



SHERIDANS
CHARTERED ACCOUNTANTS

PAXMIL EDUCATION HOLDINGS PTY LTD

(In Liquidation)

ACN 099 081 188

Formerly trading as Perth International College of English
(PICE)

Report to Creditors

Section 70-40

Insolvency Practice Rules (Corporations) 2016

15 September 2025

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Enclosures

- (i) Proof of Debt or Claim form

1. Introduction

- 1.1 I refer to my appointment as Liquidator of the company on 16 June 2025 and to my Initial information for creditors dated 30 June 2025.
- 1.2 The purpose of this report is to provide creditors with an update on the progress of the liquidation in accordance with Section 70-40 of the Insolvency Practice Rules (Corporations) 2016, and to advise creditors of the likelihood of a dividend being paid in the liquidation.

2. Receipts and payments

The following is a summary of receipts and payments in the liquidation to date:

	\$
Receipts	
Cash on hand	56.10
Contribution	10,000.00
FEG payment for verification work	3,139.50
Interest income	47.49
Sale of motor vehicle	3,818.18
Sale of plant and equipment	635.00
	17,696.27
Payments	
Liquidator's fees:	
General	9,090.91
FEG verification	3,139.50
Xero subscription	33.16
GST (net)	467.08
	12,730.65
Cash at bank as at 15 September 2025	4,965.62

3. Assets

- 3.1 The company's director, Mr John Paxton, gave an estimate in his Report on Company Activities and Property ("ROCAP") of potential realisations. Set out below is a comparison of this estimate with the Liquidator's estimate and actual realisations to date.

	Ref	ROCAP estimate \$	Liquidator's estimate \$	Liquidator's realisations to date \$
Pre-appointment debts	3.2	20,000.00	Unknown	Nil
Cash on hand	3.4	56.00	56.00	56.00
Plant and equipment	3.5	25,717.00	10,000.00	4,453.18
		45,773.00	10,056.00	4,509.18

Pre-appointment debts

- 3.2 The company's books recorded pre-appointment debts for the estimated value of \$20,000.
- 3.3 I am currently determining the extent to which the debts are recoverable. At this stage, it is unclear how much will be realisable.

3. Assets (cont.)

Cash on hand

- 3.4 A total of \$56.00 in cash was recovered from the company's former premises shortly following my appointment, which was subsequently deposited into the liquidation's bank account.

Plant and equipment

- 3.5 The company's books recorded computer software & hardware, furniture and equipment and a 2009 Mitsubishi Outlander ("the vehicle").
- 3.6 Following my attendance to the company's former premises, I determined that the furniture and equipment primarily comprised classroom desks, chairs, whiteboards, fridges, microwaves, CD players, projectors and computers.
- 3.7 The saleable furniture and equipment was collected from the premises and transported for auction. The auction ended recently and I expect to receive the sale proceeds less selling costs shortly.
- 3.8 Prior to the auction, I realised \$635 from the sale of furniture and equipment to similar businesses and former staff.
- 3.9 Mr Paxton expressed an interest in purchasing the vehicle from the company. I therefore obtained a desktop valuation that estimated the value of the vehicle to be \$4,200 (incl. GST).
- 3.10 I agreed a sale of the vehicle to Mr Paxton at \$4,200 (incl. GST). This amount has been received in full.

4. Secured creditors

- 4.1 According to a search of the Personal Property Securities Register ("PPSR") on 12 June 2025, the following security interests were registered against the company:

Secured creditor	Security interest	Status
ANZ Banking Group Ltd ("ANZ")	AllPaaP (no exceptions)	Security over all the company's property save for property predominantly for personal use. Currently determining validity of security interest.
De Lage Landen Pty Ltd ("DLL")	PMSI	Valid security interest. The agreement was disclaimed and DLL collected its equipment from the company's premises.

AllPaaP = All Present and after-acquired Property

PMSI = Purchase Money Security Interest

- 4.2 I have not identified any related party secured creditors.
- 4.3 Based on current information, it appears that the ANZ is owed \$341,285.59.

5. Priority creditors

- 5.1 Set out below is the director's estimate of the company's priority creditors compared to my estimate:

	ROCAP estimate \$	Liquidator's estimate \$
Wages	31,369.62	2,000.00
Superannuation	6,988.04	Unknown
Leave of absence	166,414.57	57,001.03
Retrenchment	-	110,951.55
	204,772.23	169,952.58

- 5.2 I have identified one related-party priority creditor, being the company's director, Mr John Paxton. Related-party priority creditors are deemed to be excluded employees and are ineligible to make a claim under the Federal Government's Fair Entitlements Guarantee Act 2012 ("FEG").
- 5.3 Pursuant to the Corporations Act 2001, excluded employees' priority claims are capped at \$2,000 in respect of outstanding wages and superannuation, and \$1,500 in respect of outstanding leave of absence. Any priority amounts owing to excluded employees which exceed these caps are classified as unsecured debts in the liquidation.
- 5.4 If you were an employee of the company at the date of liquidation, or you have previously been employed by the company, you may be a creditor of the company for any or all of the following debts: outstanding wages, annual leave, long service leave, pay in lieu of notice, redundancy and/or superannuation.
- 5.5 If you are owed accrued entitlements, you may be eligible for assistance under the Federal Government's Fair Entitlements Guarantee Act 2012 ("FEG"). For further information regarding FEG, please call the FEG hotline: 1300 135 040 or go to the website: www.employment.gov.au/fair-entitlements-guarantee-feg. **Former employees have only 12 months from the date of liquidation to lodge a FEG claim and FEG has no discretion to extend this time.**
- 5.6 Please find enclosed a Proof of Debt or Claim form to enable any priority creditors who have not already done so to lodge their claim against the company. Note that any FEG claim must be lodged separately with FEG.

