enterprises Ltd, a privately owned construction company, and has a strong knowledge of the construction industry in New Zealand. She is also Deputy Chair of Southern Response Earthquake Services Ltd.

Anne's other directorships include Steel and Tube Holdings Ltd, Chorus Ltd and OnePath (NZ) Ltd.

MANAGEMENT **PROFILES**

Julian Cook

Chief Executive Officer

Julian has overall responsibility for the company, its operations and its strategy. In his previous role as Chief Financial Officer, Julian oversaw Summerset as it became a publicly listed company, first on the NZX in November 2011, and then the Australian Securities Exchange (ASX) in July 2013.

Prior to joining Summerset, Julian spent 11 years in the investment sector, which included a significant amount of work with retirement village and aged-care companies.

Scott Scoullar

Chief Financial Officer and General Manager, Corporate Services

As Chief Financial Officer (CFO) Scott has overall responsibility for the financial management of the company. Scott also leads the corporate services area at Summerset which includes the Finance, Legal, Human Resources, Marketing and IT teams. Before joining the company in 2014, Scott held CFO roles at Housing New Zealand and Inland Revenue. A chartered accountant, Scott has a background in banking and was at National Bank in various roles for over 12 years. He was the recipient of NZICA's Public Sector CFO of the Year award for 2011, and received a Special Commendation at the 2012 New Zealand CFO Summit Awards. Scott is also a Fellow of CPA Australia and a CPA New Zealand Council Board Member.

Paul Morris

General Manager, Development

Paul leads Summerset's development division which covers all aspects of the development process of our villages from site identification and purchase, consenting, concept and master plans, and design standards for villages.

Paul joined Summerset in 2000 after more than 20 years in banking, including 15 years in retirement village and aged-care sector business banking.

Paul held several senior roles at Summerset before taking up his current position, giving him a sound understanding of all aspects of the business.

Brigid London

General Manager, Operations

Brigid took up the role of General Manager, Operations in 2012 following more than eight years with Summerset. She began in 2004 as a Village Manager, becoming Operations Manager in 2008.

Prior to this Brigid held senior management positions with a home-based support service. Brigid is accountable for operational performance across all Summerset villages, as well as setting up the staff and processes in new and developing villages.

Brigid has a particular focus on clinical performance and service delivery, ensuring Summerset residents receive the highest quality service and care.

Jarrod Smith

General Manager, Sales

Jarrod leads the national sales team who are based in villages across the country and in Wellington.

Jarrod has significant general management experience across a range of industries and has successfully led large national and international sales divisions across multiple countries and channels to deliver year-on-year revenue growth, sustained market share growth and margin expansion in highly competitive and dynamic markets.

Prior to joining Summerset, Jarrod held senior sales and service leadership roles with IAG, Bayleys Real Estate Coast to Coast Group and iSentia.

Dean Tallentire

General Manager, Construction

Dean joined Summerset to lead the construction team in January 2015. In this role Dean has responsibility for the design and building consent process, cost management and tendering and construction of Summerset's projects.

Dean has extensive experience in all aspects of property development and construction. Prior to joining Summerset, Dean spent over a decade with Fletcher Building in a variety of roles, developing experience in both residential and commercial sectors.

FIVE YEAR
HISTORICAL SUMMARY

Key operational and financial statistics for the five year period up to and including FY2015 are as follows:

	FY15	FY14	FY13	FY12	FY11
Operational					
New sales of occupation rights	333	286	228	167	108
Resales of occupation rights	245	172	174	164	123
Total sales of occupation rights	578	458	402	331	231
Development margin	20.0%	15.7%	13.2%	12.0%	6.2%
New retirement units delivered	303	261	209	160	122
Retirement units in portfolio	2,419	2,116	1,855	1,646	1,486
Care beds in portfolio	616	485	442	327	327
Financial ($000)					
Net operating cash flow	142,574	110,433	88,590	66,254	43,684
Total assets	1,363,539	1,043,189	844,932	702,339	616,894
Net assets	409,786	332,270	281,912	248,794	233,424
Underlying profit	37,800	24,420	22,154	15,223	8,080
Net profit before tax (IFRS)	82,775	53,994	31,755	14,414	4,364
Net profit after tax (IFRS)	84,245	54,173	34,223	14,821	4,324
Dividend per share (cents)	5.25	3.50	3.25	2.50	-
Basic earnings per share (cents)	38.94	25.16	15.99	6.96	2.39

Lloyd and Joyce in their villa at Summerset by the Park, Manukau.

FINANCIAL **STATEMENTS**


Dallas relaxing in his apartment at Summerset by the Park, Manukau.

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

	NOTE	2015 $000	2014 $000
Care fees and village services	3	46,455	37,452
Deferred management fees	3	21,779	16,526
Interest received	3	523	307
Total revenue		**68,757**	**54,285**
Reversal of impairment on care facility land and buildings	8	-	1,882
Fair value movement of investment property	10	83,458	52,481
Total income		**152,215**	**108,648**
Operating expenses	4	(57,337)	(44,922)
Depreciation and amortisation expense	8, 9	(3,733)	(2,897)
Total expenses		**(61,070)**	**(47,819)**
Operating profit before financing costs		**91,145**	**60,829**
Net finance costs	5	(8,370)	(6,835)
Profit before income tax		**82,775**	**53,994**
Income tax credit	6	1,470	179
Profit for the period		**84,245**	**54,173**
Basic earnings per share (cents)	18	38.94	25.16
Diluted earnings per share (cents)	18	38.46	24.94
Net tangible assets per share (cents)	18	188.52	153.33

The accompanying notes form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

	NOTE	2015 $000	2014 $000
Profit for the period		**84,245**	**54,173**
Fair value movement of interest rate swaps	13	(2,109)	(1,628)
Tax on items of other comprehensive income	6	592	455
Other comprehensive income which will be reclassified subsequently to profit or loss for the period net of tax		**(1,517)**	**(1,173)**
Fair value movement of care facility land and buildings	8	-	5,053
Tax on items of other comprehensive income	6	-	(1,514)
Other comprehensive income which will not be reclassified subsequently to profit or loss for the period net of tax		**-**	**3,539**
Total comprehensive income for the period		**82,728**	**56,539**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	SHARE CAPITAL $000	HEDGING RESERVE $000	REVALUATION RESERVE $000	RETAINED EARNINGS $000	TOTAL EQUITY $000
As at 1 January 2014	**237,092**	**443**	**7,504**	**36,873**	**281,912**
Profit for the period	-	-	-	54,173	54,173
Other comprehensive income for the period	-	(1,173)	3,539	-	2,366
Total comprehensive income for the period	**-**	**(1,173)**	**3,539**	**54,173**	**56,539**
Dividends paid	-	-	-	(10,035)	(10,035)
Shares issued	3,691	-	-	-	3,691
Employee share plan option cost	163	-	-	-	163
As at 31 December 2014	**240,946**	**(730)**	**11,043**	**81,011**	**332,270**
As at 1 January 2015	**240,946**	**(730)**	**11,043**	**81,011**	**332,270**
Profit for the period	-	-	-	84,245	84,245
Other comprehensive income for the period	-	(1,517)	-	-	(1,517)
Total comprehensive income for the period	**-**	**(1,517)**	**-**	**84,245**	**82,728**
Dividends paid	-	-	-	(8,575)	(8,575)
Shares issued	3,018	-	-	-	3,018
Employee share plan option cost	345	-	-	-	345
As at 31 December 2015	**244,309**	**(2,247)**	**11,043**	**156,681**	**409,786**

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	NOTE	2015 $000	2014 $000
Assets			
Cash and cash equivalents		6,682	4,890
Trade and other receivables	7	16,074	13,685
Limited recourse loans	19,20	1,520	1,520
Property, plant and equipment	8	77,041	63,559
Intangibles	9	1,052	1,364
Investment property	10	1,261,170	958,171
Total assets		**1,363,539**	**1,043,189**
Liabilities			
Trade and other payables	11	28,520	13,462
Employee benefits	12	4,314	2,548
Revenue received in advance	3	20,291	15,237
Interest rate swaps	13	3,122	1,013
Residents' loans	14	637,200	513,683
Interest-bearing loans and borrowings	15	248,211	150,819
Deferred tax liability	6	12,095	14,157
Total liabilities		**953,753**	**710,919**
Net assets		**409,786**	**332,270**
Equity			
Share capital	17	244,309	240,946
Reserves	17	8,796	10,313
Retained earnings		156,681	81,011
Total equity attributable to shareholders		**409,786**	**332,270**

The accompanying notes form part of these financial statements.

Rob Campbell
Director and Chairman

James Ogden
Director and Chairman
of the Audit Committee

Authorised for issue on 23 February 2016

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 $000	2014 $000
Cash flows from operating activities		
Receipts from residents for care fees and village services	46,444	36,211
Interest received	523	307
Payments to suppliers and employees	(54,664)	(42,023)
Receipts for residents' loans	218,339	159,167
Repayment of residents' loans	(68,068)	(43,229)
Net cash flow from operating activities	**142,574**	**110,433**
Cash flows from investing activities		
Purchase and construction of investment property	(202,398)	(130,725)
Purchase and construction of property, plant and equipment (including care facilities)	(20,560)	(9,105)
Purchase of intangibles	(359)	(333)
Capitalised interest paid	(1,745)	(1,907)
Net cash flow from investing activities	**(225,062)**	**(142,070)**
Cash flows from financing activities		
Net proceeds from borrowings	97,392	45,551
Repayment of limited recourse loans	-	740
Proceeds from issue of shares	3,018	3,691
Interest paid on borrowings	(7,556)	(6,464)
Dividends paid	(8,575)	(10,035)
Net cash flow from financing activities	**84,279**	**33,483**
Net increase in cash and cash equivalents	1,792	1,846
Cash and cash equivalents at beginning of period	4,890	3,044
Cash and cash equivalents at end of period	**6,682**	**4,890**

The accompanying notes form part of these financial statements.

