

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

**IN THE MATTER OF THE BANKRUPTCY OF
CDR WOODWORKS LTD.**

TRUSTEE'S REPORT TO CREDITORS

January 31, 2024

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 CDR Woodworks Ltd. (the "Company" or "CDR") to provide preliminary information to the creditors as at the date of this report.

The Company was incorporated in Alberta on February 28, 2019, and the Company's sole director as at the date of bankruptcy is Mr. Cameron Robertson ("Robertson"). The Company owned and operated a construction business in and around Fairview, 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 in April 2022.

The Company made an assignment into bankruptcy on January 27, 2024. MNP Ltd. consented to act as the Licensed Insolvency Trustee.

FINANCIAL SITUATION

Table 1 summarizes the statement of operations for the fiscal year ending December 31, 2023. The financial statements were management prepared and are the most current financial statements available.

Table 1	
	Year Ended Dec. 31, 2023
Revenue	-
Cost of sales	-
Gross profit	<u>-</u>
Operating and admin expenses	<u>(3,697)</u>
Net income for the year	(3,697)
Deficit from the beginning of year	-
Net Income (loss)	<u><u>(3,697)</u></u>

The Company had no operations and incurred a net loss of \$3,697 for the fiscal year ended December 31, 2023.

Table 2 summarizes the balance sheet for the fiscal year ending December 31, 2023. These financial statements were management prepared and are the most current financial statements available.

Table 2	
	Year Ended Dec. 31, 2023
Assets	-
	<u>-</u>
	<u><u>-</u></u>
Liabilities and Shareholders' Deficiency	
Accounts Payable	6,371
Accrued Liabilities	2,000
Due to shareholders	12,436
	<u>20,806</u>
Long Term Debt - CEBA	40,000
	<u>60,806</u>
Shareholder's equity (deficit)	(60,807)
	<u><u>-</u></u>

CONSERVATORY AND PROTECTIVE MEASURES

We understand the Company previously operated from a leased premises and had no assets at the date of bankruptcy. The Company vacated the premises prior to the date of bankruptcy.

The Trustee understands the Company officially ceased all business activities in April 2022. 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 ATB Financial (“ATB”) requesting the Company’s bank accounts be frozen and any funds remaining be forwarded to the Trustee. ATB has confirmed the account is closed and there are no funds in the account.

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 Canada Revenue Agency (“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 the Workers Compensation Board of Alberta (“WCB”) that may have priority over the claims of unsecured creditors. We note that as of the date of this report, WCB has not filed a proof of claim.

The Company’s books and records indicate there are amounts owing to CRA for GST. 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 5 unsecured creditors owed approximately \$88,200. Table 3 outlines the major unsecured creditors.

Creditor	Table 3 Estimated Claim
ATB Financial - CEBA	60,000
Shareholder Loan	22,436
Gatestone & Co. Inc.	4,890
Canada Revenue Agency	873

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, 2022, to September 30, 2023, when the bank account was closed, and management prepared financial statements to January 16, 2024.

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*.

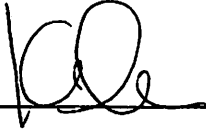
A retainer in the amount of \$10,000 was provided to the Trustee by Robertson and is considered a shareholder distribution.

CONCLUSION

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

MNP Ltd.

Licensed Insolvency Trustee of CDR Woodworks Ltd.

Per: 

Kristin Gray, CPA, CA, CIRP, LIT
Senior Vice President