

R. West & Associates Inc.

Licensed Insolvency Trustee



Required Corporate Information

Reason for insolvency

Consider and be prepared to explain the reason for insolvency. Consider whether or not the business is viable, and if not, what would be required to make it viable in your opinion.

Up-to-date financial records of the business

- Balance sheet – as current as possible
- Income statement – monthly and year to date
- Accounts receivable subledger – balance should be reconciled to balance sheet
- Accounts payable subledger – balance should be reconciled to balance sheet
- Last year financial statements and tax return

List of creditors and the amounts owed to each creditor

- CRA – payroll remittance arrears (director liability)
- CRA – GST arrears (director liability)
- Wages and vacation pay obligation – also a director liability
- Landlord – if possible, obtain copy of signed lease – have you personally guaranteed it?
- Minister of Finance – arrears for Provincial Sales Tax (director liability)
- Workers' compensation
- Secured creditors, including leases of equipment – personally guaranteed?

List all financial institutions providing corporate financing. Include the amount owed versus the nature and value of the related security. Indicate whether the principals have personally guaranteed or provided collateral guarantees. If possible, obtain copies of financing agreements.

- Unsecured creditors
- Any contingent debt

Determine which trade creditors, if any, you have personally guaranteed. Identify “key” suppliers. This is important if you wish to restructure your debts. Also, do you have any creditors with “builder’s lien rights”?

Assets of the business and their value

- Receivables – provide aged listing of accounts and, where necessary, comment on collectability
- Inventory – breakdown between raw, work-in-progress, and finished goods
 - identify goods that are on consignment (if possible, provide consignment agreement)
 - identify goods received in the last 30 days but creditor not paid
- Equipment (identify and include leased goods)

- Vehicle values and locations (identify and include leased goods)
- Land and buildings (identify and include leased goods)
- Value of customer list?
- Value of patents, moulds, specific designs, and so on?

Consider income tax losses that may exist or that may be able to be carried back to prior taxable years.

Other matters

- Environmental concerns – hazardous wastes
- Unionized employees? – bring copy of collective agreement
- Licensing agreements
- Builder's lien rights