



KIWI GOLFER RYAN FOX
SPONSORED BY KPMG

Winter 2015



KONNECTIONS

KPMG NEW ZEALAND'S MAGAZINE FOR OUR ALUMNI



SOUTHERN LIGHTS

KPMG expands in the South Island

“WHAT’S THE DEAL”

New Deal Advisory offering

The kids come first

The road to prosperity

The young guns



IN THIS ISSUE

04

Infiltrating the organisation

So, you think your organisation is secure?

10

The road to Prosperity

Tony McNaught and the tale of EROAD

05

What's the deal?

KPMG's new Deal Advisory offering

12

Setting the wheels in motion

A 637km ride up the South Island!

06

Southern lights

KPMG expands in the South Island

15

The young guns

New regular feature for Konnections

07

The kids come first

Feature profile: Lorraine Wain

17

Farewell and welcome

Announcement of Partner movements

09

Foxing the fairways

Ryan Fox – with a little help from KPMG

22

Mover's and shakers

Our alumni

KIA ORA

Welcome to the latest edition of Konnections, keeping you in touch with the firm and your colleagues around the world.

As you know, our purpose at KPMG is all about Fuelling New Zealand's Prosperity. This purpose is at the heart of what we do as a professional services firm in helping entrepreneurs, private and public businesses and our wider communities succeed in what is proving to be a very challenging and volatile world.

As a result, our service offerings continue to evolve as we advise our clients on the opportunities they face. As an example Jack Carroll and Simon Hunter have built a very capable team providing 'Strategy and Performance Improvement' services to a wide range of New Zealand organisations. You will see some of the profiles of new team members in this document.

We have included one of many examples where KPMG's skills and expertise have demonstrated prosperity in action where we have assisted EROAD in building, protecting and realising value. You can read more about the extraordinary journey of EROAD in this edition of Konnections.

This issue of Konnections also profiles two other service offerings that are relevant to many organisations and these skill-sets are in great demand as our clients strive to build shareholder value and provide confidence to their stakeholders. Our T&R team has a new name and a new way of working – we introduce our Deal Advisory service. Also, how security-savvy is your organisation? Take time to read the case study which shows just how easy it can be to infiltrate a business.

There's also been plenty happening at KPMG since our last issue of Konnections. We've just opened an office in Ashburton and increased our Timaru team to 10 people, which further strengthens our presence in the mid and south Canterbury region. We're excited about the opportunity to work with so many dynamic and growing businesses, and to welcome our new team members on board.

We have over 300 people registered to join us at our Alumni function this Thursday 27 August in our Auckland Office, where our guest speaker will be Grant Fox. If you are in Auckland on Thursday, please make a real effort to join us.

We look forward to seeing you there.

If you have any alumni news – or there's anything KPMG can help you with – we'd love to hear from you. Until next time, we hope you enjoy the read.



Ross Buckley
Executive Chairman



Paul Herrod
Chief Executive

Ross Buckley
Executive Chairman

Paul Herrod
Chief Executive



INFILTRATING THE ORGANISATION SO, YOU THINK YOUR ORGANISATION IS PRETTY SECURE?

PERHAPS IT'S TIME YOU PUT KPMG'S SECURITY ADVISORY TEAM TO THE TEST. WE SHOW YOU WHAT HAPPENED DURING A TYPICAL PENETRATION TEST, UNDERTAKEN EARLIER THIS YEAR.



**PHILIP
WHITMORE**
Partner
Cyber Security

The client: a public sector agency.

The objective: was to carry out Penetration Testing as part of the agency's standard risk management processes.

The tests: covered three different scenarios. Firstly, could an outsider gain access to the IT networks? Secondly, what kind of information could a disgruntled employee gain access to? And thirdly, could someone physically break into the building and access sensitive information held on the premises?

The first test was a simulated phishing attack, which mimics an outsider trying to penetrate the organisation's networks via the Internet.

Philip Whitmore, KPMG's Chief Information Security Officer, explains how it rolled out.

"We picked random employee names from LinkedIn, and sent those 30 people an email. We told them their employer was reviewing the security of its passwords, so 'please click on this link to check whether yours is a strong password'"

KPMG set up a temporary website, from a professional-looking but fictitious company, to make the request look legitimate.

"One third of the employees gave us their passwords...the first person responded 24 seconds after the email went out."

Having gained initial access to the agency's network, the team moved on to the second

phase; which was to gain full administrator access to the agency's core IT systems.

"For users with privileged access, we started guessing their passwords. Most people use one of several standard formats, so that's fairly easy to do. We got access via a user that had administrative access to the core IT infrastructure. Once we had that foothold, we found an Excel spreadsheet with 'super user' passwords to most of their systems."

Philip Whitmore says this result not unusual. KPMG has carried out hundreds of these tests, and 'most organisations' would have a similar result.

"It comes down to proper password management, and the level of security awareness internally. For instance, in this test, we rang the IT Helpdesk and pretended to be an employee who wanted to reset a password. There was no challenge from them."

The third test was the physical infiltration.

"We were able to get in three different ways," says Philip.

"We sat outside at 8pm, and told the cleaners that we'd left our key upstairs. They let us in, and swiped us up. Secondly, I tailgated some employees into the lift at 8.30am, and just sat down at an empty desk. No-one asked who I was. In fact, I've only ever been asked that once... I told them I was the auditor, and that shut them up!"

"The third method for physical access was to walk around the building and look for entry points. We worked out the combination to the door and got inside. Then due to a design flaw in the lock, we got into the server room within 60 seconds."

Philip Whitmore says combination punch locks offer poor protection – as the combination can be revealed using an invisible pen, and the numbers don't have to be punched in consequentially.

"These punch-point combination locks are very common; and we see them protecting really sensitive areas like vaults and server rooms."

Addressing the issues

Following the testing, KPMG helped the client to address the risks identified.

"Once you understand the risks, you can prioritise them, then put the mitigation in place," says Philip.

"The high risk areas can typically be addressed very quickly – which gives the organisation some breathing room to focus on the other issues."

It's critical, says Philip, to address security issues from the top level.

"Often the responsibility for security isn't well-defined within organisations, because it can be seen as too hard. It often falls somewhere across IT, HR and management... when it should be a boardroom-level responsibility."

What's more, having excellent security will deliver a real return on investment.

"Security is not about saying no. My analogy is, why do we have brakes on a car? It's so we can go faster. If you have a secure environment, you can be more dynamic as an organisation – and invite your customers to be more interactive with you."

"Security is about building trust, protecting your brand and your reputation."

“WHAT’S THE DEAL?”