Reconciliation of operating results and operating cash flows

	2015 $000	2014 $000
Net profit for the period	84,245	54,173
Adjustments for:		
Depreciation and amortisation expense	3,733	2,897
Reversal of impairment on care facility land and buildings	-	(1,882)
Loss on disposal or impairment of furniture and fittings	255	445
Fair value movement of investment property	(83,458)	(52,481)
Net finance costs paid	8,370	6,835
Deferred tax	(1,470)	(179)
Deferred management fee amortisation	(21,779)	(16,526)
Employee share plan option cost	345	163
	(94,004)	(60,728)
Movements in working capital		
Decrease in trade and other receivables	(1,155)	(5,235)
Increase in employee benefits	1,766	500
Increase in trade and other payables	805	269
Increase in residents' loans net of non-cash amortisation	150,917	121,454
	152,333	116,988
Net cash flows from operating activities	142,574	110,433

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1. Summary of accounting policies

Reporting entity

The financial statements presented are for Summerset Group Holdings Limited ('The Company') and its subsidiaries (collectively, 'The Group').

Summerset Group Holdings Limited is registered in New Zealand under the Companies Act 1993 and is a FMC Reporting Entity for the purposes of the Financial Markets Conduct Act 2013. The reporting entity is listed on both the New Zealand Stock Exchange (NZX) and the Australian Securities Exchange (ASX), with the NZX being the primary exchange.

Basis of preparation

These consolidated financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP) and the Financial Markets Conduct Act 2013. They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) as appropriate for profit-oriented entities, and with International Financial Reporting Standards.

These financial statements are expressed in New Zealand dollars, which is Summerset's functional currency. All financial information has been rounded to the nearest thousand, unless otherwise stated.

The measurement basis adopted in the preparation of these financial statements is historical cost with the exception of the items noted below.

- Interest rate swaps – Note 13
- Investment property – Note 10
- Land and buildings – Note 8
- Limited recourse loans – Notes 19, 20

Basis of consolidation

Subsidiaries are fully consolidated at the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements are prepared for the same reporting period as the parent company, Summerset Group Holdings Limited, using consistent accounting policies. All intra-group transactions and balances arising within the Group are eliminated in full.

All subsidiary companies are 100% owned and incorporated in New Zealand with a balance date of 31 December. The subsidiaries are:

Summerset Care Limited
Summerset Holdings Limited
Summerset LTI Trustee Limited
Summerset Management Group Limited
Summerset Properties Limited
Summerset Villages (Aotea) Limited
Summerset Villages (Casebrook) Limited
Summerset Villages (Dunedin) Limited
Summerset Villages (Ellerslie) Limited
Summerset Villages (Hamilton) Limited
Summerset Villages (Hastings) Limited
Summerset Villages (Havelock North) Limited
Summerset Villages (Hobsonville) Limited
Summerset Villages (Karaka) Limited
Summerset Villages (Katikati) Limited
Summerset Villages (Levin) Limited
Summerset Villages (Lower Hutt) Limited
Summerset Villages (Manukau) Limited
Summerset Villages (Napier) Limited
Summerset Villages (Nelson) Limited
Summerset Villages (New Plymouth) Limited
Summerset Villages (Palmerston North) Limited
Summerset Villages (Paraparaumu) Limited
Summerset Villages (Parnell) Limited
Summerset Villages (St Johns) Limited
Summerset Villages (Taupo) Limited
Summerset Villages (Trentham) Limited
Summerset Villages (Wanganui) Limited
Summerset Villages (Warkworth) Limited
Summerset Villages (Wigram) Limited
Welhom Developments Limited

Notes to the Financial Statements (continued)

1. Summary of accounting policies (continued)

Accounting policies

Accounting policies that summarise the measurement basis used and are relevant to the understanding of the financial statements are provided throughout the accompanying notes.

The accounting policies adopted have been applied consistently throughout the periods presented in these financial statements.

There are no new standards, amendments or interpretations that have been issued and are not yet effective, that are expected to have a significant impact on the Group.

Critical accounting estimates and judgements

In preparing the financial statements, management has made estimates and assumptions about the future that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results may differ from those estimates.

Estimates and assumptions are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The principal areas of judgement in preparing these financial statements are described in the following notes:

- Deferred management fee – Note 3
- Interest rate swaps – Note 13
- Revenue in advance – Note 3
- Valuation of investment property – Note 10
- Valuation of land and buildings – Note 8

2. Segment reporting

The Group operates in one industry, being the provision of integrated retirement villages in New Zealand. The services provided across all of the Group's villages are similar, as are the type of customer and the regulatory environment. On this basis, the Group has one reportable segment, and the Group results are the same as the results of the reportable segment. All resource allocation decisions across the Group are made to optimise the consolidated Group's result.

The Ministry of Health is a significant customer of the Group, as the Group derives care fee revenue in respect of eligible government subsidised aged care residents. Fees earned from the Ministry of Health for the year ended 31 December 2015 were approximately 59% of total care fees (2014: 52%). No other customers individually contribute a significant proportion of the Group revenue. All revenue is earned in New Zealand.

3. Revenue

Care fees and villages services income is recognised over the period in which the service is rendered.

Deferred management fees, which entitle residents to accommodation and the use of the community facilities within the village, are recognised over the period of service, being the greater of the expected period of tenure or the contractual right to revenue. The expected periods of tenure, being based on historical industry averages are estimated to be seven to eight years for villas, five years for apartments and three years for care apartments. Where the deferred management fees over the contractual period exceeds the amortisation of the deferred management fee based on estimated tenure, the amount is recorded as a liability (revenue in advance). Deferred management fees are recognised on a gross basis in the receipts for residents' loans section of the statement of cashflows.

Interest income is recognised in the income statement as it accrues, using the effective interest method.

4. Operating expenses

	2015	2014
	$000	$000
Employee expenses	32,215	25,549
Property-related expenses	8,726	7,049
Other operating expenses	16,396	12,324
Total operating expenses	**57,337**	**44,922**

The prior year figures in this table have been reclassified to be consistent with the current year classification.
Other operating expenses include:

	2015	2014
	$000	$000
Remuneration paid to auditors:		
Audit and review of financial statements	184	180
Donations	4	6
Rent	451	423

5. Net finance costs

Interest expense comprises interest payable on borrowings and is calculated using the effective interest rate method.

	2015	2014
	$000	$000
Interest on bank loans and related fees	9,655	7,959
Interest on swaps	685	592
Capitalised finance costs	(1,999)	(1,750)
Finance charges on finance leases	29	34
Net finance costs	**8,370**	**6,835**

Borrowing costs are capitalised for property, plant and equipment (Note 8) and investment property (Note 10) if they are directly attributable to the construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset commence and expenditures and borrowing costs are incurred. Capitalisation of borrowing costs continues until the assets are substantially ready for their intended use.

6. Income tax

Tax expense comprises current and deferred tax, calculated using the tax rate enacted or substantively enacted at balance date and any adjustment to tax payable in respect of prior years. Tax expense is recognised in the income statement except when it relates to items recognised directly in the statement of comprehensive income, in which case the tax expense is recognised in the statement of comprehensive income.

Notes to the Financial Statements (continued)

6. Income tax (continued)

Deferred tax expense is recognised in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the amounts used for taxation purposes. A deferred tax asset is recognised only to the extent it is probable it will be utilised. Temporary differences for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, unless they arise from business combination, are not provided for.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(a) Income tax recognised in income statement

	2015	2014
	$000	$000
Deferred tax relating to the origination and reversal of temporary differences	(1,470)	(179)
Total tax credit reported in income statement	**(1,470)**	**(179)**

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

	2015		2014	
	$000	%	$000	%
Profit before tax	**82,775**		**53,994**	
Income tax using the corporate tax rate	23,177	28.0%	15,118	28.0%
Capitalised interest	(560)	(0.7%)	(490)	(0.9%)
Other non-deductible expenses	97	0.1%	69	0.1%
Non-assessable investment property revaluations	(23,368)	(28.2%)	(14,695)	(27.2%)
Other	(565)	(0.7%)	405	0.8%
Prior period adjustments	(251)	(0.3%)	(586)	(1.1%)
Total income tax credit	**(1,470)**	**(1.8%)**	**(179)**	**(0.3%)**

(b) Amounts charged or credited to other comprehensive income

	2015	2014
	$000	$000
Tax expense comprises:		
Net gain on revaluation of care facility land and buildings	-	1,514
Fair value movement of interest rate swaps	(592)	(455)
Total tax (credit)/expense reported in statement of comprehensive income	**(592)**	**1,059**

(c) Imputation credit account

There were no imputation credits received or paid during the year and the balance at 31 December 2015 is nil (2014: nil).

(d) Deferred tax

The deferred tax balance comprises:

	2015	2014
	$000	$000
Property, plant and equipment	10,080	9,764
Investment property	12,896	12,248
Revenue in advance	(5,681)	(4,266)
Interest rate swaps	(875)	(283)
Income tax losses not yet utilised	(3,620)	(2,754)
Other items	(705)	(552)
Net deferred tax liability	**12,095**	**14,157**

Movement in the deferred tax balance comprises:

	BALANCE 1 JAN 2015	RECOGNISED IN INCOME	RECOGNISED IN OCI*	BALANCE 31 DEC 2015
	$000	$000	$000	$000
Property, plant and equipment	9,764	316	-	10,080
Investment property	12,248	648	-	12,896
Revenue in advance	(4,266)	(1,415)	-	(5,681)
Interest rate swaps	(283)	-	(592)	(875)
Income tax losses not yet utilised	(2,754)	(866)	-	(3,620)
Other items	(552)	(153)	-	(705)
Net deferred tax liability	**14,157**	**(1,470)**	**(592)**	**12,095**

	BALANCE 1 JAN 2014	RECOGNISED IN INCOME	RECOGNISED IN OCI*	BALANCE 31 DEC 2014
	$000	$000	$000	$000
Property, plant and equipment	7,604	646	1,514	9,764
Investment property	11,310	938	-	12,248
Revenue in advance	(3,157)	(1,109)	-	(4,266)
Interest rate swaps	172	-	(455)	(283)
Income tax losses not yet utilised	(2,198)	(556)	-	(2,754)
Other items	(454)	(98)	-	(552)
Net deferred tax liability	**13,277**	**(179)**	**1,059**	**14,157**

** Other comprehensive income*

Notes to the Financial Statements (continued)

7. Trade and other receivables

Trade and other receivables are stated at amortised cost less impairment losses. Trade receivables are not significant on an individual basis and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate, less an allowance for impairment. Impairment is assessed on an individual basis.

Sundry debtors includes amounts owing for occupation right agreements settled but not yet paid in full at balance date.

	2015	2014
	$000	$000
Trade receivables	1,244	1,145
Allowance for doubtful debts	(43)	(40)
	1,201	1,105
Prepayments	1,426	912
Accrued income	435	336
Sundry debtors	13,012	11,332
Total trade and other receivables	**16,074**	**13,685**

8. Property, plant and equipment

Property, plant and equipment includes care facilities, both complete and under development, and corporate assets held.