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6. Unsecured creditors

- 6.1 According to the director's ROCAP, the company had 59 unsecured creditors, whose claims totalled \$1,623,704.00.
- 6.2 On the basis of current information, I estimate that the total amount owed to unsecured creditors is \$2,537,084.58.
- 6.3 This includes a related-party claim of \$900,855 submitted by the company's director in relation to loans provided to the company. In addition, the director is claiming employee entitlements of \$201,091 that exceed the priority claim caps (see point 5.3).
- 6.4 Please find enclosed a Proof of Debt or Claim form to enable any unsecured creditors who have not already done so to lodge their claim against the company.
- 6.5 **If you have already submitted your claim, you do not need to complete the enclosed Proof of Debt or Claim form unless you wish to amend your claim.**

7. Dividend

- 7.1 The likelihood that a dividend will be paid to creditors will be affected by a number of factors including:
 - (i) The size and complexity of the administration.
 - (ii) The amount of assets realisable and the costs of realising those assets.
 - (iii) The statutory priority of certain claims and costs.
 - (iv) The value of various classes of claims including secured, priority and unsecured creditor claims.
 - (v) The volume of enquiries by creditors and other stakeholders.
- 7.2 On the basis of current information, I consider it unclear whether a dividend will be paid to priority creditors, and unlikely that a dividend will be paid to unsecured creditors.
- 7.3 If a dividend is payable, creditors will be contacted prior to payment of the dividend and will be asked to lodge a Proof of Debt. This will formalise creditors' claims against the company.

8. Reasons for the company's failure

- 8.1 I note that company's business ceased to trade on 13 June 2025.
- 8.2 From my preliminary inquiries to date (see Section 9), I consider that the reasons for the company's failure are likely to be as follows:
 - (i) Impact of COVID-19 on the number of international student enrolments.
 - (ii) Increased student visa application fees and reduction in number of international student visas being granted.

9. Inquiries undertaken to date

The following inquiries have been made to date:

- (i) Undertaking searches including a company search, PPSR search, vehicle search, director search and property search.
- (ii) Contacting the Sheriff's Office to determine whether any recovery action has been undertaken on behalf of creditors.
- (iii) Contacting the Child Support Agency and Workcover WA to determine the company's outstanding liabilities.
- (iv) Contacting the Office of State Revenue and the Australian Taxation Office ("ATO") to determine the company's outstanding tax-related liabilities.
- (v) Requesting that the ATO provide me with access to the company's taxation records via the Business Portal.
- (vi) Attending the company's former premises.
- (vii) Collecting and preparing a listing of the company's books and records.
- (viii) Reviewing the company's financial statements and draft accounts to determine whether there are any unaccounted for assets and/or liabilities.
- (ix) Reviewing the director's Report on Company Activities and Property.
- (x) General inquiries of the company's director regarding assets and liabilities.
- (xi) Sending an initial notice to creditors, encouraging creditors to submit their claim against the company.

10. Further inquiries that may need to be undertaken

10.1 I note the following further inquiries may need to be undertaken:

- (i) Extensive review of the company's books and records.
- (ii) Conducting an investigation into the company's affairs and the conduct of its officer.
- (iii) Determining whether there are any possible recovery actions (see Section 11).
- (iv) Lodging a report with ASIC detailing my investigation findings.
- (v) Further inquiries of the company's director regarding assets and liabilities.

10.2 If creditors are aware of a particular matter that requires investigation, please contact this office immediately.

11. Possible recovery actions

I have not yet determined any possible recovery actions but note that the most common recovery actions available to a liquidator are as follows:

- (i) Insolvent trading.
- (ii) Unfair preferences.
- (iii) Uncommercial transactions.
- (iv) Unreasonable director-related transactions.

12. What happens next?

12.1 I will proceed with the liquidation, including:

- (i) Recovering any further available property.
- (ii) Completing my investigations into the company's affairs.
- (iii) Completing my reporting to the corporate insolvency regulator, ASIC.

12.2 I may write to creditors again with further information on the progress of the liquidation.

13. More information

Creditors can access information which may be of assistance on the following websites:

- (i) Sheridans at www.sheridansac.com.au/downloads/
- (ii) ARITA at www.arita.com.au/creditors
- (iii) ASIC at www.asic.gov.au (search for "insolvency information sheets")

If you wish to discuss the above matters, please contact Melissa Ledger or Jonathon Dredge of this office.

Yours faithfully



JENNIFER E. LOW
Liquidator of
Paxmil Education Holdings Pty Ltd