KPMG’S NEW DEAL ADVISORY OFFERING

IN 2014, KPMG NZ’S TRANSACTION & RESTRUCTURING (T&R) TEAM HAD ITS BEST YEAR EVER. AND THE FUTURE LOOKS EVEN BRIGHTER; WITH A REBRAND OF THE DIVISION EARLIER THIS YEAR.



IAN THURSFIELD
Head of Deal Advisory

KPMG Global is rolling out a worldwide rebrand of T&R, and New Zealand is first cab off the rank. We’ve changed our name to Deal Advisory – and changed way of working to deliver clients a more integrated offering.

Ian Thursfield, Partner in Charge of Deal Advisory, says the new team-based approach will be more efficient in achieving the client’s end goal – whether that’s to buy, sell, fix, fund or partner.

“For instance, a client might come to us and say they’re thinking of buying a business. Traditionally they would ask us to provide the necessary specialisation – valuation, due diligence, sale and purchase negotiation, tax, post deal integration etc. – as separate products.”

“Under the new integrated approach, we’ll focus on the end goal, for example, being the successful purchase of the business – and provide a seamless service to achieve that.”

Instead of different specialists stepping in and out, there will be a single dedicated team who remain on the job throughout.

This ensures the client receives a streamlined service, with senior people on their team who understand the entire deal cycle.

“The client will work with a tight team of senior people; with at least two partners who will be involved in that transaction from start to finish,” says Ian.

“From the client’s perspective, it means a more efficient service, closer relationships and fewer people to get to know.”

Building go-to-market capabilities

Ian Thursfield says the new approach will be particularly well-suited to the current market, with its high levels of general M&A activity, and the continued trend for IPOs. Another growing area for KPMG, says Thursfield, is to take New Zealand businesses and present them to the world.

“Last year we sold two decent-sized Kiwi businesses to Japanese buyers; and the new Deal Advisory model will streamline that whole process in terms of preparing information, identifying buyers, and negotiating and closing the sale.”

Another offering from the new Deal Advisory will be increased use of data analytics and data visualisation.

“We’re bringing a whole bunch of really smart software to our reporting

mechanisms, that will help summarise huge volumes of data for our clients,” says Thursfield.

“For instance, as part of due diligence, we can to summarise 4,000 contracts in graphical format to show which contracts are signed, and which are not. Or when you open a report, rather than just getting a Powerpoint, you’ll get embedded video and graphics. It’s a much more dynamic product for the client, and any prospective buyers.”



BUY



SELL



FIX



FUND



PARTNER



KEEN TO JOIN US?

KPMG’s national Deal Advisory and IT security teams are growing – and we’re currently recruiting in a number of areas including M&A, due diligence liquidation specialists, and data visualisation/modelling. If you or someone you know could be interested, please get in touch with Adam Binks on 09 363 3588 or abinks@kpmg.co.nz.

SOUTHERN LIGHTS

KPMG'S NEW ASHBURTON OFFICE

KPMG IS FIRMLY LAYING DOWN MORE SOUTHERN ROOTS – HAVING RECENTLY PARTNERED WITH A SUCCESSFUL ASHBURTON FIRM.

The merger with Myers Business Solutions, which took place on 1 July, further strengthens our offering to privately-owned business and the agribusiness sector in the mid-Canterbury region. It complements our long-standing KPMG Christchurch presence, also the launch of the Timaru office last year, and expansion this year through a merger with Pivot Accounting.

CEO Paul Herrod says Myers Business Solutions is a 'strong fit' with KPMG, and it represents another key step of our journey of Fuelling New Zealand's Prosperity.

"We share a similar view on the future growth of mid-Canterbury, and the important part that agribusiness and private enterprise plays in driving the New Zealand economy."

Maurice Myers, who founded the firm in 1985, will lead the new KPMG

Ashburton team. He has transitioned with all his existing staff, and will provide a seamless change-over for existing clients.

Andrew Hawkes, KPMG's Christchurch-based Private Enterprise Partner, says both teams bring a deep understanding of the challenges and opportunities facing local businesses in the region.

"Maurice Myers and his team are highly regarded in the local mid-Canterbury market by clients and the wider community. The merger process has been an enjoyable experience, with both parties bringing an open and honest approach."

The merger will give the Myers team access to specialist tax, audit and agribusiness services; as well as the backing of KPMG's regional and national expertise.

INTRODUCING MAURICE

MAURICE MYERS HAS LONG-STANDING LINKS WITH KPMG, HAVING WORKED IN LONDON FOR PEAT MARWICK MITCHELL EARLY IN HIS CAREER.

Dunedin born-and-bred, Maurice went to Otago Boys High School and Otago University, graduating with a B.Comm in 1975. He spent three years in London, before returning to Dunedin and then Ashburton.

Maurice has been in general practice in Ashburton since 1985, overseeing the growth of the firm – and the local community.

"The population of Ashburton has undergone a boom in recent years...in the last Census, we were the 5th fastest-growing region in New Zealand."

Farming has been the backbone of the firm, and Maurice says these businesses have grown in both size and complexity.

"The average mid-Canterbury dairy herd is 858 cows, compared to 375 in the Waikato. We've seen significant investment in land, including dairy conversion. This has also meant growth for our local community, schools, retail and infrastructure."

The firm is well-known in the region, and Maurice has been involved in significant community projects. He was Chairman of the Ashburton Stadium Complex Trust, which opened a \$35m aquatic stadium in May this year.

Maurice is married to Isabel, has three adult children and is now a proud "Pop" to two new grandsons. When not spending time with family, he enjoys swimming (he once trained under Duncan Laing), cycling and mountain-biking, gardening and travel.



MAURICE MYERS
Consultant
Private Enterprise





LORRAINE WAIN IS A LIVING EXAMPLE OF THE ADAGE: "IT'S NOT THE HOURS YOU PUT IN TO YOUR WORK THAT COUNTS, IT'S THE WORK YOU PUT IN TO THE HOURS."



The mother of two has carved out a successful part-time career over the past 25 years. And in her current role as Finance Director for KidsCan, she is making a difference in the lives of thousands of Kiwi kids.

The former KPMG auditor currently leads a busy finance team of three at the national charity, where she works three to four days a week.

"I've always said my role as Mum comes first – I've never made apologies for that," says Lorraine.

"And I've been very lucky to work for organisations that have allowed me to have that work-life balance."

The early days

Lorraine began her career at Gilfillan Morris, now KPMG in Auckland as an audit graduate, in 1981.

"It was in the era before computers, and often our days were spent photocopying and handwriting out audit programmes."