All property, plant and equipment is initially recorded at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes material and direct labour, and any other costs directly attributable to bringing the asset to its working condition for its intended use.

Subsequent to initial recognition, land and buildings related to care facilities are carried at a revalued amount, which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and accumulated impairment losses, if any, since the assets were last revalued. Plant and equipment is subsequently measured at cost less accumulated depreciation and impairment losses, if any. Where an item of plant and equipment is disposed of, the gain or loss recognised in the income statement is calculated as the difference between the net sales price and the carrying amount of the asset.

Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

Any revaluation surplus is recognised in other comprehensive income unless it reverses a revaluation decrease of the same asset previously recognised in the income statement. Any revaluation deficit is recognised in the income statement unless it directly offsets a previous surplus in the same asset in other comprehensive income. Any accumulated depreciation at revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. Independent valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the balance sheet date.

Note 5 provides details on capitalised borrowing costs.

Depreciation is charged to the income statement on a diminishing value basis over the estimated useful lives of each item of property, plant and equipment, with the exception of land, which is not depreciated, and buildings which are depreciated on a straight-line basis. Depreciation methods, useful lives and residual values are reassessed at the reporting date. Major depreciation rates are as follows:

Buildings	2%
Furniture and fittings	9% to 30%
Motor vehicles	20% to 36%
Plant and equipment	8% to 80%

	LAND	BUILDINGS	MOTOR VEHICLES	PLANT AND EQUIPMENT	FURNITURE AND FITTINGS	TOTAL
	$000	$000	$000	$000	$000	$000
Cost						
Balance at 1 January 2014	**4,100**	**46,007**	**2,073**	**3,815**	**2,655**	**58,650**
Additions	-	4,000	270	3,072	846	8,188
Reclassification	(1,100)	1,100	-	-	-	-
(Impairment)/reversal of impairment through profit or loss	(15)	1,897	-	-	(835)	1,047
Revaluations through other comprehensive income	95	2,108	-	-	-	2,203
Balance at 31 December 2014	**3,080**	**55,112**	**2,343**	**6,887**	**2,666**	**70,088**
Additions	-	14,120	669	3,932	2,913	21,634
Disposals	-	(16)	(221)	(1,479)	(533)	(2,249)
Reclassification	-	(4,900)	-	-	-	(4,900)
Balance at 31 December 2015	**3,080**	**64,316**	**2,791**	**9,340**	**5,046**	**84,573**
Accumulated depreciation						
Balance at 1 January 2014	**-**	**1,594**	**1,317**	**2,512**	**1,806**	**7,229**
Depreciation charge for the year	-	1,256	251	785	248	2,540
Revaluations through other comprehensive income	-	(2,850)	-	-	-	(2,850)
Impairment	-	-	-	-	(390)	(390)
Balance at 31 December 2014	**-**	**-**	**1,568**	**3,297**	**1,664**	**6,529**
Depreciation charge for the year	-	1,228	289	1,213	335	3,065
Disposals	-		(185)	(1,381)	(496)	(2,062)
Balance at 31 December 2015	**-**	**1,228**	**1,672**	**3,129**	**1,503**	**7,532**
Carrying amounts						
As at 31 December 2014	**3,080**	**55,112**	**775**	**3,590**	**1,002**	**63,559**
As at 31 December 2015	**3,080**	**63,088**	**1,119**	**6,211**	**3,543**	**77,041**

Notes to the Financial Statements (continued)

8. Property, plant and equipment (continued)

Revaluations

An independent valuation to determine the fair value of all completed care facilities which are classified as land and buildings was carried out as at 31 December 2014 by CBRE Limited, an independent registered valuer. Valuations are carried out every three years unless there are indicators of a significant change in fair value. CBRE determine the fair value of all care facility assets using an earnings-based multiple approach. Significant assumptions used in the most recent valuation include market value per care bed of between $79,000 and $144,000 and individual unit earning capitalisation rate of between 12.25% and 15.5%.

As the fair value of land and buildings is determined using inputs that are unobservable, the Group has categorised property, plant and equipment as Level 3 under the fair value hierarchy in accordance with *NZ IFRS 13 – Fair Value Measurement.*

Sensitivity analysis to significant changes in unobservable inputs within Level 3 of the hierarchy

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy of the entity's portfolios of land and buildings are the capitalisation rates applied to individual unit earnings and the market value per care bed. A significant decrease (increase) in the capitalisation rate would result in a significantly higher (lower) fair value measurement and a significant increase (decrease) in the market value per care bed would result in a significantly higher (lower) fair value measurement.

Cost model

If land and buildings were measured using the cost model, the carrying amounts would be as follows:

	2015			2014		
	LAND	BUILDING	TOTAL	LAND	BUILDING	TOTAL
	$000	$000	$000	$000	$000	$000
Cost	3,115	61,066	64,181	3,115	46,962	50,077
Accumulated depreciation and impairment losses	-	(8,696)	(8,696)	-	(7,468)	(7,468)
Net carrying amount	**3,115**	**52,370**	**55,485**	**3,115**	**39,494**	**42,609**

Security

At 31 December 2015, care centres registered under the Retirement Villages Act 2003 are subject to a registered first mortgage in favour of the Statutory Supervisor.

9. Intangibles

Intangible assets acquired by the Group are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in the income statement on a diminishing value basis over the estimated useful lives of intangible assets from the date that they are available for use. The major amortisation rates are between 48% and 60%.

	SOFTWARE	TOTAL
	$000	$000
Cost		
Balance at 1 January 2014	**1,857**	**1,857**
Additions	1,078	1,078
As at 31 December 2014	**2,935**	**2,935**
Additions	359	359
Disposals	(493)	(493)
As at 31 December 2015	**2,801**	**2,801**
Accumulated amortisation		
Balance at 1 January 2014	**1,214**	**1,214**
Amortisation charge for the year	357	357
As at 31 December 2014	**1,571**	**1,571**
Amortisation charge for the year	668	668
Disposals	(490)	(490)
Balance at 31 December 2015	**1,749**	**1,749**
Carrying amounts		
As at 31 December 2014	**1,364**	**1,364**
As at 31 December 2015	**1,052**	**1,052**

Notes to the Financial Statements (continued)

10. Investment property

Investment properties are held to earn rental income and for capital appreciation. They comprise land and buildings and associated equipment and furnishings relating to independent living units, care apartments and common facilities in the retirement village. Investment properties include buildings under development. Initial recognition of investment property is at cost and it is subsequently measured at fair value with any change in fair value recognised in the income statement.

Land acquired with the intention of constructing an investment property on it is classified as investment property from the date of acquisition.

Rental income from investment property, being deferred management fees, is accounted for as described in Note 3. Depreciation is not charged on investment property.

Note 5 provides details on capitalised borrowing costs.

	2015	2014
	$000	$000
Balance at beginning of period	958,171	776,637
Additions	220,117	129,080
Disposals	(576)	(27)
Fair value movement:		
Realised	38,483	24,789
Unrealised	44,975	27,692
Total investment property	**1,261,170**	**958,171**

The fair value of investment property as at 31 December 2015 was determined by CBRE Limited, an independent registered valuer. The fair value of the Group's investment property is determined on a semi-annual basis, based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. To assess the fair value of the Group's interest in the village, CBRE has undertaken a cashflow analysis to derive a net present value.

Significant assumptions used by the valuer include a discount rate of between 14.0% and 16.0% (2014: 14.0% to 16.5%) and a long-term nominal house price inflation rate of between 0% and 3.5% (2014: 0% to 3.5%). Other assumptions used by the valuer include the average entry age of residents and occupancy periods of units.

The Group has deemed it is unable to reliably determine the fair value of non-land capital work in progress at 31 December 2015 and therefore is carried at cost. This equates to $99.5 million of investment property (2014: $56.3 million).

	2015	2014
	$000	$000
Valuation of manager's net interest	623,970	444,488
Liability for residents' loans	637,200	513,683
Total investment property	**1,261,170**	**958,171**

As the fair value of investment property is determined using inputs that are unobservable, the Group has categorised investment property as Level 3 under the fair value hierarchy in accordance with *NZ IFRS 13 – Fair Value Measurement*.

Sensitivity analysis to significant changes in unobservable inputs within Level 3 of the hierarchy

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy of the entity's portfolios of investment property are the discount rate, the long-term nominal house price inflation rate, the average entry age of residents and the occupancy period of units. A significant decrease (increase) in the discount rate or the occupancy period of units would result in a significantly higher (lower) fair value measurement and a significant increase (decrease) in the average entry age of residents or the long-term nominal house price inflation rate would result in a significantly higher (lower) fair value measurement.

Operating expenses

Direct operating expenses arising from investment property that generated rental income during the period amounted to $17.7 million (2014: $14.1 million). There were 23 retirement units excluding work in progress (2014: 60) in investment property that did not generate rental income during the period.

Security

At 31 December 2015, all investment property relating to registered retirement villages under the Retirement Villages Act 2003 are subject to a registered first mortgage in favour of the Statutory Supervisor to secure the Group's obligations to the occupation agreement holders.

11. Trade and other payables

Trade and other payables are carried at amortised cost. Due to their short-term nature they are not discounted.

	2015	2014
	$000	$000
Trade payables	849	715
Accruals	21,848	11,689
Other payables	5,823	1,058
Total trade and other payables	**28,520**	**13,462**

12. Employee benefits

A provision is made for benefits accruing to employees in respect of wages, salaries, annual leave and short-term incentives when it is probable that settlement will be required and the amount can be estimated reliably.

	2015	2014
	$000	$000
Holiday pay accrual	2,390	1,889
Other employee benefits	1,924	659
Total employee benefits	**4,314**	**2,548**

Notes to the Financial Statements (continued)

13. Interest rate swaps

The Group uses interest rate swaps to manage its risk associated with interest rate fluctuations. Interest rate swaps are initially recognised at fair value on the date a contract is entered into and are subsequently measured at fair value on each reporting date. The fair values of the interest rate swaps are determined based on cash flows discounted to present value using current market interest rates.

When interest rate swaps meet the criteria for cash flow hedge accounting, the effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income, while the ineffective portion is recognised in the income statement. Amounts taken to reserves are transferred out of reserves and included in the measurement of the hedged transaction when the forecast transaction occurs. When interest rate swaps do not meet the criteria for cash flow hedge accounting, all movements in fair value of the hedging instrument are recognised in the income statement.

