

**IN THE COURT OF KING'S BENCH OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE BANKRUPTCY OF
792836 ALBERTA LTD.**

TRUSTEE'S REPORT TO CREDITORS

November 20, 2023

BACKGROUND AND INSOLVENCY EVENTS

This report has been prepared by MNP Ltd., in its capacity as Licensed Insolvency Trustee (the "Trustee") of the bankrupt estate of 792836 Alberta Ltd. (the "Company" or "792") to provide preliminary information to the creditors as at the date of this report.

The Company was incorporated in Alberta on July 15, 1998, and the Company's directors as at the date of bankruptcy are Mrs. Tracy Battenfelder ("T. Battenfelder") and Mr. Alan Battenfelder ("A. Battenfelder"). The Company owned and operated a construction business in and around Redwater, Alberta.

We understand the Company ran into financial difficulties as a result of ongoing challenges with finding skilled employees and was not able to meet its financial obligations as they generally became due. We understand the Company ceased operations at the end of 2016.

The Company made an assignment into bankruptcy on October 31, 2023. MNP Ltd. consented to act as the Licensed Insolvency Trustee.

FINANCIAL SITUATION

Table 1 summarizes the statement of operations for the fiscal year ending, September 30, 2016. The financial statements were compiled by an independent, external accountant and are the most current financial statements available.

Table 1	
	Year Ended Sep. 30, 2016
Revenue	441,373
Cost of sales	<u>(158,432)</u>
Gross profit	282,941
Operating and admin expenses	<u>(416,743)</u>
Net income for the year	(133,802)
Deficit from the beginning of year	<u>(233,000)</u>
Net Income (loss)	<u><u>(366,802)</u></u>

The Company had a net loss of \$366,802 for the fiscal year ended September 30, 2016. We understand no financial statements were prepared for fiscals 2017, 2018, 2019, 2020, 2021, 2022, or 2023 as the Company had minimal to no operations.

Table 2 summarizes the balance sheet for the fiscal year ending September 30, 2016. These financial statements were compiled by an independent, external accountant and are the most current financial statement on file.

Table 2	
Year Ended Sep. 30, 2016	
Assets	
Property and Equipment	614,517
Less: Amortization	<u>(425,813)</u>
	188,704
	188,704
Liabilities and Shareholders' Deficiency	
Bank Indebtedness	53,454
Accounts Payable	63,594
Due to shareholders	<u>17,347</u>
	134,395
Long Term Debt	<u>421,110</u>
	555,505
Share capital	1
Shareholder's equity (deficit)	<u>(366,802)</u>
	188,704

CONSERVATORY AND PROTECTIVE MEASURES

We understand the Company operated from a home office and had no assets at the date of bankruptcy.

The Trustee understands the Company officially ceased all business activities at the end of 2016. The Company had no employees in recent years and there are no outstanding salaries, wages, vacation pay, or severance amounts owed to employees.

The Trustee sent correspondence to TD Canada Trust ("TD") requesting the Company's bank accounts be frozen and any funds remaining be forwarded to the Trustee. TD has confirmed the account is frozen and was overdrawn as of the date of bankruptcy.

BOOKS AND RECORDS

The Trustee has taken possession of certain books and records of the Company, including financial statements and bank statements.

The Trustee is in the process of obtaining access to the tax records of the Company through the authorized representative process of the CRA.

SECURED CREDITORS

The Trustee has reviewed the Company's books and records and the Personal Property Registry and confirms there is a security registration in favor of Toronto Dominion Bank ("TD"). However, we note that as at the date of this report, TD has filed an unsecured proof of claim as of the date of this report for the amount of \$73,166.

The Company's books and records indicate there are amounts owing to CRA for source deductions and GST. Any amounts owing to CRA related to unpaid source deductions may constitute a deemed trust claim with priority over all other secured claims. CRA has not filed a proof of claim as of the date of this report.

UNSECURED CREDITORS

Based on the Company's books and records, the Trustee is aware of 2 unsecured creditors owed approximately \$62,000. Table 3 outlines the major unsecured creditors.

Creditor	Table 3 Estimated Claim
Canada Revenue Agency	156,673
McAllister LLP	378
WCB - Alberta	1

IDENTIFICATION AND VALUATION OF ASSETS

Based on discussions with management and a review of the books and records, the Company has no assets available for realization by the Trustee. Accordingly, we estimate there will be no recovery to the unsecured creditors.

LEGAL ACTIONS

The Trustee is not aware of any ongoing litigation against or by the Company.

REVIEW OF RECORDS & CONDUCT OF THE DEBTOR

The Trustee is in the process of reviewing the books and records of the Company that were made available, including bank statements for the period of January 1, 2023, to October 31, 2023, when the bank account was closed, and externally compiled financial statements to September 30, 2016. The Trustee will seek instructions from the Inspector, or creditors of the estate, in the event transactions are identified that could be regarded as preference payments or transfers undervalue in accordance with the *Bankruptcy and Insolvency Act*.

A retainer in the amount of \$10,000 was provided to the Trustee by T. Battenfelder and is considered a shareholder distribution.

CONCLUSION

The Trustee estimates there will be no recovery to the unsecured creditors.

MNP Ltd.

Licensed Insolvency Trustee of 792836 Alberta Ltd.

Per: _____


Kristin Gray, CPA, CA, CIRP, LIT

Senior Vice President