She worked up through the ranks over the next eight years to Audit Manager, and after eight years left before leaving to start a family. After six years being

a full-time mother, she chanced back in to the perfect role at KPMG.

"I was about to apply for a position with a local firm, and I asked Alan Brame to review my CV to see how it stacked up. He asked if I was keen on some part-time work back at KPMG and within a few days he came back with a job offer."

A few years later, Lorraine and Alan as Partner in Charge both transitioned into Business Advisory (now Private Enterprise) and Lorraine was invited to be part of the team, taking across many of their small-to-medium-sized Audit clients.

"It had quite an impact on BA at that time, given there was now a mix of compliance and audit work they were taking on audit work as well as their compliance work. But it had a lot of advantages, and allowed us to give the small-to-medium audit jobs a lot more attention and continuity and created opportunities for audit seniors to apply for international secondments."



to implement quality financial systems and processes.

“It’s a huge responsibility and a privilege managing a charity – and the fact our charity is for children makes it even more so. That’s why we set the bar high, and follow best practice. We don’t see ourselves as a charity; we just see ourselves as an organisation that should follow best practice regardless.”

Here are just some of the ways you can help:



The perfect role

It was another chance meeting at KPMG that lead to her next opportunity. Auckland Partner John Kensington, a trustee of KidsCan Charitable Trust, was already doing pro bono work for KidsCan, and knew the charity was looking for a Finance Director.

“I ran into John in the lifts one day, and he said ‘I’ve got the perfect job for you.’”

On starting the job in 2012, Lorraine immediately felt she was “able to make a real difference, every day.”

KidsCan staff are encouraged to regularly visit the schools to see first-hand the results of their efforts.

“It does remind us all why we’re here. A lot of people don’t really understand what it’s like in those communities; most of us take the simplest of things for granted.”

“It’s harder than you think for some children to even get to school,” says Lorraine.

“I often draw this analogy: how would you feel arriving at work, wet and cold, having just walked a kilometre in the rain with no jacket or shoes; and knowing you don’t have anything to eat for lunch...”

KidsCan is passionate about helping all children to fully participate in their

education, says Lorraine, because “education provides choices and leads to opportunities.” The first step is making sure they can even get to school – when a lack of food, clothing, school uniforms, or even sanitary items often means they stay at home.

“We see the joy these kids have in receiving a coat or a pair of shoes, or some lunch. Having these things really does make a difference to attendance rates. The kids want to be at school and in a position to learn.”

Continuing links with KPMG

KPMG Partner John Kensington sits on the KidsCan board, and the firm is a long-standing supporter.

“I’m very lucky to have the support of John; he’s always a good sounding board, and is willing to delve into the detail whenever required,” says Lorraine.

“On top of that, we’re very fortunate to receive a lot of pro bono work. Just today, I’ve spoken with someone in Private Enterprise about a training course, sent an email query to Tax, and have talked to John. So it’s very regular!”

Lorraine says the charity has undergone “phenomenal growth” in recent years, and she draws on her KPMG experience

Sponsor a child

Support a New Zealand child in our own backyard. For just \$15 a month 50c a day (or \$180 a year), you will help provide a Kiwi kid with the basics whilst at school such as food, clothing, health and hygiene items. 100% of your donation goes to programmes supporting the kids, like a raincoat, shoes and lunch.

Make a one-off donation

Fundraise for KidsCan: Become a corporate partner. Your organisation could provide monetary support or donate / supply relevant product.

Volunteer your time

To find out more visit www.kidscan.org.nz or call (09) 478 1525. Encourage your firm to become a corporate sponsor. Your organisation could provide monetary support, perhaps donate or supply relevant product.

KidsCan www.kidscan.org.nz



FOXING THE FAIRWAYS

RYAN FOX – WITH A LITTLE HELP FROM KPMG

Rising Kiwi golfing star Ryan Fox, the son of rugby legend Grant Fox, is continuing his climb up the standings in the European Challenge Tour. Ryan began the year with a world ranking of 259, he's now risen to around 130. Following a very creditable top 50 finish at the British Open in July, Ryan has gone on to record a top 10 finish in the Madeira Islands Open, his maiden European win at the Le Vaudreuil Golf Challenge in France, and in the first round of the Rolex Trophy Tournament in Switzerland Ryan carded a stunning 10-under round of 62.

After his July win in France Ryan said, "This trip is my first time to Europe, and I have played well!"

"FRANCE WAS MY DAD'S FAVOURITE PLACE TO TOUR WHEN HE WAS PLAYING WITH THE ALL BLACKS. I THINK IT'S THE SAME FOR ME. IT'S MY FAVOURITE PLACE IN THE WORLD AT THE MOMENT."

KPMG New Zealand is proud to be sponsoring Ryan's first year on the European Challenge Tour. Executive Chairman Ross Buckley said "Whether it be in the professional services environment or on the golf course, it is another great example of KPMG identifying talent and supporting them to achieve their goals – that is why we want to stay connected to

our alumni, especially leaders in their respective areas."

Proud father Grant Fox will be the guest speaker at KPMG's Alumni event on the 27 August in Auckland.





IF EVER THERE WAS A PERFECT STORY TO ILLUSTRATE KPMG'S VISION OF FUELLING NEW ZEALAND'S PROSPERITY, IT WOULD HAVE TO BE THE TALE OF EROAD.

It's the story of a Kiwi company that began with the spark of an idea, followed a bold path for growth – and is now poised to take on the world. And who better to tell the tale than former KPMG partner, Tony McNaught, who's been there every step of the way.

The journey began back in 1997, not long after Tony had joined KPMG Corporate Finance in Auckland. Audit Partner Paul Kilgour got in touch regarding a 'small client with some corporate finance questions'. That client was the fledging Navman, founded by Steven Newman and Sir Peter Maire (who had started the GPS based business in his garage in 1986).



TONY McNAUGHT
Corporate Affairs Manager – Eroad
Formally KPMG Partner

Fast-forward six years to 2003; Navman had grown into one of New Zealand's most successful companies, and the owners were ready to further accelerate their growth. KPMG's Corporate Finance team helped them sell to North American conglomerate Brunswick for over \$100m.

Steven went to Brunswick with Navman, and exited a few years later when turnover was around half a billion. Yet it wasn't long, recalls Tony, before this 'incredibly capable guy' had zeroed in on new business interest.

"Although he was no longer a client, Steven called me up in 2006 and said, I've been asked to review this business called EROAD. I think it looks brilliant."

The investors were keen for Steven to lead the business – and transform it from the spark of an idea into something commercial. KPMG was also quick to see the potential of a company that would launch the world's first cellular-based automated road-user charge (RUC) system.