Under the interest rate swap agreements, the Group has a right to receive interest at variable rates and to pay interest at fixed rates. At 31 December 2015, the Group had interest rate swap agreements in place with a total notional principal amount of $236 million (2014: $94 million). Of the swaps in place, at 31 December 2015 $94 million (2014: $94 million) are being used to cover approximately 38% (2014: 62%) of the loan principal outstanding. These agreements effectively change the Group's interest exposure on the principal covered by the interest rate swaps from a floating rate to fixed rates, which range between 3.15% and 4.47% (2014: 3.55% and 4.43%).

The fair value of these agreements at 31 December 2015 is $3.1 million liability, comprised of $3.9 million of swap liabilities and $0.8 million of swap assets (2014: liability of $1.0 million). Of this, a liability of $134,000 (2014: $8,000) is estimated to be current. The agreements cover notional amounts for a term of between one and ten years.

The notional principal amounts and the period of expiry of the interest rate swap contracts are as follows:

	2015 $000	2014 $000
Less than 1 year	30,000	5,000
Between 1 and 2 years	22,000	30,000
Between 2 and 3 years	27,000	29,000
Between 3 and 4 years	37,000	10,000
Between 4 and 5 years	30,000	10,000
Between 5 and 6 years	10,000	10,000
Between 6 and 7 years	30,000	-
Between 7 and 8 years	10,000	-
Between 8 and 9 years	20,000	-
Between 9 and 10 years	20,000	-
Total	**236,000**	**94,000**

14. Residents' loans

An occupation right agreement confers a right of occupancy to a villa, apartment or care apartment. The consideration received on the grant of an occupation right agreement is allocated to the residents' loan payment in full. Residents' loans are amounts payable under occupation right agreements. These loans are non-interest-bearing and are payable when both an occupation right agreement is terminated and there has been settlement of a new occupation right agreement for the same retirement unit and the proceeds from the new settlement have been received by the Group. Residents' loans are initially recognised at fair value and subsequently measured at amortised cost.

The Group holds a contractual right to set-off the deferred management fee receivable on termination of an agreement against the resident's loan to be repaid. Residents' loans are therefore recognised net of the deferred management fee receivable on the balance sheet. Deferred management fees are payable by residents in consideration for the supply of accommodation and the right to share in the use of community facilities. Deferred management fees are paid in arrears with the amount payable calculated as a percentage of the residents' loan amount as per the resident's occupation right agreement. Deferred management fee receivable is calculated and recorded based on the current tenure of the resident and the contractual right to deferred management fee earned at balance date. Refer to Note 3 for further detail on recognition of deferred management fee revenue.

	2015 $000	2014 $000
Balance at beginning of period	574,718	458,872
Amounts repaid on termination of occupation right agreements	(60,479)	(43,321)
Amounts received on issue of new occupation right agreements	218,339	159,167
Total gross residents' loans	**732,578**	**574,718**
Deferred management fees receivable	(95,378)	(61,035)
Total residents' loans	**637,200**	**513,683**

Note 16 provides a split between current and non-current residents' loans.

15. Interest-bearing loans and borrowings

As at 31 December 2015, secured bank loans totalled $248.2 million (2014: $150.8 million). These loans were repayable after 12 months.

Interest-bearing loans and borrowings are recognised initially at fair value net of directly attributable transaction costs, with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings using the effective interest rate basis.

The weighted average interest rate for the year to 31 December 2015 was 4.08% (2014: 4.27%). This excludes the impact of interest rate swaps (see Note 13).

The secured bank loan facility was extended in August 2015 and has a maximum of $450.0 million (2014: $255.0 million). $125.0 million of lending expires in August 2018 and $325.0 million of lending expires in August 2020.

Security

The bank loans are secured by a general security agreement over the assets of Summerset Holdings Limited (a subsidiary of the Company) subject to a first priority to the Statutory Supervisor over the village assets.

Notes to the Financial Statements (continued)

16. Financial instruments

Exposure to credit, market and liquidity risk arises in the normal course of the Group's business. The Board reviews and agrees on policies for managing each of these risks as summarised below. The Group has no exposure to foreign currency or any other substantial market price risk.

Categories of financial instruments

All financial assets are classified as loans and receivables except for limited recourse loans which are designated as fair value through profit or loss and interest rate swaps which are classified as derivatives held for trading. All financial liabilities except interest rate swaps are classified as liabilities at amortised cost.

Credit risk

Credit risk is the risk of financial loss to the Group if a resident or counterparty to a financial instrument fails to meet their contractual obligations. The Group's exposure to credit risk relates to receivables from residents, bank balances and limited recourse loans. The Group manages its exposure to credit risk. The Group's cash is held with its principal banker, with the level of exposure to credit risk considered minimal with low levels of cash generally held. Receivables balances are monitored on an ongoing basis and funds are placed with high-credit quality financial institutions. The level of risk associated with sundry debtors is considered minimal. The Group does not require collateral from its debtors and the Directors consider the Group's exposure to any concentration of credit risk to be minimal.

The carrying amount of financial assets represents the Group's maximum credit exposure. The status of trade receivables is as follows:

	2015		2014	
	GROSS RECEIVABLE	IMPAIRMENT	GROSS RECEIVABLE	IMPAIRMENT
	$000	$000	$000	$000
Not past due	1,041	-	763	-
Past due 31 to 60 days	101	-	181	-
Past due 61 to 90 days	46	-	98	-
Past due more than 90 days	56	(43)	103	(40)
Total	**1,244**	**(43)**	**1,145**	**(40)**

	2015	2014
	$000	$000
Gross trade receivables	1,244	1,145
Impairment	(43)	(40)
Net trade receivables	**1,201**	**1,105**

All amounts past due but not impaired have been reviewed and are considered recoverable.

Market risk

Market risk is the risk that changes in market prices such as interest rates will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

The Group's exposure to interest rate risk is managed by seeking to obtain the most competitive rate of interest at all times. The Group has also entered into interest rate swap agreements in order to provide an effective cash flow hedge against the variability in floating interest rates. See Note 13 for details of the interest rate swap agreements.

At 31 December 2015 it is estimated that a general increase of one percentage point in interest rates would decrease the Group's profit before income tax by $2.4 million (2014 : $1.5 million) and decrease total comprehensive income by approximately $1.5 million (2014: decrease by $0.5 million).

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity by maintaining adequate reserves and undrawn banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group manages liquidity risk on residents' loans and related sundry debtors through the contractual requirements of occupation rights agreements, whereby a resident's loan is only repaid on receipt of the loan monies from the incoming resident.

The following table sets out the contractual cash flows for all financial liabilities for the Group (including contractual interest obligations on bank loans):

	2015		2014	
	LESS THAN 1 YEAR	GREATER THAN 1 YEAR	LESS THAN 1 YEAR	GREATER THAN 1 YEAR
	$000	$000	$000	$000
Financial liabilities				
Trade and other payables	28,520	-	13,462	-
Residents' loans	55,287	581,913	42,924	470,759
Interest-bearing loans and borrowings	10,127	288,719	6,440	176,579
Interest rate swaps	24	9,970	7	2,095
Total	**93,958**	**880,602**	**62,833**	**649,433**

Residents' loans are non-interest bearing and are not required to be repaid following termination of an occupation right agreement until receipt of cash for the new resident loan from the incoming resident. The figures above have been calculated using best estimates of resident loan repayments based on historical information. To date, cash for new residents' loans received has always exceeded cash from repaid residents' loans, net of deferred management fees.

Notes to the Financial Statements (continued)

16. Financial instruments (continued)

Fair values

The carrying amounts shown in the balance sheet approximate the fair value of the financial instruments, with the exception of residents' loans, shown below:

	2015		2014	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
	$000	$000	$000	$000
Residents' loans	(637,200)	(401,150)	(513,683)	(332,859)
Total	**(637,200)**	**(401,150)**	**(513,683)**	**(332,859)**

The fair value of residents' loans is based on the present value of projected cash flows. Future cash flows are based on the assumption that the average tenure periods are those disclosed above and have been discounted at 14% (2014: 14%). The fair value of residents' loans is categorised as Level 3 under the fair value hierarchy in accordance with *NZ IFRS 13 – Fair Value Measurement.*

The fair value of interest rate swaps and limited recourse loans are determined using inputs from third parties that are observable, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Based on this, the Company and Group has categorised these financial instruments as Level 2 under the fair value hierarchy in accordance with *NZ IFRS 13 – Fair Value Measurement.*

Capital management

The Group's capital includes share capital, reserves and retained earnings. The objective of the Group's capital management is to ensure a strong credit rating to support business growth and maximise shareholder value. The Group's capital is managed through Summerset Holdings Limited and its subsidiaries ("SHL Group"). The SHL Group is subject to capital requirements imposed by the bank through the Group Deed of Covenant. The SHL Group has met all externally imposed capital requirements for the year ended 31 December 2015 (2014: all requirements met). The SHL Group capital structure is managed, and adjustments are made, with Board approval. During the year the Group's Treasury policy was changed to increase the maximum tenure for hedging instruments and adjust the spreading of maturities permitted for these. There were no other changes to objectives, policies or processes during the year ended 31 December 2015 (2014: nil).

17. Share capital and reserves

At 31 December 2015, there were 220,263,506 ordinary shares on issue (2014: 218,548,736). All ordinary shares are fully paid and have no par value. All shares carry one vote per share and carry the right to dividends.

	2015	2014
	$000	$000
Share capital		
On issue at beginning of year	240,946	237,092
Shares issued under the dividend reinvestment plan	2,671	2,791
Shares paid under employee share plan	347	900
Employee share plan option cost	345	163
On issue at end of year	**244,309**	**240,946**

	2015	2014
Share capital (in thousands of shares)		
On issue at beginning of year	215,815	214,311
Shares issued under the dividend reinvestment plan	770	861
Shares issued under the employee share plan	232	643
On issue at end of year	**216,817**	**215,815**

The total shares on issue at 31 December 2015 of 220,263,506 for Summerset Group Holdings Limited differs from the share capital for the Group due to shares held in 100% owned subsidiary, Summerset LTI Trustee Limited. As at 31 December 2015, 3,446,448 shares held by Summerset LTI Trustee Limited for employee share plans which are eliminated on consolidation. Refer to Note 19 for futher details on employee share plans.

Revaluation reserve

The revaluation reserve is used to record the revaluation of care facility land and buildings.

