

ABC Learning Centres value of \$650m written off ^[1]

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EXCERPTS

In the dying days of ABC Learning Centres, the global operator wrote down almost \$650 million of the controversial book value given to its childcare centre licences.

The writedown, detailed in a creditors' report from administrators Ferrier Hodgson, followed earlier scepticism in the market about the value put on the childcare licences, The Courier-Mail reports.

The revelation comes as litigation funder IMF yesterday agreed to back financially any public court examination of ABC, which would be likely to involve directors.

IMF said any examination would focus on lending charges locked in by banks only months before ABC, founded by Eddy and Le Neve Groves in 1988, collapsed in November last year.

A successful action to overturn bank charges could lead to greater returns to unsecured creditors.

IMF managing director John Walker said issues to probe included whether ABC was insolvent at the time and what knowledge banks had of the situation at the time.

...

Issues to be examined could include possible breaches of duties by directors and former auditors, ABC's financial situation and the bank charges.

-reprinted from The Courier Mail

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