"The difference between Navman and EROAD is that it had the benefit of being focussed on a regulated industry," says Tony.

"It was solving a problem for customers who had to comply."

The growth path

The first job for KPMG was to provide valuation and structuring advice, for Steven to acquire his stake. The next move – somewhat unusually for such a fledging business – was to bring in an Audit Partner, Malcolm Downes.

"EROAD didn't even have any revenue from memory; or if it did it was negligible," says Tony.

"But we knew it was important to build credibility through audit from day 1 because we'd be dealing with Government bodies and a regulatory environment and may want to IPO in the future."

Tax Partner Scott Olding also stepped in to help, and managed to get a \$300k tax refund under Labour's R&D tax credit scheme. That was a huge boon for the growing business, recalls Tony.

"It probably equated to salaries for four people, which was pretty significant for a company with limited capital at that time."

More rounds of capital-raising followed, and saw EROAD become a profitable New Zealand business. A number of KPMG clients took up the opportunity to invest – with satisfying results.

Decision-time

The original plan was to IPO in 2015, after the business had bedded down its new Oregon operation. But 2014 was a bumper year for IPOs in New Zealand – and EROAD saw no reason to be left behind.

“It became obvious to the Board that the New Zealand stock market was hotting up. All these other companies were listing on the promise of doing something... EROAD concluded they should list too.”

EROAD made the decision to list in February 2014 – which coincided with crunch-time for Tony.

“At that point I had to make a decision personally. There was an opportunity to have a career change; and it was now or never.”

Some would say swapping his established KPMG partnership for a young business was a risky move; but Tony didn't see it that way.

“I genuinely believed in EROAD, and I'd known the business from day one. More importantly, I believed in the CEO, and I'd seen him grow Navman into a significant global business.”

The KPMG factor

As part of the tight-knit IPO team, Tony got to see KPMG at work from the other side of the fence.

“Chapman Tripp and KPMG were a really good team. The due diligence team led by Ian Thursfield was outstanding throughout the IPO; it was everything you could hope for. That was recognised by all EROADers, so it wasn't just my biased opinion..!”

Following the IPO, Tony took the role of Corporate Affairs Manager. The project-based role involves looking after all investor relations, NZX matters, producing the annual and half-year reports, and doing roadshows in New Zealand, the US and Australia with the CEO.

Today, the company is poised to roll-out its competitive advantage across international markets. Tony says they have no direct competitors in America, being the only electronic-approved RUC weight mile tax system.

“Our device has been purpose-designed for tax and compliance – rather than commercial purposes – so we're far more secure, with encryption and tamper-proof features. To use an analogy, we're like the only high security prison in a market where the rest are hotels which are near impossible to convert to a high security prison.”

Looking back now, Tony can see numerous ways KPMG has influenced the company's successful path.

“In the very early days, it was a tiny little company with no customers. But KPMG was willing to involve senior partners on the account, because we could see the merit in its growth.”

This was followed by a number of key milestones occurring at the right time in EROAD's development.

“Without money, the company wouldn't have made it this far. So the capital-raising were critical; but even that \$300k tax refund was a big help at the time. Also, the fact we had five years of audit history at the time of IPO was really helpful. And the value of having the KPMG brand behind the company can't be underestimated.”

- To find out more about EROAD, visit www.eroad.co.nz. Career enquiries from KPMG alumni are also welcome. (Sean Church, an alumni of KPMG Auckland, is now Vice-President of US Finance, and Georgina Simmons, also an alumni of KPMG Auckland, is EA to the CEO).



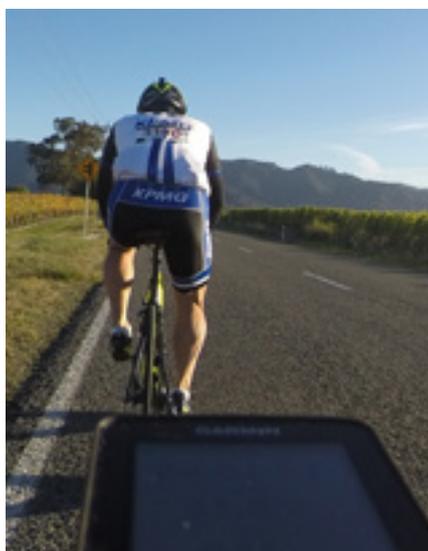
FUELLING NEW ZEALAND'S PROSPERITY:

A TEXTBOOK CASE

- In 2009, EROAD implemented the world's first network-wide GPS or cellular-based electronic road user charging (RUC) system in New Zealand.
- EROAD's platform solves universal problems around the funding and management of transport infrastructure, vehicle emissions and Heavy Vehicle compliance. It makes this feasible across an entire jurisdiction – eliminating the need for intrusive and expensive roadside infrastructure.
- EROAD was ranked #10 on the Deloitte Technology Fast 500 Asia Pacific 2012 (the only Australasian company to make it to the top 10).
- The high-tech sector is New Zealand's third largest export earner; and EROAD's export potential is significant. It commercially launched in Oregon USA in 2014 and now has a number of satellite offices in adjoining US States.
- EROAD has collected over \$700m in Road User Charges on behalf of the New Zealand Transport Authority; and has worked with NZTA to create a set of world-class standards for RUC charging.
- The technology helps EROAD customers to improve their business productivity; with better fleet utilisation, fuel efficiency, driver productivity, and the list goes on.
- EROAD technology is also improving road safety; its Virtual Speed Camera allows customers to geo-fence around sensitive areas such as schools or known danger areas



WHAT COULD BE A MORE FITTING WAY TO SUPPORT THE CHARITY BIKES IN SCHOOLS? WE JUMPED ON OUR OWN BIKES AND WENT FOR A 637KM RIDE UP THE SOUTH ISLAND!



In April this year, eight keen KPMG-ers cycled the length of the South Island as part of the legendary Tour of New Zealand 2015. We were part of the 300+ riders who joined the eight-day event; starting either at Cape Reinga or Bluff, and meeting at the finish line in Wellington.

Our two aptly-named teams were:

Keep the Pedalling Motion Going (Ross Buckley, Shaun Hubbard, Alex Skinner & Charlotte Tye); and Keep Pushing for More Glory (Thomas Boeschstein, Malcolm Bruce, Blair James, Chris Macaulay & Jonny Noakes).

KPMG is proud to support Bike in Schools with their goal of providing every child the opportunity to ride a bike regularly at school, as it fits with our purpose of Fuelling New Zealand's Prosperity. Check out www.bikeon.org.nz/bikesinschools.html to see some of the amazing stories that have inspired us.