Hedging reserve

The hedging reserve is used to record gains or losses on instruments used as cash flow hedges. The amounts are recognised in profit and loss when the hedged transaction affects profit and loss.

Dividends

On 25 March 2015 a dividend of 2.1 cents per ordinary share was paid to shareholders and on 7 September 2015 a dividend of 1.85 cents per ordinary share was paid to shareholders. (2014: on 24 March 2014 a dividend of 3.25 cents per ordinary share was paid to shareholders and on 8 September 2014 a dividend of 1.4 cents per ordinary share was paid to shareholders).

A dividend reinvestment plan applied to the dividends paid. 447,575 ordinary shares were issued in relation to the plan for the March 2015 dividend and 322,297 ordinary shares were issued in relation to the plan for the September 2015 dividend (2014: 585,959 ordinary shares were issued in March 2014 and 274,956 ordinary shares were issued in September 2014).

Notes to the Financial Statements (continued)

18. Earnings per share and net tangible assets

Basic earnings per share	2015	2014
Earnings ($000)	84,245	54,173
Weighted average number of ordinary shares for the purpose of earnings per share (in thousands)	216,342	215,322
Basic earnings per share (cents per share)	**38.94**	**25.16**

Diluted earnings per share	2015	2014
Earnings ($000)	84,245	54,173
Weighted average number of ordinary shares for the purpose of earnings per share (in thousands)	219,050	217,254
Diluted earnings per share (cents per share)	**38.46**	**24.94**

Number of shares (in thousands)	2015	2014
Weighted average number of ordinary shares for the purpose of earnings per share (basic)	216,342	215,322
Weighted average number of ordinary shares issued under employee share plans	2,708	1,932
Weighted average number of ordinary shares for the purpose of earnings per share (diluted)	**219,050**	**217,254**

At 31 December 2015, there were 3,446,488 shares issued under employee share plans (Dec 2014: 2,733,572 shares).

Net tangible assets per share	2015	2014
Net tangible assets ($000)	408,734	330,906
Shares on issue at end of period (basic and in thousands)	216,817	215,815
Net tangible assets per share (cents per share)	**188.52**	**153.33**

Net tangible assets is calculated as the total assets of the Group minus intangible assets and minus total liabilities. This measure is provided as it is a commonly calculated figure and is useful for comparison with other entities.

19. Employee share plan

The Group operates employee share plans for selected senior employees ("Participants") to purchase shares in Summerset Group Holdings Limited. The shares for the plans are held by a nominee on behalf of Participants, until such time after the vesting of shares that the nominee is directed by the Participant to transfer or sell the shares, or the shares are sold by the nominee if vesting criteria are not met. The shares carry the same rights as all other ordinary shares.

The Group has provided Participants with interest-free limited recourse loans to fund the acquisition of the shares for these plans.

The issue price of shares under the 2011 plan was determined using the offer price on the company's NZX listing on 1 November 2011. The issue price of shares under the 2013 plan is determined from the volume weighted average price on the NZX during the ten trading days prior to issue.

	2011 SHARE PLAN	2013 SHARE PLAN (2013 ISSUES)	2013 SHARE PLAN (2014 ISSUES)	2013 SHARE PLAN (2015 ISSUES)
Commencement date	1 Nov 2011	16 Dec 2013	16 Dec 2013	16 Dec 2013
Issue price	$1.40	$3.20 & $3.47	$2.68	$3.91
Expiry date of interest-free limited recourse loans	31 Oct 2017	30 Jun 2018	30 Jun 2019	30 Jun 2020
Years that the performance goals relate to	2012 to 2013	2014 to 2016	2015 to 2017	2016 to 2018
% of shares vested	100%	0%	0%	0%
Vesting date of final tranche	Passed	31 Dec 2016	31 Dec 2017	31 Dec 2018

The share plans are equity-settled schemes and are measured at fair value at the date of the grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Group's estimate that the shares will vest. These options were valued using the Black Scholes valuation model and the option cost for the year ending 31 December 2015 of $345,000 has been recognised in the income statement of the Company and the Group for that period (2014: $163,000).

	2015				2014		
	2011 SHARE PLAN	2013 SHARE PLAN (2013 TRANCHE)	2013 SHARE PLAN (2014 TRANCHE)	2013 SHARE PLAN (2015 TRANCHE)	2011 SHARE PLAN	2013 SHARE PLAN (2013 TRANCHE)	2013 SHARE PLAN (2014 TRANCHE)
Shares held at year end (in thousands)	750	793	959	945	964	793	977
Share plan shares held at year end as a percentage of shares on issue	0.3%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
Valuation assumptions							
Discount to reflect shares may not meet vesting criteria	20%	30%	30%	0-30%	20%	30%	30%
Volatility	20%	21-22%	21%	22%	20%	21%	21%

Notes to the Financial Statements (continued)

19. Employee share plan (continued)

214,286 shares were sold under the 2011 Share Plan and 17,696 shares were sold under the 2013 Share Plan on 31 August 2015. The share price at the date of exercise was $3.85. The range of exercise prices at 31 December 2015 is $1.40 to $3.91 (2014: $1.40 to $3.47).

	2015		2014	
	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER OF SHARES 000'S	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER OF SHARES 000'S
Balance at beginning of the period	$2.40	2,734	$1.90	2,232
Issued during the year	$3.91	945	$2.80	1,145
Issued to employees following vesting and repayment of loans	$1.50	(232)	$1.40	(643)
Forfeited during the year	$2.88	(305)	-	-
Balance at end of the period	**$2.89**	**3,142**	**$2.40**	**2,734**

20. Related party transactions

The Group has loans to employees receivable at 31 December 2015 of $1.5 million (2014: $1.5 million) with repayment due by 31 October 2016.

Refer to Note 19 for employee share plan details. All loans outstanding in relation to employee share plans are interest-free limited recourse loans.

21. Key management personnel compensation

The compensation of the key management personnel of the Group is set out below:

	2015 $000	2014 $000
Directors' fees	538	485
Short-term employee benefits	2,596	2,535
Share-based payments	345	163
Termination payments	337	-
Total	**3,816**	**3,183**

Refer to Note 19 for employee share plan details for key management personnel and Note 20 for loans advanced to key management personnel.

22. Commitments and contingencies

Operating lease commitments

Non-cancellable operating lease rentals are payable as follows:

	2015 $000	2014 $000
Less than 1 year	398	469
Between 1 and 5 years	2,287	2,752
More than 5 years	4,068	4,576
Total operating lease commitments	**6,753**	**7,797**

During the year ended 31 December 2015, $0.5 million was recognised in the income statement in respect of operating leases (2014: $0.4 million).

Guarantees

At 31 December 2015, NZX Limited held a guarantee in respect of the Group, as required by the NZX Listing Rules, for $75,000 (2014: $75,000).

At 31 December 2015, Boulcott's Farm Heritage Golf Club held a guarantee in respect of the Group for $1,142,760 (2014: $2,542,760).

Capital commitments

At 31 December 2015, the Group had capital commitments in relation to construction contracts of $51.1 million (2014: $35.4 million).

Contingent liabilities

There were no known material contingent liabilities at 31 December 2015 (2014: nil).

23. Subsequent events

Subsequent to balance date the Group has purchased a 6.3 ha piece of land in Rototuna, Hamilton.

On 23 February 2016, the directors approved a final dividend of 3.4 cents per share. The dividend record date is 9 March 2016 with a payment date of 24 March 2016.

There have been no other events subsequent to 31 December 2015 which materially impact on the results reported (2014: nil).

Chartered Accountants

Building a better working world

Independent Auditor's Report

To the Shareholders of Summerset Group Holdings Limited

Report on the Financial Statements

We have audited the financial statements of Summerset Group Holdings Limited (the "company") and its subsidiaries ("the group") on pages 31 to 57, which comprise the statement of financial position of the group as at 31 December 2015, and the statement of comprehensive income, income statement, statement of changes in equity and statement of cash flows for the year then ended of the group, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the company's shareholders as a body. Our audit has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Directors' Responsibility for the Financial Statements

The directors are responsible on behalf of the company for the preparation and fair presentation of the financial statements in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). These auditing standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Other than in our capacity as auditor we have no relationship with, or interest in, the group.

Partners and employees of our firm may deal with the group on normal terms within the ordinary course of trading activities of the business of the group.

Opinion

In our opinion, the financial statements on pages 31 to 57 present fairly, in all material respects, the financial position of the group as at 31 December 2015 and the financial performance and cash flows of the group for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

Ernst + Young

23 February 2016

Wellington

STATEMENT OF CORPORATE GOVERNANCE

Summerset is committed to following best-practice governance structures and principles and to having good governance overseeing the way in which the Company operates. It also takes account of the Company's listings on both NZX and ASX.

Summerset has adopted the principles below as an appropriate way to demonstrate Summerset's compliance with these fundamental principles and to illustrate the transparency of Summerset's approach to corporate governance for the benefit of its Shareholders and other stakeholders.

Summerset's Board and Committee Charters, and policies and guidelines referred to in this section are available to view at www.summerset.co.nz/investor-centre/corporate-governance/charters-policies.

1. Ensuring Solid Foundations for Management and Oversight

Role of the Board of Directors

The Board of Directors is elected by Shareholders, and has responsibility for taking appropriate steps to protect and enhance the value of the assets of the Company in the best interests of its Shareholders. The Board has adopted a formal Board Charter detailing its authority, responsibilities, membership and operation.

The key responsibilities of the Board include setting the overall direction and strategy of the Company, establishing appropriate policies and monitoring performance of management. The Board appoints the Chief Executive Officer and delegates the day-to-day operating of the business to the Chief Executive Officer. The Chief Executive Officer implements policies and strategies set by the Board and is accountable to it. The Board also has responsibility for ensuring the Company's financial position is sound, financial statements comply with generally accepted accounting practice, and for ensuring that the Company adheres to high standards of ethical and corporate behaviour.

The Board currently carries out its responsibilities according to the following mandate:

- At least two, or, if there are eight or more Directors, three or one-third of the total number of Directors should be Independent as defined in the NZX Listing Rules;
- The Chair of the Board should be a non-executive Director;
- Directors should possess a broad range of skills, qualifications and experience, and remain current on how to best perform their duties as Directors;
- Information of sufficient content, quality and timeliness as the Board considers necessary shall be provided by management to allow the Board to effectively discharge its duties;
- The effectiveness and performance of the Board and its individual members should be re-evaluated on an annual basis.

