

# ABC Learning Centres overstated assets by \$1.2bn <sup>[1]</sup>

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## AVAILABILITY

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## EXCERPTS

A report presented to creditors of failed childcare operator ABC Learning Centres has found that the company overstated the value of its assets by \$1.2 billion in the first half of 2008.

A meeting of creditors in Brisbane this morning voted to formally wind up the company, which at its peak was Australia's biggest childcare operator and the second-largest childcare operator in the world.

The 29 people at the meeting all voted unanimously to wind up the company, which has debts totalling \$1.9bn.

Administrator Peter Walker told the creditors that the process of selling the 100 or so childcare centres that were in the ABC chain should be completed by the end of June.

He anticipated that it would be at least three months before creditors got some idea of how much money they would be able to get back.

"What the auditors did in finalizing the '08 year was to look at the assets overstated in the books, and the view that they formed was that the assets were overstated by about \$1.2 billion," said Mr Walker outside the meeting.

"It leads to demonstrating at a point in time that the company was insolvent. Our view hasn't changed in that -- we believe that some time in the first half of 2008, they were trading while insolvent."

-reprinted from the Australian

**Region:** Australia and New Zealand <sup>[2]</sup>

**Tags:** international organizations <sup>[3]</sup>

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<https://childcarecanada.org/category/region/australia-and-new-zealand> [3] <https://childcarecanada.org/category/tags/international-organizations>