THE HOPE...

Our KPMG teams raised a fantastic total of \$12,688 for Bikes in Schools. Thanks to each and every one of our 153 generous donors!

AND THE GLORY...

Our 'A' team took the title of fastest South Island Corporate team, and the second-fastest South Island team overall. There were also some great individual achievements, earning the fastest times across the week in the team category, with four of the team in the top 20.

- 1 Blair James
- 3 Chris Macaulay
- 7 Thomas Boeschstein
- 19 Jonny Noakes





MERIVALE SCHOOL IN TAURANGA HAS A NEW VAN TO TRANSPORT THEIR STUDENTS – THANKS TO A FUNDRAISING EFFORT FROM KPMG AND SOME PUBLIC-SPIRITED CLIENTS.

Our KPMG Tauranga office has partnered with Merivale for several years, as part of our nationwide support programme for low-decile schools.

While the school's previous van was on its last legs, getting a replacement seemed something of a pipedream.

Private Enterprise Partner, Mark Thomas, kicked things off by making a grant application to the Tauranga Police CIB Charitable Trust. The school was one of 18 local recipients from the Trust's annual charity auction, and was awarded \$30,000 towards a new van.

A number of KPMG clients came to the party, generously donating skills or funds to get the van on the road.

"Local car dealership Farmer Auto Village went all-out to find us an immaculate Toyota Hiace 11-seater van," says Mark.

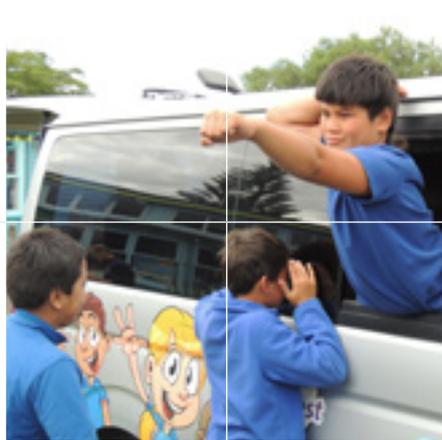
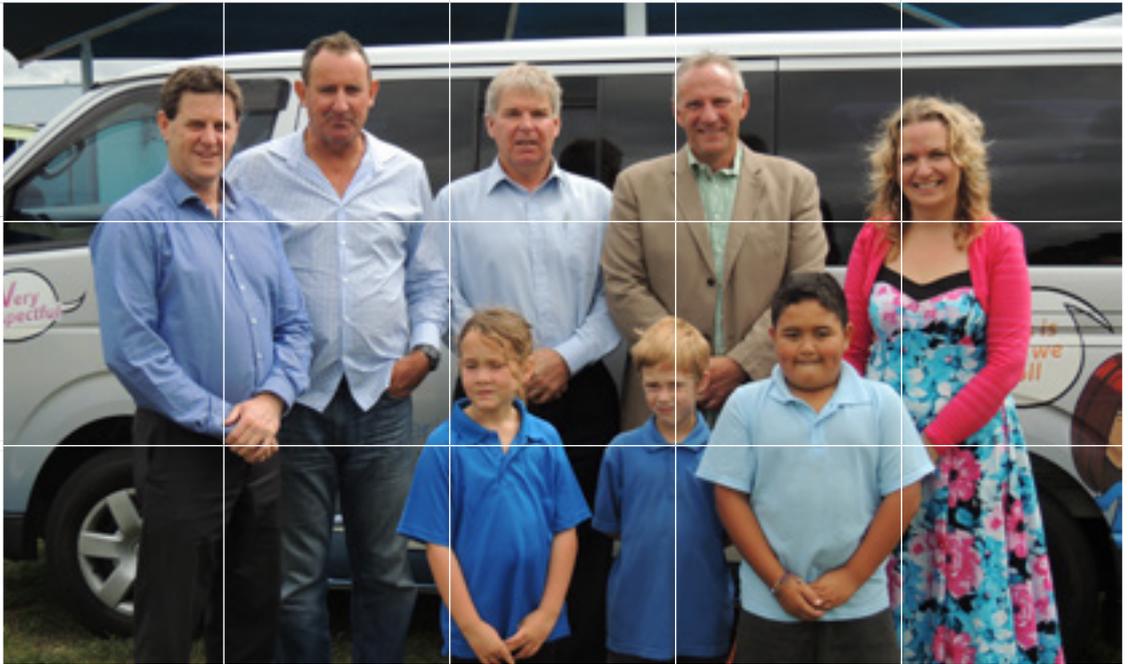
"They gave us a good deal, and included 3 years of warranties and servicing."

Another KPMG client, digital agency Cucumber, volunteered to provide a design for the van that was playful, fun and reflected the school's values. Property developers, The Lakes, then offered to pay for the skin to be made and applied.

Now the kids are out-and-about enjoying their new van.



NEW WHEELS FOR MERIVALE SCHOOL



YOUNG GUNS

YOUNG GUNS' IS A NEW REGULAR FEATURE FOR KONNECTIONS – WHERE WE PROFILE SOME OF OUR YOUNGER ALUMNI MEMBERS, AND THE INTERESTING THINGS THEY'RE UP TO.

JAMES WALLACE

NOW: OWNER AND DIRECTOR, MODEL IQ, A FINANCIAL MODELLING CONSULTANCY

AND THEN: ASSISTANT MANAGER, KPMG CORPORATE FINANCE, AUCKLAND (JAN 2010 – APRIL 2013)



Like many entrepreneurs, James Wallace started early. His first full-time gig after university was to launch an online finance company with a group of friends (who'd won the 2007 Spark business competition together).

"It was a really good experience and we learned a lot from it, but we were very naive. It was around the time of the GFC, and after a while we realised we had to put the business on hold."

James was tossing up whether to return to uni to do postgrad finance studies, when 'the authorities' stepped in.

"My parents more or less tricked me into seeing a recruiter...and I got introduced to a number of companies, including KPMG. It seemed like a really great team to join, and that got me motivated again."

He joined Justin Ensor's Valuation team as an analyst, before moving into M&A roles with Tony McNaught and Gary Ivory.

"It was amazing how flat the structure was...I'd often be working with a Partner directly, so was really close to the client. Valuation gave me the right technical mindset; then it was also quite exciting to work on the deal side."

But the entrepreneurial urge never left, and James was "always thinking about the next idea I could do."

His burning ambition was to create a new version of financial modelling software, one that would be an alternative to Excel. James left KPMG in April 2013, and spent a couple of months working on its design. But once again, fate intervened.