All Directors have been issued letters setting out the terms and conditions of their appointment. The Chief Executive Officer and members of the executive management team have employment agreements setting out their roles and conditions of employment.

Delegation of Authority

The Board delegates to the Chief Executive Officer responsibility for implementing the Board's strategy and for managing the Company's operations. The Chief Executive Officer has Board-approved levels of authority and, in turn, sub-delegates authority in some cases to direct reports, and has established a formal process for direct reports to sub-delegate certain authorities as appropriate. This is documented in the Delegation and Powers Reserved to the Board Policy.

Senior Executive Performance

The Board evaluates annually the performance of the Chief Executive Officer. The Chief Executive Officer reviews the performance of direct reports and reports to the Board on those reviews. The evaluation is based on criteria that include the performance of the business and the accomplishment of longer-term strategic objectives. It may include quantitative and qualitative measures. During the most recent financial year, performance evaluations were conducted in accordance with this process.

2. Structuring the Board to Add Value

Board Composition

The Company's constitution prescribes that the Board shall be comprised of a minimum of three Directors, with at least two Directors ordinarily resident in New Zealand. The Board currently comprises five Directors, of whom four are non-executive and also Independent. In determining whether a Director is Independent the Board has regard to the ASX Principles and to the NZX Listing Rules.

As at 31 December 2015, the non-executive Independent Directors were Rob Campbell (Chair), James Ogden, Dr Marie Bismark and Anne Urlwin. Norah Barlow was also a director as at 31 December 2015 but was not Independent by virtue of her previous role as an executive of the Company.

More information on the Directors, including their interests, qualifications and shareholdings, is provided in the Directors' Profiles and Statutory Information sections of this report.

The Board holds regular scheduled meetings. The Directors generally receive material for Board meetings five days in advance, except in the case of special meetings for which the time period may be shorter owing to the urgency of the matter to be considered.

All Directors have access to executive management to discuss issues or obtain information on specific areas in relation to items to be considered at Board meetings or other areas as considered appropriate. Key executives and managers are invited to attend and participate in appropriate sessions at Board meetings. Directors have unrestricted access to Company records and information.

Directors are entitled to obtain independent professional advice relating to the affairs of the Company or other responsibilities. Prior approval of the Chair is required before seeking such advice and Directors are expected to ensure that the cost of such advice is reasonable.

Retirement and Re-election

In accordance with the Company's constitution and the Rules, one third of the Directors are required to retire by rotation and may offer themselves for re-election by Shareholders each year. Procedures for the appointment and removal of Directors are also governed by the constitution. The Nominations and Remuneration Committee identifies and nominates candidates to fill Director vacancies for the approval of the Board.

At the Annual Meeting to be held on 29 April 2016, Anne Urlwin will retire by rotation and stand for re-election. Norah Barlow also retires from her role as Director on 29 April 2016 but will not be seeking re-election.

Board Committees

The Board has three standing committees, being the Audit Committee, the Nominations and Remuneration Committee and the Clinical Governance Committee. Each committee operates under charters approved by the Board, and any recommendations they make are recommendations to the Board. The terms of reference for each committee are reviewed annually. All Directors are entitled to attend committee meetings.

Audit Committee

Details for this Committee can be found in section 4 of this Statement of Corporate Governance.

Nominations and Remuneration Committee

The role of the Nominations and Remuneration Committee is to assist the Board in establishing and reviewing remuneration policies and practices for the Company and in reviewing Board composition. Specific objectives include:

- Assist the Board in planning the Board's composition;
- Evaluate the competencies required of prospective Directors (both non-executive and executive);
- Identify those prospective Directors and establish their degree of independence;
- Develop the succession plans for the Board, and make recommendations to the Board accordingly;
- Oversee the process of the Board's annual performance self-assessment and the performance of the Directors; and
- Establish remuneration policies and practices and set and review the remuneration of the company's Chief Executive Officer, executive management team and Directors.

The Nominations and Remuneration Committee must be comprised of a minimum of three Directors, the majority of whom must be Independent. The Committee is currently comprised of Anne Urlwin (Chair), Dr Marie Bismark and James Ogden.

The Board's policy is that the Board needs to have an appropriate mix of skills, experience and diversity to ensure that it is well equipped.

The Board reviews and evaluates on a regular basis the skill mix required and identifies where gaps exists.

There have been no new Directors appointed to the Board since the date of the last Annual Report of the Company.

Clinical Governance Committee

The role of the Clinical Governance Committee is to assist the Board in ensuring a systematic approach to maintaining and improving the quality of care provided by the Company. Specific objectives include:

- Provide assurance that appropriate clinical governance mechanisms are in place and are effective throughout the organisation;
- Support the leadership role of the Chief Executive Officer in relation to issues of quality, safety and clinical risk;
- Work with management to identify priorities for improvement;
- Ensure that the principles and standards of clinical governance are applied to the health improvement and health protection activities of the Board; and
- Ensure that appropriate mechanisms are in place for the effective engagement of representatives of residents and clinical staff.

The Clinical Governance Committee must be comprised of a minimum of three Directors. The Committee is currently comprised of Dr Marie Bismark (Chair), Norah Barlow and Anne Urlwin.

Attendance at Board and Committee Meetings

A total of eight Board meetings, four Nominations and Remunerations Committee meetings, six Audit Committee meetings and three Clinical Governance Committee meeting were held in 2015. Director attendance at Board meetings and committee member attendance at committee meetings is shown below. Directors that were not members of committees also attended some committee meetings as invited attendees. Their attendance is not recorded below.

Board meetings

Director	ATTENDANCE
Rob Campbell (Chair)	8/8
James Ogden	8/8
Anne Urlwin	8/8
Dr Marie Bismark	8/8
Norah Barlow	7/8

Audit Committee Meetings

Director	ATTENDANCE
James Ogden (Chair)	6/6
Anne Urlwin	6/6
Norah Barlow	6/6
Rob Campbell	6/6

Nominations and Remuneration Committee Meetings

Director	ATTENDANCE
Anne Urlwin (Chair)	4/4
James Ogden	4/4
Dr Marie Bismark	4/4

Clinical Governance Committee Meetings

Director	ATTENDANCE
Dr Marie Bismark (Chair)	3/3
Anne Urlwin	3/3
Norah Barlow	3/3

Board Performance

The Board undertakes an annual self-assessment of its performance, as does each Committee. The Chair also undertakes an annual review of individual Board member performance.

3. Promoting Ethical and Responsible Decision Making

Ethical Standards

The Board maintains high standards of ethical conduct and expects the Company's employees to act legally and with integrity in a manner consistent with the policies, guiding principles and values that are in place. These include the following:

- Code of Ethics – This guide sets out the basic principles of legal and ethical conduct expected of all employees and Directors. The Company encourages open and honest communication by staff about any current or potential problem, complaint, suggestion, concern, or question.
- Conflicts of Interest – To maintain integrity in decision making each Director must advise the Board of any potential conflict of interest if such arises. If a significant conflict of interest exists, the Director concerned will have no involvement in the decision-making process relating to the matter.
- Securities Trading – Directors and employees of the Company are subject to limitations on their ability to buy or sell Company shares in accordance with the Company's Securities Trading Policy, the Rules, and the Financial Markets Conduct Act 2013.
- Gifts, Entertainment and Inducements – The Company has a gifts, entertainment and inducements policy governing the acceptance and reporting of benefits given to staff by third parties.
- Interest Register – In accordance with the Companies Act 1993 and the Financial Markets Conduct Act 2013, the Company maintains an Interests Register in which all relevant transactions and matters involving the Directors are recorded.

Gender Diversity

The Company has a Gender Diversity Policy which sets objectives that will be measured annually to assess performance.

The objectives set out in the policy are:

- Annually review and report on, in the annual report, the gender composition of the Board;
- Annually review and report on, in the annual report, the gender composition of the executive management team;
- The Nominations and Remuneration Committee of the Board will review and report to the Board on the appointment process for all executive positions on the matter of gender diversity;
- The Board, annually, will require the Chief Executive Officer and General Manager of Human Resources to review and report on the gender composition of the wider organisation and, in particular, the mix of genders in management roles throughout the organisation.

These objectives are measured annually, with all objectives being met for the 2015 year. As at 31 December 2015 (and 31 December 2014 for the prior comparative period), the mix of gender of those employed by the Company is set out below:

Category	GENDER	2015	2014
Directors	Male	2	2
	Female	3	3
	Total	**5**	**5**
Officers	Male	2	3
	Female	-	-
	Total	**2**	**3**
Senior Executives	Male	5	4
	Female	1	3
	Total	**6**	**7**
All staff	Male	207	185
	Female	615	486
	Total	**822**	**671**

Officers of the Company are the Chief Executive Officer and Chief Financial Officer (2014: General Manager Development included). Senior Executives are defined as the executive management team.

These figures include permanent full-time, permanent part-time and fixed-term employees, but not independent contractors.

4. Safeguarding the Integrity of Financial Reporting

Audit Committee

While the ultimate responsibility to ensure the integrity of the Company's financial reporting rests with the Board, the Company has in place processes to ensure the accurate presentation of its financial position. This includes:

- An appropriately resourced Audit Committee operating under a written charter with specific responsibilities for financial reporting and risk management;
- Review and consideration by the Audit Committee of the financial information and preliminary releases of results to the market, which then make recommendations to the Board;
- A process to ensure the independence and competence of the Company's external auditors and a process to ensure their compliance with the Company's Audit Independence Policy;
- Responsibility for appointment of the external auditors residing with the Audit Committee;

One of the main purposes of the Audit Committee is to ensure the quality and independence of the audit process. The Audit Committee make enquiries of management and auditors so that they are satisfied as to the validity and accuracy of all aspects of the company's financial reporting. All aspects of the audit are reported back to the Audit Committee and the auditors are given the opportunity at Audit Committee meetings to meet with the Board.

The Audit Committee must be comprised of a minimum of three Directors, the majority of whom must be Independent. The committee is chaired by an Independent chair who is not the chair of the Board. The Committee is currently comprised of James Ogden (Chair), Anne Urlwin, Norah Barlow and Rob Campbell.

The Committee generally invites the Chief Executive Officer, Chief Financial Officer, Deputy Chief Financial Officer and external auditors to attend meetings. The Committee also meets and receives regular reports from the external auditors without management present, concerning any matters that arise in connection with the performance of their role.

