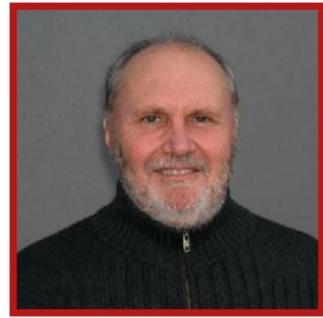


CORE
BUSINESS ACCOUNTANTS



CENTRAL TO YOUR SUCCESS

Case Study – Dale Duguid

For many accounting practices there are few surprises - tax planning, business structuring, superannuation, compliance - but every now and then a client comes on board and challenges everything you've ever known about business and takes you on a journey that, to say the least - blows out the intellectual cobwebs.

For us at Core Business, that client is SMI-Photon previously known as Photon VFX.

Ashley McGuirk has provided accounting services for business owners Dale Duguid and Anne Tweedale since 1998 and during that time the trio and the Photon management team has spent many hours discussing complex aspects of a business that operates on a global stage and within a unique industry.

But first...let's set the scene and introduce Photon VFX.

If you've ever marvelled at the special effects on the big screen, then there's every chance you've experienced the handiwork of Photon VFX.

The rather significant repertoire of films they've worked on range from Scooby Doo to Superman Returns and Australia to Anacondas. They've received nominations for Emmy's and Academy Awards. Indeed Dale himself has been honoured, receiving the Centenary Medal in 2003 for his Outstanding Contribution to the Film Industry. Their clients include Disney, Warner Bros, Village Roadshow, Paramount, 20th Century Fox, MGM and Sony/Columbia.

And if that's not enough achievement for one lifetime, Dale who has developed considerable Intellectual Property (IP) has taken his skills and experience to a whole new level, embarking on a joint venture with a major Chinese corporation to create what will effectively become the next Hollywood.

Moving forward the company will be known as SMI-Photon.

So, how does one become involved in films, let alone climb to the top of what is without doubt a highly specialised and super competitive industry?

For a young Dale who was born in Gympie, schooled at Nambour State High (along with another notable class mate - Kevin Rudd), he was like many kids finishing year 12 in that he really didn't know what he wanted from life. He enrolled to study architecture, but more interested in adventure, travelled to California where he discovered a place where the universal attitude is one of 'anything's possible'.

Buoyed by the kind of enthusiasm and encouragement that Californians are famous for when it comes to following a dream, Dale returned to Australia and pursued his interest in films. While you

might expect the clichéd ‘and the rest was history’ to apply, it certainly wasn’t that simple or that fast.

Back in Australia, Dale and his wife, Anne did the hard yards in an industry where you start at rock bottom and you work harder than anyone can possibly imagine. Earning a reputation for talent and experience and an unshakable work ethic, reliability and absolute commitment is what makes the telephone ring for the next film project.

While the Australian Film Industry was producing very good films, Dale realised that they were lacking ‘illusionary’ qualities which, as we know today, is responsible for a far wider audience appeal.

Starting with nothing and absolutely no assistance from government or the film industry itself, Dale built an entirely new visual effects service which spawned a whole new industry within films.

Today that hard work, knowledge, talent and absolute commitment has been recognised and duly rewarded as Dale exports his Australian IP to develop what is tipped to be the world’s largest vertically integrated media business in the world.

Super-creative visual effects aside, there is an exceptionally talented management team keeping the engines running.

Photon has a structured management platform – a general manager and chief financial officer supported by external consultants in human resources, industrial relations and accounting specialists which is where Core Business lends a hand.

In short, the crew at Photon can manage just about any business event thrown at them and yet, Core Business remains part of the team. Why?

According to Dale, it’s partly tenure, but he also appreciates the firm’s intelligent professionalism and the genuine affinity he has with his key contacts – Ashley McGuirk and Jenny Newport.

“I’ve been a client of Ashley’s since 1998 and during that time we’ve developed a very strong professional relationship that has developed from basic accounting into complex matters and often involves my phoning Ashley simply to bounce around ideas,” Dale said.

Essentially, Core Business provides three main functions: High level tax/structural advice for Photon’s CFO to incorporate into big picture business planning; an external sounding board for the business owners that bridges the gap between personal and business affairs that the management team may not always be privy to; and an external counsel for Photon’s extremely capable CFO who carefully maps out frequently complex financial strategies.

“Core Business provides fresh thinking and well considered professional opinion for problem solving and achieving business goals,” Dale said.

The advice provided by Core Business over the years on behalf of Photon is exhaustively varied ranging from administrative accounting reviews to mergers, joint ventures, acquisitions and sales to asset protection and specialist tax advice on issues relating to copyright values, film investments, offsets and rebates and film financing.

Ashley and his team have assisted with film project budgets and liaised with international accountants for business activities conducted in those countries and researched ATO compliance for overseas income and salary packaging for foreign contractors.

While Dale and his team enjoy the genuine and professional service on offer, Core Business has clearly enjoyed the exposure to what are at times unique business circumstances, which test their professional mettle and has enabled them to grow and expand their intellectual and professional experiences.