"KPMG referred one of their smaller clients to me, then I did a model for a family friend. I got more and more financial modelling work, and eventually realised there was no point doing the software...the world will always use Excel, and I'd built a lot of templates that could speed up what I do."

Fast-forward to 2015, and James runs his own financial modelling consultancy called Model IQ. His client base is predominantly SMEs with revenues between \$2m – \$20m, as well as a few start-ups and public companies.

"Most of my customers are looking to do a 5-year forecast model. On top of that operational model they might also want to look at doing a transaction, raise equity, or launch a new project or division within their business."

James is grateful for his grounding at KPMG, and advises other young professionals to value the experience they're gaining.

"You can't get better experience than working with a range of clients at a big firm. It will really pay off down the track."

KPMG still plays a role in building his client networks, another skill that's critical to his business success.

"There's always a lot of appeal to working for yourself. But running your own business – especially if you're young and haven't built up your networks – can be quite tough a lot of the time."





FRASER McLACHLAN

NOW: DIRECTOR, PEREGRINE
WINES LTD

AND THEN: AUDIT MANAGER,
KPMG WELLINGTON &
CHRISTCHURCH (MARCH 2007
– SEPTEMBER 2012)



Family history has been a consistent theme in Fraser McLachlan's career path – both in joining KPMG, and his current role as Director of the family-owned winery.

Before moving into the wine business, Fraser's father Lindsay had a 25-year career in corporate finance with KPMG, and was Managing Partner of the former Dunedin office.

So Fraser had already had a taste of KPMG life when deciding which career path to choose after completing his law and business degree at Otago.

"I'd been around the office as a kid, and did some work at KPMG while I was at uni. I had friends in law firms who'd been stuck doing research for their first two years...but I was keen to get inside businesses and see how they ran."

He found Audit was the perfect way to cut his teeth in the corporate world.

"Auditors get to be involved with clients face-to-face early on. It's really a free ticket to see how businesses operate – both big and small companies, the good ones and not-so-good ones."

He remembers those early days as "a lot of hard work, but a lot of fun as well". It was also a golden opportunity to learn from mentors like Ross Buckley, who interviewed Fraser and offered him the job.

"Growing up, I'd always been taught that to be successful, you have to start before anyone else, finish after everyone else, and work harder in between. I think Ross epitomised that."

"He'd work really hard all day, and be out socialising with the team or clients in the evenings – but he'd always be at his desk by 6am the next day, sharp as a tack. I was really impressed by him."

Other skills ingrained from his KPMG days were high standards of professionalism, working to deadlines, managing multiple tasks – and most critically, people skills.

"You came to see that core accounting skills are only a small part of it. It was the senior accountants that had really good people skills that moved on and became successful."

When Fraser's family launched a new wine operation in 2012, Mohua Wines, Fraser left KPMG to become Managing Director.

"It was a growing business focussed around the US market. My role was to set up the production end, purchase vineyards and contract long-term growers, and bring on a new wine-maker."

With that business now ticking along, Fraser joined Peregrine Wines as a Director in mid-2014. He started out doing business management and accounting, and has moved into overseeing sales and export markets.

Those valuable people skills are still coming into play: "In this role I'm dealing with people from all different backgrounds and walks of life, from all around the world... from farmers who grow our grapes, to distributors in different states around the US."

And the family influence still remains strong.

"Our vision is to build the business in a sustainable way, so we can take it through to the next generation."



WELCOME

WE WELCOME OUR NEW APPOINTMENTS TO THE PARTNERSHIP:



Rebecca Armour

Rebecca Armour has become a Tax Partner in our Auckland office. She joined KPMG in 2011 as a Tax Director and leads the New Zealand Global Mobility Services team, assisting companies to effectively and efficiently manage their globally mobile workforces. Rebecca has worked on M&A transactions in a broad variety of sectors. Prior to joining KPMG, Rebecca worked in the London tax practice of a leading international law firm.



Gavin Holley

Gavin Holley has been appointed Partner in Private Enterprise, Wellington. This reflects our growth plans for this space, and our desire to offer a more diversified service offering to our clients. Gavin offers a broad range of tax and advisory solutions to his clients, tailored to the private business market, and his skill set is very much aligned to the Private Enterprise advisor of the future.



Roger Wilson

Roger Wilson has joined the Private Enterprise team in Hamilton. Roger is a well-known leading advisor to private Hamilton business owners, and his focus on the agribusiness sector adds to the existing strong capability in KPMG's Hamilton team. Roger knows the region well, having lived in the Waikato all his life. His collaborative, forward-thinking and service-orientated approach makes Roger an ideal fit with KPMG's values.



Aaron Woolsey

Aaron Woolsey recently returned to KPMG in Auckland. He is an Audit Partner with 20 years' experience advising a broad range of clients within the consumer market and industrial market sectors. His experience includes a significant tenure with KPMG in Russia; where he had the opportunity to work with major private and public companies operating in the metals, mining, manufacturing, shipping and transportation sectors, and was involved in a number of large capital market transactions. Aaron is the KPMG New Zealand Alumni Partner.

MOVEMENTS WITHIN KPMG

CONGRATULATIONS TO OUR NEW APPOINTMENTS



Joe Hanita

Joe Hanita has joined us as a Senior Manager within Private Enterprise in the Auckland office. Joe's role has a dual focus; with 60% of his time focused on building relationships with Māori businesses and iwi organisations across New Zealand, and 40% of his time on managing an accounting and advisory client portfolio.



Maurice Myers

Maurice Myers has joined KPMG as a Director. This follows the recent merger between KPMG in Canterbury and Ashburton chartered accountancy firm, Myers Business Solutions. Maurice is active in the local community and has recently been involved in significant projects such as the Ashburton Stadium Trust and Ashburton Swimming Pool Complex. (You can read more about Maurice, and the merger, on page 6).

STRATEGY AND PERFORMANCE



Chloe Jurgens

Chloe Jurgens joined us in January in the Strategy and Performance Team as an Associate Director in the Auckland Office. Chloe is leading our Finance and Enterprise Performance Management (EPM) area and also works closely with Deal Advisory.



Tuhi Isaachsen

Tuhi Isaachsen has joined us as a Director within Performance Consulting. We are investing in our Strategy offering and Tuhi will leverage the KPMG Global Strategy Group's IP to serve our New Zealand clients. Tuhi is based in Auckland with a national focus on Growth and Deal Strategy.



Jacqui Scott

Jacqui Scott has joined us in the Performance Advisory team. She is responsible for establishing our Customer Strategy and Growth Division. Jacqui has come from the Private Sector and has over 20 years' experience in customer strategy projects in the services sectors specifically Telco, Banking, Postal and Energy sectors.