5. Making Timely and Balanced Disclosure

The Company is committed to promoting shareholder confidence through open, timely and accurate market communication. The Company has in place procedures designed to ensure compliance with its disclosure obligations under the NZX and ASX Listing Rules. The Company's Market Disclosure and Communication policy sets out the responsibilities of the Board and management in disclosure and communication and procedures for managing this obligation.

6. Respecting the Rights of Shareholders

The Company seeks to ensure that its shareholders understand its activities by communicating effectively with them and giving them ready access to clear and balanced information about the company.

To assist with this, the Company's website is maintained with relevant information, including copies of presentations, reports and market releases. The Company's key corporate governance policies are also included on the website.

The Company's major communications with shareholders during the financial year include its annual and half-year reports and the annual meeting of shareholders. The annual and half-year reports are available in electronic and hard copy format.

7. Recognising and Managing Risk

The Company has a risk management framework for identifying, overseeing, managing and controlling risk. The processes involved require the maintenance of a risk register that identifies key business risks and initiatives deployed to manage and mitigate those risks.

The Board has responsibility for the oversight of Summerset's risk management programme. Their responsibilities in this regard are set out in the Board Charter.

The Company's senior management maintain a risk register and this is updated regularly.

8. Remunerating Fairly and Responsibly

The Board's Nominations and Remuneration Committee has a formal charter. Its membership and role are set out under Section 2 above.

Director Remuneration

The Company distinguishes the structure of non-executive Directors' remuneration from that of executive Directors.

Directors' fees are reviewed from time to time.

The maximum aggregate amount of remuneration payable by Summerset to Directors (in their capacity as Directors) was set at $600,000 per annum in April 2014 for the non-executive Directors. Current annualised Directors' fees are $515,000, inclusive of additional remuneration for Committee Chairs.

Directors' fees exclude GST, where appropriate. Directors are entitled to be reimbursed for costs directly associated with carrying out their duties, including travel costs.

Directors and Officers also have the benefit of Directors and Officers liability insurance. Cover is for damages, judgements, fines, penalties, legal costs awarded and defence costs arising from wrongful acts committed whilst acting for Summerset. There are some exclusions within the policy. The insurance cover is supplemented by the provision of Director and Officer indemnities from the Company but this does not extend to criminal acts.

Details of remuneration paid to each Director are provided in the Statutory Information section of this Annual Report.

Executive Remuneration

Executive remuneration packages comprise a mixture of fixed remuneration, short-term performance-based cash remuneration and long-term performance-based equity remuneration.

Short-term performance-based cash remuneration is dependent on annual evaluation of performance as set out in Section 1 above.

The Share Plans in place for long-term performance-based equity remuneration are described in note 19 to the financial statements.

Compliance with NZX Corporate Governance Best Practice Code

Summerset meets all the best practice requirements of the Code.

STATUTORY INFORMATION

1. Directors' Interests

Directors made the following entries in the interests register pursuant to Section 140 of the Companies Act 1993 during the year ended 31 December 2015.

Rob Campbell: Disclosed the following positions in respect of the following entities: Brand Developers Limited (Director), Dialedin (Advisory Board Member), G3 Group Limited (Director), Nyima Tashi Charitable Trust (Trustee), RC Custodian Limited (Shareholder), The Foundry Limited (Director). Rob also disclosed he ceased to hold the following positions in respect of the following entities: Aquasure Pty Limited (Director), Arco Property General Partner Limited (Chairman), Auckland City Mission Foundation (Trustee), CallPlus Limited (Director), CPE Partners (Advisory Board Member), Coats Group plc (Director), International Trading Cartel Limited (Director), LTFM Limited (Director) Third Age Health Advisory Board (Member).

Anne Urlwin: Disclosed she ceased to hold the following position in respect of the following entity: OnePath Insurance Services (NZ) Limited.

James Ogden: Disclosed the following position in respect of the following entity: The Warehouse Financial Services Limited (Director). James also disclosed he ceased to hold the following positions in respect of the following entities: DEKRA New Zealand Limited (Director), Motor Trade Association (Inc) and subsidiaries (Director).

Dr Marie Bismark: Disclosed the following positions in respect of the following entities: Health.com.au (Director), Melbourne Health (Psychiatry Registrar), University of Melbourne (Associate Professor). Marie also disclosed she ceased to hold the following position in respect of the following entity: Family Planning Victoria (Member).

Norah Barlow: Disclosed she ceased to hold the following position in respect of the following entities: Cooks Global Foods Limited (Director), Third Age Health Advisory Board (Member).

2. Information used by Directors

There were no notices from Directors of the Company requesting to disclose or use Company information received in their capacity as Directors that would not otherwise have been available to them.

3. Director Remuneration

The total amount of remuneration and other benefits received by each Director during the year ended 31 December 2015 are provided below:

DIRECTOR	DIRECTORS' FEES	RESPONSIBILITY
Rob Campbell	$165,000	Chairman
Anne Urlwin	$87,500	Director, Chair of Nomination and Remuneration Committee
James Ogden	$95,000	Director, Chair of Audit Committee
Dr Marie Bismark	$87,500	Director, Chair of Clinical Governance Committee
Norah Barlow	$80,000	Director

Directors' fees above include standard remuneration for holding Committee Chair roles.

As at 31 December 2015, the standard annual Director fees per annum are $165,000 for the Chairman, $80,000 for non-executive Directors, the additional fee for the Chair of the Audit Committee is $15,000 and additional fees for the Chair of the Nomination and Remuneration Committee and the Chair of the Clinical Governance Committee are $7,500 each.

4. Directors' Shareholdings

Securities in the Company in which each Director has a relevant interest as at 31 December 2015 are specified in the table below:

Director	SHARES HELD
Rob Campbell	46,678
Anne Urlwin	15,049
James Ogden	406,001
Dr Marie Bismark	4,850
Norah Barlow	505,434

5. Securities Dealings of Directors

During the year, Directors disclosed the following transactions in respect of Section 148(2) of the Companies Act 1993. These transactions took place in accordance with the Company's Securities Trading Policy.

DIRECTOR	DATE OF TRANSACTION	NUMBER OF SHARES ACQUIRED/(DISPOSED)	CONSIDERATION
Rob Campbell	25 March 2015	200	Issue of shares under dividend reinvestment plan at $3.26 per share
	7 September 2015	153	Issue of shares under dividend reinvestment plan at $3.75 per share
Anne Urlwin	27 May 2015	5,000	On-market purchase of shares at average price of $3.42 per share
	7 September 2015	49	Issue of shares under dividend reinvestment plan at $3.75 per share
James Ogden	25 March 2015	1,737	Issue of shares under dividend reinvestment plan at $3.26 per share
	7 September 2015	1,336	Issue of shares under dividend reinvestment plan at $3.75 per share
Dr Marie Bismark	19 August 2015	4,850	On-market purchase of shares at average price of $4.10 per share
Norah Barlow	25 March 2015	2,162	Issue of shares under dividend reinvestment plan at $3.26 per share
	7 September 2015	1,663	Issue of shares under dividend reinvestment plan at $3.75 per share

6. Indemnity and Insurance

In accordance with section 162 of the Companies Act 1993 and the constitution of the Company, the Company has arranged insurance for, and indemnities to, Directors and Officers of the Company, including Directors of subsidiary companies, for losses from actions undertaken in the course of their legitimate duties or costs incurred in any proceeding.

7. Subsidiary Companies' Directors

The remuneration of employees acting as Directors of subsidiaries is disclosed in the relevant banding of remuneration set out under the heading Employee Remuneration. Employees did not receive additional remuneration or benefits for acting as Directors during the year.

Julian Cook, Scott Scoullar, Paul Morris and Leanne Walker are Directors of all the Company's subsidiaries as at 31 December 2015, with the exception of Summerset LTI Trustee Limited (the Directors of which are Rob Campbell and Dr Marie Bismark). Leanne Walker was appointed to these subsidiaries on 12 August 2015 and Tristan Saunders ceased to be a Director of these same subsidiaries on 30 June 2015. No extra remuneration is payable to any Director of the Company for any Directorship of a subsidiary.

8. Employee Remuneration

The number of employees or former employees (including employees holding office as Directors of subsidiaries), who received remuneration and other benefits valued at or exceeding $100,000 during the financial year ended 31 December 2015 are specified in the table below.

The remuneration figures shown in the "Remuneration" column includes all monetary payments actually paid during the course of the year ended 31 December 2015. The table also includes the value of any share options provided to individuals during the course of the same period. The table does not include amounts paid post 31 December 2015 that relate to the year ended 31 December 2015.

REMUNERATION	NO. OF EMPLOYEES
$100,000 to $109,999	17
$110,000 to $119,999	11
$120,000 to $129,999	5
$130,000 to $139,999	3
$140,000 to $149,999	2
$150,000 to $159,999	2
$160,000 to $169,999	2
$170,000 to $179,999	2
$190,000 to $199,999	2
$200,000 to $209,999	1
$210,000 to $219,999	1
$260,000 to $269,999	1
$360,000 to $369,999	1
$370,000 to $379,999	1
$450,000 to $459,999	1
$460,000 to $469,999	1
$480,000 to $489,999	1
$790,000 to $799,999	1

9. Top 20 Shareholders as at 31 January 2016

RANK	REGISTERED SHAREHOLDER	NUMBER OF SHARES	% OF SHARES
1	New Zealand Central Securities Depository Limited	93,040,947	42.24%
2	FNZ Custodians Limited	17,441,599	7.92%
3	Forsyth Barr Custodians Limited	8,835,559	4.01%
4	Custodial Services Limited	7,603,719	3.45%
5	Summerset LTI Trustee Limited	3,446,488	1.56%
6	Investment Custodial Services Limited	2,703,697	1.23%
7	Custodial Services Limited	2,702,892	1.23%
8	Leveraged Equities Finance Limited	2,700,223	1.23%
9	JBWERE (NZ) Nominees Limited	2,231,987	1.01%
10	Custodial Services Limited	2,220,830	1.01%
11	Paul Stanley Morris & Clive Stephen Morris	1,710,143	0.77%
12	Custodial Services Limited	1,691,771	0.77%
13	BNP Paribas Noms Pty Limited	1,273,312	0.58%
14	FNZ Custodians Limited	1,242,377	0.56%
15	Ngai Tahu Capital Limited	1,170,609	0.53%
16	Custodial Services Limited	1,132,485	0.51%
17	New Zealand Depository Nominee Limited	1,056,899	0.48%
18	ASB Nominees Limited	1,049,913	0.48%
19	FNZ Custodians Limited	926,191	0.42%
20	Motutapu Investments Limited	870,340	0.40%
	TOTAL	**155,042,081**	**70.39%**

10. Shareholders Held Through the NZCSD as at 31 January 2016

New Zealand Central Securities Depository Limited (NZCSD) provides a custodian depository service that allows electronic trading of securities to its members and does not have a beneficial interest in these shares. As at 31 January 2016, the 10 largest shareholdings in the Company held through NZCSD were:

RANK	SHAREHOLDER	NUMBER OF SHARES	% OF SHARES
1	Tea Custodians Limited	16,241,412	7.37%
2	New Zealand Superannuation Fund Nominees Limited	14,740,556	6.69%
3	National Nominees New Zealand Limited	12,828,107	5.82%
4	JPMorgan Chase Bank	9,183,290	4.17%
5	HSBC Nominees (New Zealand) Limited	8,912,508	4.05%
6	Citibank Nominees (NZ) Limited	7,784,542	3.53%
7	Cogent Nominees Limited	7,766,825	3.53%
8	HSBC Nominees (New Zealand) Limited	5,498,488	2.50%
9	Accident Compensation Corporation	4,559,415	2.07%
10	Cogent Nominees Limited	1,224,559	0.57%

11. Spread of Shareholders as at 31 January 2016

SIZE OF SHAREHOLDING	SHAREHOLDERS		SHARES	
	NUMBER	%	NUMBER	%
1 to 1,000	1,193	15.00%	687,887	0.31%
1,001 to 5,000	3,724	46.83%	10,252,847	4.65%
5,001 to 10,000	1,655	20.81%	12,143,751	5.51%
10,001 to 50,000	1,222	15.37%	23,730,715	10.77%
50,001 to 100,000	81	1.02%	5,507,802	2.50%
100,001 and over	77	0.97%	167,940,504	76.26%
TOTAL	**7,952**	**100.00%**	**220,263,506**	**100.00%**

12. Substantial Product Holder Notices Received as at 31 December 2015

According to the records kept by the Company under the Financial Market Conducts Act 2013 the following were substantial holders in the Company as at 31 December 2015. The total number of voting products on issue at 31 December 2015 was 220,263,506 ordinary shares.

SHAREHOLDER	RELEVANT INTEREST	PERCENTAGE HELD AT DATE OF NOTICE	DATE OF NOTICE
New Zealand Superannuation Fund Nominees Limited	14,857,351	6.77%	20 October 2015
Coopers Investors Pty Limited	13,870,973	6.42%	21 October 2013

13. Waivers from the NZX Listing Rules

There have been no waivers from the application of NZX Listing Rules for the year ended 31 December 2015.

14. Credit Rating

The Company has no credit rating.

This annual report is authorised for and on behalf of the Board by:

Rob Campbell
Director and Chairman

James Ogden
Director and Chairman of the Audit Committee

COMPANY **INFORMATION**

Registered Offices

New Zealand

Level 20, Majestic Centre,
100 Willis Street, Wellington 6011,
New Zealand
PO Box 5187, Lambton Quay,
Wellington 6145
Phone: +64 4 894 7320
Email: reception@summerset.co.nz
Website: www.summerset.co.nz

Australia
Deutsche Bank Place, Level 5,
126 Phillip Street, Sydney, NSW,
Australia 2000

Auditor
Ernst & Young

Bankers
ANZ Bank New Zealand Limited
ASB Bank Limited
Bank of New Zealand Limited

Statutory Supervisor
Public Trust

Share Registrar
Link Market Services,
PO Box 91976, Auckland 1142,
New Zealand
Phone: +64 9 375 5998
Fax: +64 9 375 5990
Email: enquiries@linkmarketservices.co.nz

Directors
Rob Campbell
Norah Barlow
Dr Marie Bismark
James Ogden
Anne Urlwin

Company Secretary
Leanne Walker

Village Centre at Summerset Mountain View, New Plymouth.

DIRECTORY

AUCKLAND

Summerset Falls, Warkworth
31 Mansel Drive, Warkworth 0910
Phone (09) 425 1200

Summerset at Monterey Park, Hobsonville
1 Squadron Drive, Hobsonville, Auckland 0618
Phone (09) 951 8920

Summerset by the Park, Manukau
7 Flat Bush School Road, Flat Bush, 2016
Phone (09) 272 3950

Summerset at Karaka
49 Pararekau Road, Karaka 2580
Phone (09) 951 8900

WAIKATO

Summerset down the Lane, Hamilton
206 Dixon Road, Hamilton 3206
Phone (07) 843 0157

Summerset by the Lake, Taupo
2 Wharewaka Road, Wharewaka, Taupo 3330
Phone (07) 376 9470

BAY OF PLENTY

Summerset by the Sea, Katikati
181 Park Road, Katikati 3129
Phone (07) 985 6890

HAWKES BAY

Summerset in the Bay, Napier
79 Merlot Drive, Greenmeadows, Napier 4112
Phone (06) 845 2840

Summerset in the Orchard, Hastings
1228 Ada Street, Parkvale, Hastings 4122
Phone (06) 974 1310

Summerset in the Vines, Havelock North
249 Te Mata Road, Havelock North 4130
Phone (06) 877 1185

TARANAKI

Summerset Mountain View, New Plymouth
35 Fernbrook Drive, Vogeltown,
New Plymouth 4310
Phone (06) 824 8900

MANUWATU – WANGANUI

Summerset in the River City, Wanganui
40 Burton Avenue, Wanganui East, Wanganui 4500
Phone (06) 343 3133

Summerset on Summerhill, Palmerston North
180 Ruapehu Drive, Fitzherbert,
Palmerston North 4410
Phone (06) 354 4964

Summerset by the Ranges, Levin
102 Liverpool Street, Levin 5510
Phone (06) 367 0337

WELLINGTON

Summerset on the Coast, Paraparaumu
104 Realm Drive, Paraparaumu 5032
Phone (04) 298 3540

Summerset at Aotea
15 Aotea Drive, Aotea, Porirua 5024
Phone (04) 235 0011

Summerset at the Course, Trentham
20 Racecourse Road, Trentham, Upper Hutt 5018
Phone (04) 527 2980

NELSON

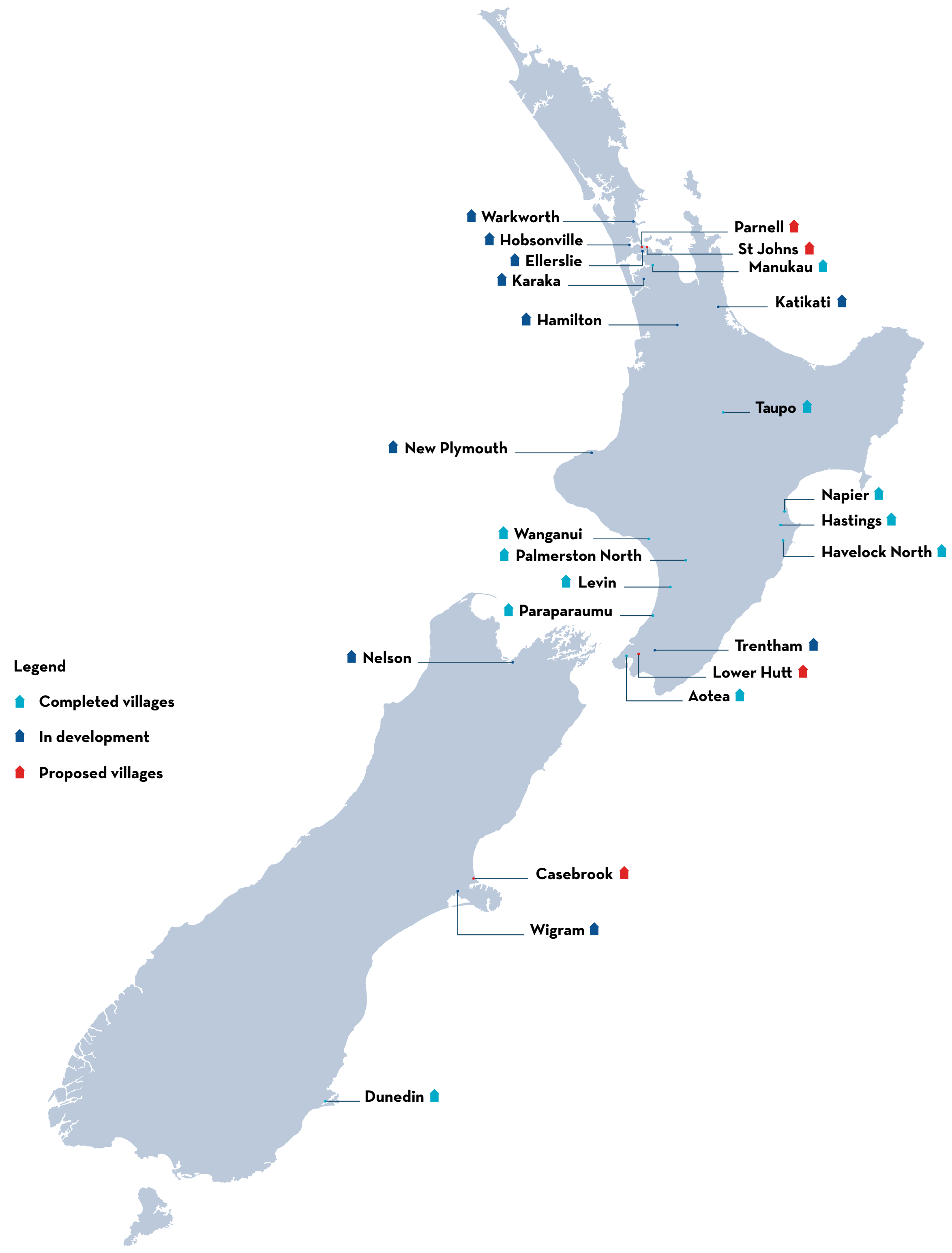
Summerset in the Sun, Nelson
16 Sargeson Street, Stoke, Nelson 7011
Phone (03) 538 0000

CANTERBURY

Summerset at Wigram, Christchurch
135 Awatea Road, Wigram, Christchurch 8025
Phone (03) 741 0870

OTAGO

Summerset at Bishopscourt, Dunedin
36 Shetland Street, Wakari, Dunedin 9010
Phone (03) 950 3110



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