Ian Williamson

Ian Williamson has joined us as a Director in Auckland within the Performance team, focused on growing our supply chain and operations offering. He joins us after spending the last five years working throughout the ASIAN region, focused within the consumer goods, retail and high tech industries.

FAREWELL

SINCE THE LAST EDITION OF KONNECTIONS, WE FAREWELLED:



Malcolm Bruce

After 11 years with the firm, Malcolm Bruce has accepted the position of Chief Risk Officer at Kiwibank. His new role strengthens our relationship with a key strategic client.

SPECIAL MENTIONS AND ACCOLADES:



Rebecca Armour

We would like to congratulate Rebecca Armour, Tax Partner on being nominated a finalist in the Westpac Women of Influence 2014 awards, in the Community section. Rebecca was nominated as a founder of the Corporate Mothers' Network – a networking platform for corporate women who are balancing busy family commitments with a career. Together with co-founder Kate Davies, the Corporate Mothers' Network was established by Rebecca in June 2013, while she was on maternity leave with her second son. Their events have drawn together large numbers of women from across the business community.

**FUELLING
PROSPERITY** 

CREATING THE COUNTRY WE ALL KNOW NEW ZEALAND DESERVES TO BE.

New Zealand's economic engine is fuelled by the success of our many and diverse private and public enterprises.

At KPMG we are proud to be applying our expertise to help inspire and encourage our innovators, business leaders and entrepreneurs to build successful and sustainable world beating business enterprises.

We passionately believe that our work in helping fuel the prosperity of our clients significantly contributes to ensuring our communities, our country and ultimately all New Zealanders will enjoy a more prosperous future.

Share our purpose of fuelling New Zealand's prosperity?

Whether your organisation is private or public, big or small, corporate or entrepreneurial, wherever you are; we want to help you achieve your prosperity aspirations.

FUELLINGPROSPERITY.CO.NZ
PROSPERITY@KPMG.CO.NZ
0800 80 KPMG

WHERE IN THE WORLD?



MURRAY SARELIUS
Hong Kong



JESSICA YEUNG
Melbourne

► **Murray, where in the world are you now and what is your role?**

Principal, Global Mobility Services in Hong Kong.

What made you want to go to Hong Kong?

The opportunity to join the team arose somewhat out of the blue. The leadership of the firm was looking to increase the bandwidth at partner level and to further develop the advisory part of the practice. Everything really fell into place – a new challenge professionally, an opportunity for further travel and my son was, at 8 years old, old enough to gain from the experience but young enough to be portable. Hong Kong is an amazing city – both in terms of vibe and the fact that,

despite changes that are happening in Mainland China, Hong Kong remains an important gateway between East and West.

How do you think this experience will benefit your career?

Having worked in London previously, it is great to be back in the centre of things. Hong Kong is truly an international city. As such it presents the opportunity to be more involved in pan-regional planning activities and part of a large, mature international tax practice that is going through a period of transformation – shifting from being a traditional global mobility practice that is substantially compliance driven, to one that is

innovating and focused on new client offerings and sectors.

What is your favourite local meal or snack you have discovered?

It's hard to pick any single food. Hong Kong has an amazing range of excellent restaurants from any origin –from cheap and cheerful to 3-star Michelin places... and we have tried both extremes. A big change for me is eating Chinese food. In New Zealand, I avoided Chinese restaurants – many of them are pretty average. Now anything goes - jellyfish, chicken feet, fish lips... but the favourite would have to be the simple steamed Shanghaiese soup dumpling – Xiao Long Bao.

► **Jess, where in the world were you and what was your role?**

Melbourne, Australia. Designer in the Brand, Marketing and Communications Team.

What made you want to go to the Melbourne?

I went to Melbourne on a six-month secondment from Auckland. I came across this job when I was scrolling through the KPMG job listings site. Melbourne is almost like a bigger version of Auckland. It's Australia's hub of sport, style and

culture. I really enjoyed the vibe there and the food is amazing. There is never a boring moment in Melbourne – there's a lot of festivals, events, shows.

How do you think this experience has benefited your career?

This experience has given me the opportunity to work on diverse projects which are much larger in scale, due to the size of the firm. The design team I worked in had a diverse skill-set – from Multimedia Designer to Social Media specialist. It was

great to see how other in-house design studios operated in another firm and we exchanged a lot of skills and assets which was really helpful.

Have you learnt a good / funny / helpful phrase you can share?

There was definitely a bit of an accent barrier! Australians have a thing with abbreviating and adding an 'o' at the end – eg. Service Station = Servo, Right = Righto. I also learnt the phrase 'fair dinkum', to mean someone really genuine. As in: 'John is fair dinkum. You can trust him'.



OUR ALUMNI

MOVERS & SHAKERS

AUCKLAND

Gabriel Akindeju (2013 – 2015)

is now Managing Consulting Director
at Risks Consult Limited

Michal Amzallag (2011 – 2015)

is now a Forensics Manager
for KPMG New York

Mark Brooks (2006 – 2010)

is now Senior Manager at McGrathNicol

Alexandra Casas (2013 – 2015)

is now an Audit Manager
for KPMG San Francisco

Blair Clark (2011 – 2015)

is now a Corporate Accountant
for Todd Property

Julie Clarke (1987 – 2014)

is now Parish Administrator
at Saint Luke's Mt Albert

Glen Cordes (2012 – 2015)

is now Systems Specialist
at Ports of Auckland

Kate Donaldson (2002 – 2015)

is now Group Accounting Manager
at Foodstuffs North Island

Jawaid Dossani (2013 – 2015)

is now a Senior Manager
at IFRS Foundation

Grace Elgaard (2013 – 2015)

is now Senior Accountant / Consultant
for KPMG Vancouver

Chantelle Fulton (2011 – 2015)

is now External Reporting Manager
for Fletcher Building

Grant Galloway (2009 – 2014)

is now a Senior Audit Manager
at DFK Oswin Griffiths Carlton

Adam Griffiths (2012 – 2015)

is now Project Director
for KPMG Australia

Rod Harris (2010 – 2015)

is now a Director at PwC

Jaimee Hart (2006 – 2012)

is now a Senior Manager
at Hayes Knight

Felicity Hill (2013 – 2015)

is now Associate Director
at SME Financial Limited

Susan Humphries (2009 – 2015)

is now a Financial Reporting Accountant
at BCS Group

Stephen Jefferies (2009 – 2015)

is now Group Regulatory Reporting
Manager at HSBC

Sarah Judkins (2010 – 2014)

is now Group Director at NZME

Hayden Keast (2008 – 2014)

is now Audit and Assurance Manager
for BDO Northland

Marissa Lee (2008 – 2011)

is now Business Development Manager
at Bafang Yunji International Company Ltd
in Hong Kong

Alton Lo (2011 – 2014)

is now a Senior Audit Associate
at KPMG Seattle

Tom Maling (2012 – 2015)

is now a Senior Tax Analyst for
Westpac New Zealand Limited

Erin McCloskey (2010 – 2014)

is now a Senior Audit Manager
at KPMG New York

Heidi Mo (2013 – 2014)

is now a Senior Audit Supervisor
at KPMG Vancouver

Fiona Narielwalla (2001 – 2015)

is now a Senior Manager
at KPMG New Jersey

Michelle Ngui (2007 – 2011)

is now Finance Manager for NBA London

Alexia Papadakis (2008 – 2015)

is now a Financial Analyst
at Johnson Matthey

Buffy Pereira (2007 – 2014)

is now Senior Divisional Accountant,
Asia at Wellard Rural Exports Pty Limited

Reg Prasad (2011 – 2014)

is now Head of Consulting
at Qual IT Solutions

Smridhi Prashar (2010 – 2015)

is now a Senior Consultant
at KPMG Toronto

Claire Quinn (2013 – 2015)

is now a Project Manager
at the New Zealand Transport Agency

Keiran Ranchod (2005 – 2009)

is now Food Service Manager
for Fonterra Singapore

Kelly Rupp (2013 – 2015)

is now a Senior Auditor at KPMG Kansas

Arloyd Santos (2013 – 2015)

is now Senior IT Auditor, Group Assurance
at Westpac New Zealand Limited

Akshata Singh (2011 – 2015)

is now a Financial Accountant
at OfficeMax New Zealand

Mykola Sokolov (2014 – 2015)

is now Senior International Auditor
at The Coca-Cola Company

Katie Spiller (2014 – 2015)

is now HR Business Partner
at KPMG London

Gordon Tian (2013 – 2015)

is now Finance Manager
at Southern Spars

Petr Valenta (2013 – 2015)

is now Senior Analyst – Subsidiaries
at Westpac New Zealand Limited

Michael Wright (2002 – 2014)

is now Best Practice and Operations
Manager at Spicers Portfolio Management

CHRISTCHURCH**Tim Blundell** (2012 – 2015)

is now Supervising Senior at the Office
of the Auditor-General

Jennifer Dawson (2013 – 2014)

is now a Senior Consultant
at EY Assurance

Kim Jenkins (2012 – 2015)

is now a Manager at Grant Thornton

HAMILTON**Hamish Crombie** (2014 – 2015)

is now a Manager – Consulting Services
at Deloitte

Simone Findsen (2010 – 2015)

is now a Commercial Account Manager
for ASB

Charlotte Piwari (2013 – 2014)

is now Consolidation Accounting Lead
at Fonterra

TAURANGA**Michelle Stimpson** (2003 – 2014)

is now Client Services Manager
at Engine Room CA Ltd

WELLINGTON**David Bennett** (2011 – 2015)

is now a Financial Accountant
at Land Information New Zealand

Malcolm Bruce (1993 – 2015)

is now Chief Risk Officer for Kiwibank

Marton Denison (1987 – 2014)

is now Information Systems Manager
at Health Promotion Agency

Cameron Hall (2011 – 2015)

is now a Contract Accountant
for Innocent Drinks

Darren Howells (2013 – 2014)

is now an independent consultant
– Intelligence and AML

Paul Johnson (2006 – 2015)

is now a Senior Accountant for ANZ

Matthew Judge (2005 – 2015)

is now CFO at MAS

Claire Linskill (2002 – 2014)

is now Principal Advisor, ICT Assurance
at the Department of Internal Affairs
(New Zealand)

Anil Patel (2011 – 2014)

is now a Financial Accountant for Xero

Susan Roche (2010 – 2014)

is now a Management Accountant
for Cath Kidston

Flynn Salter (2011 – 2015)

is now Financial Controlling Analyst
at Philip Morris International

Michelle Shewan (2011 – 2014)

is now a Financial Accountant
at Endemol Shine Group

BEREAVEMENTS

Our sincere condolences to the family
and friends of our past colleagues.

Regina (Gina) Dawes (CHC 1981 – 2001)

sadly passed away 16 November 2014

James (Jim) Driver (AKL 1961 – 1987)

sadly passed away 12 March 2015

BIRTHS**Mark Brooks** (2006 – 2010)

and his wife Jessica Mark are now
the proud parents of James Brooks
who was born on 22 February, 2015

Kate Niceski (2005 – 2014)

along with her partner Todd Meyer
welcomed daughter Trina Meyer
on 15 April 2015, weighing 3.44kg

Reeyah Waheed (2015)

Nafe Waheed, a baby girl. Born
on 8 August 2015, weighing 2.7kg

MARRIAGES**Sarah Lind (nee Butler)**

(TRG 2010 – 2011) married Kaha Lind
on 10 May 2015 in Bali

Erin Olsen Cooper (nee Olsen)

(TRG 2009 – 2011) married Blair Cooper
in April 2015 at Attabus in Tauranga

Kieran Ranchod

(2005 – 2009) and Sarah McCracken
(2007 – 2009) married on 20 March 2015
on Waiheke Island

Jenna Spearman

(2006 – 2008) married Nic Rysenbry
on 6 March 2015 in Russell, Bay of Islands

Auckland

KPMG Centre
18 Viaduct Harbour Ave
PO Box 1584
Auckland 1140
T: +64 09 367 5800
F: +64 09 367 5875

Hamilton

KPMG Centre
85 Alexandra Street
PO Box 929
Hamilton 3240
T: +64 07 858 6500
F: +64 07 858 6501

Tauranga

KPMG, Level 2
247 Cameron Road
PO Box 110
Tauranga 3140
T: +64 07 578 5179
F: +64 07 578 2555

Wellington

KPMG
10 Customhouse Quay
PO Box 996
Wellington 6140
T: +64 04 816 4500
F: +64 04 816 4600

Christchurch

KPMG
62 Worcester Boulevard
PO Box 1739
Christchurch 8140
T: +64 03 363 5600
F: +64 03 363 5629

Ashburton

KPMG
255 Havelock Street
PO Box 564
Ashburton 7740
T: +64 03 307 6355
F: +64 03 307 6358

Timaru

KPMG
14 The Terrace
PO Box 526
Timaru 7910
T: +64 03 686 9061
F: +64 03 686 9062

www.kpmg.com/nz



Visit: KPMG to stay connected